

STATE OF LOUISIANA
OFFICE GROUP BENEFITS (OGB)

NOTICE OF INTENT TO CONTRACTS
FOR
FULLY INSURED VISION PLAN

ISSUED: August 15, 2005

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SECTION I
BACKGROUND AND SCOPE

A. Introduction

The State of Louisiana, through the Office of Group Benefits (OGB) requests proposals from any qualified firm/organization (Proposer) to provide a “Fully Insured Vision Plan” to active and retired plan participants on a statewide basis.

This will only be a state “sponsored” product and not a product that is part of OGB’s current Health Insurance Program. Plan participant will be responsible for the premium/payment of the vision insurance. OGB will not be responsible for collecting or submitting premium/payment from the plan participant for the vision insurance offered to plan participants. **The Contractor awarded the contract that results from this NIC will have to coordinate the collection of premiums with the approximate 250 payrolls systems that participate in the OGB Health Insurance Program. Contractor will also be responsible for arranging a payment process for OGB retired plan participants.**

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 manages self-insured and self-administered health and accident benefits for approximately 85,000 plan members and 148,000 covered lives/plan participants.

OGB also administers an IRS qualified cafeteria plan offering optional benefits such as dental, eye care, cancer and catastrophic illness coverage, and health care and child care flexible spending accounts.

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

C. Scope of Services and Deliverables

The Contractor will offer OGB active and retired plan participants, on a statewide basis, a fully insured vision plan as described in Attachment A & B. Performance standards are described in Attachment C. Proposal should assume an effective date of January 1, 2006. Your rate quotation shall include a rate guarantee for thirty-six (36) months.

Statewide Service - OGB's Regions by Zip Codes:

<u>Region</u>	<u>Zip Code</u>
1 New Orleans	700 - 701
2 Houma/Thibodaux	703
3 Northshore	704
4 Lafayette	705
5 Lake Charles	706
6 Baton Rouge	707 – 708
7 Alexandria	713 – 714
8 Shreveport	710 – 711
9 Monroe	712

D. Standard Agreements (Memorandum of Understanding (MOU) and Business Associate Agreement (BAA))

OGB is expecting to award a three year Agreement (Memorandum of Understanding). Any resulting from this NIC will include the terms and conditions set forth in Attachment E – “Sample Memorandum of Understanding (MOU)” and Attachment F – “Business Associate Agreement (BAA)”. Suggested or requested modifications of the MOU or BAA terms should be detailed in the Proposal, subject to negotiation upon award. The impact of such modifications will be considered in the review and evaluation of the proposals. The provisions of this NIC 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.

E. MINIMUM REQUIREMENTS FOR ELIGIBILITY

1. Proposer must be appropriately licensed in the State of Louisiana to provide vision care services. If the Proposer is an insurance carrier, they must have an AM Best rating of B+ or higher. If not an insurance company and as such not rated by AM Best, then you must supply two (2) years of audited financial statements.

F. INSURANCE REQUIREMENTS

1. Upon the award of contract, the awarded vendor will provide to the Office of Group Benefits within 30 days of the award of contract an irrevocable Letter of Credit in the amount of \$100,000, or an irrevocable pledge of a Certificate of Deposit in the amount of \$100,000 to protect the State of Louisiana, Division of Administration, Office of Group Benefits, and any officer or employee from loss arising out of participation in the plan offered.

SECTION II

RESPONSES TO THE NIC

A. Technical Proposal Format

Proposers should respond thoroughly, clearly and concisely to all of the points and questions set forth in the NIC. 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 Questionnaire A

Tab 3 Questionnaire B

Tab 4 Signature Page

Tab 5 Cost/Quote Proposal Form

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 NIC in a separate, **sealed** envelope clearly marked, "Cost Proposal – Fully Insured Vision Plan NIC" on the outside of such envelope.

C. Ownership, Public Release and Costs of Proposals.

1. All proposals submitted in response to this NIC 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.

If a proposal contain trade secrets and/or privileged or confidential commercial or financial information which the Proposer (or his Subcontractor) does not want used or disclosed for any purpose other than evaluation of the proposal. The use and disclosure of such data may be restricted, provided the Proposer marks the cover sheet of the proposal with the following legend, specifying the pages of the proposal which are to be restricted in accordance with the conditions of the legend:

“The data contained in Pages _____ of the proposal have been submitted in confidence and contain trade secrets and/or privileged or confidential information and such data shall only be disclosed for evaluation purposes, provided that if a contract is awarded to this Proposer as a result of or in connection with the submission of this proposal, the State of Louisiana shall have the right to use or disclose the data therein to the extent provided in the contract. This restriction does not limit the State of Louisiana’s right to use or disclose data obtained from any source, including the Proposer, without restrictions.”

Further, to protect such data, each page containing such data shall be specifically identified and marked **“CONFIDENTIAL”**.

It should be noted, however, that data bearing the aforementioned legend shall be subject to release under the provision of the Louisiana Public Records Law, L.R.S. 44.1 et. seq. The State of Louisiana/OGB assumes no liability for disclosure or use of unmarked data and may use or disclose such data for any purpose. It should be noted that any resultant contract will become a matter of public record.

However, the State/OGB, reserves the right to make any proposal, including proprietary information contained therein, available to the Office of the Governor, Division of Administration, Office of Contractual Review, or other state agencies or organizations for the sole purpose of assisting the State/OGB shall require said individuals to protect the confidentiality of any specifically identified proprietary information or privileged business information obtained as a result of their participation in these evaluations.

3. Costs of preparation, development and submission of the response to this NIC 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	August 15, 2005
NIC distributed or made available to prospective proposers Posted on OGB/LAPAC Website	August 15, 2005
Deadline for receipt of written questions	August 25, 2005
Issue/Distribute answers to written questions	September 1, 2005
Mandatory Proposer's Conference	September 6, 2005
Proposals due	September 16, 2005
Follow-up discussions/Interviews	TBD
Probable selection and notification of award	TBD
Probable Effective Date of MOU/Services	January 1, 2006

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

B. Written Questions on the NIC

Written question regarding the NIC should be received in the office of the Chief Executive Officer of OGB not later than 4:00 p.m. (CDT) on the date indicated in the schedule of events. Written questions should be directed to:

Brenda St.Romain
Deputy Assistant Secretary
Louisiana Office of Group Benefits

Mailing Address:

Post Office Box 44036
Baton Rouge, Louisiana 70804

Delivery Address:

5825 Florida Blvd., 2nd Floor
Baton Rouge, LA 70806

Fax Number:

(225) 925-4721

E-Mail:
bstromain@ogb.state.la.us

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 NIC, 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 NIC 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 4:00 p.m. (CDT) on the date indicated in the schedule of events. Submit proposals to:

Brenda St.Romain
Deputy Assistant Secretary
Louisiana Office of Group Benefits

Mailing Address:

Post Office Box 44036
Baton Rouge, Louisiana 70804

Delivery Address:

5825 Florida Blvd., 2nd 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 NIC 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 award.

B. Evaluation Criteria

After determining that a proposal satisfies all requirements stated in the Notice of Intent to Contracts, 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. Scope of Services – Scoring of Questionnaire - A	300 points
2. Scope of Services –Scoring of Questionnaire - B	300 points
3. Cost of Services – Basic Plan	300 points
4. Cost of Services – Enhanced Plan	<u>100 points</u>
Maximum Points	1,000

C. Cost Evaluation

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

NOTE: All compensation, costs, and expenses related to providing the services and deliverables requested in this NIC must be included in the proposed total amount.

Evaluation of Cost:

The total contract charge must be quoted on Cost Proposal Form (Tab 5) of this NIC.

Basic Plan - The maximum of 300 points shall be given to the proposal with the lowest total cost. The cost proposal should be quoted on a Per Member Per Month (PMPM) basis.

Enhanced Plan – The maximum of 100 points shall be given to the Proposal with the lowest total cost. The cost proposal should be quoted on a Per Member Per Month (PMPM) basis.

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

$$\frac{(X)}{N} \times 300 = Z \quad \text{and} \quad \frac{(X)}{N} \times 100 = Z$$

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. NIC COORDINATOR/CONTACT

Name _____

Title _____

Address _____

City/State _____

Direct Dial
Telephone Number _____

Fax Number _____

E-mail Address _____

TAB 2

QUESTIONNAIRE A

Questionnaire-A

INFORMATION TO BE INCLUDED IN THE SUMMITTED PROPOSAL

Assumptions	Yes, Can Comply	Yes, Can Comply But With Deviations	No, Cannot Comply
Your rate quotation should assume a fully insured funding arrangement that will be in effect for the life of the contract.			
Proposer will coordinate with the approximate 250 payroll systems payroll deduction/collection of plan participant premium.			
Provide direct billing and premium remittal services for retirees and retiree dependents.			
If selected as an awardee, you will need to participate in annual enrollment (Month of April). You will be responsible for any expenses incurred including all printed materials.			
Your proposal should assume that you will provide a toll-free customer service/claim office telephone number. Hours of operation should be 8:00 a.m. to 4:00 p.m. CDT.			

If selected as an awardee, you will be required to provide a			
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provider directory file, in a format outlined by OGB.			
I.D. cards, member handbooks and certificate of coverage are to be mailed, in a timely manner, directly to the employee's home, with postage costs to be paid by the awardee(s). OGB staff shall approve the format and any additions or changes to I.D. cards.			
Provide full COBRA and HIPAA administration services.			
OGB shall review and approve all communication materials prior to mailing directly to the employee's home, by the awardee. Postage costs are to be paid by the awardee(s).			
No pre-existing/underwriting for the vision plan will be permitted except for late enrollees.			
You are required to maintain compliance with appropriate Federal and State statutes.			
Variations in actual enrollment shall have no affect on your rate quotation. Your proposal shall be valid regardless of the final enrollment mix.			
The Contract situs will be the State of Louisiana.			
A no-loss/no-gain provision shall apply to all current plan participants.			
Actively-at-work provisions shall be waived for all participants.			
All current participants must be offered coverage with no waiting periods.			
There shall be no exclusion provisions for initial open enrollment period and new employees.			

Questionnaire-A (Continued)

INFORMATION TO BE INCLUDED IN THE SUBMITTED PROPOSAL

Assumptions	Yes, Can Comply	Yes, Can Comply But With Deviations	No, Cannot Comply
The proposer shall agree that if a grievance or appeal is denied by said proposer, the employee will be permitted to meet with the selected proposer(s) in person, which will include the attendance of OGB personnel.			
The proposer shall agree to supply OGB with standardized reports upon request. These reports will include, but will not be limited to member-specific information, member enrollment information and/or claim reports.			
OGB will be given access to review claim payments for timely payment and correctness.			
Awardee(s) will assist/support and maintain a benefits portion of the OGB website at no cost to OGB. On the OGB website, the awardee(s) will be responsible for providing OGB with a link to the awardee(s) website that is customized to OGB employees providing, but not limited to plan designs and provider directories.			
Proposer must confirm that office visit copayment is all-inclusive. Patients may not be billed for any procedure associated with any eye examine beyond the applicable copayment.			

TAB 3

QUESTIONNAIRE B

Questionnaire - B

1. Insurer/Proposer _____

2. Current A.M Best Rating _____ as of (date) _____
 Current A.M. Best Financial Size _____ as of (date) _____
 Category _____

3. How long has your organization been providing vision care service? Use the chart below:

National	
State of Louisiana	

4. How many lives do your currently cover? How many employers? Use the chart below:

	Number of Employees	Number of Employees
National		
State of Louisiana		

5. Does proposal match the current benefits without modification? Please state any exceptions.
6. Provide the name, address and telephone number of the office that will service this account. Also provide the name of the person who will have overall responsibility for this account.
7. Describe the enrollment assistance that you will provide to OGB during Open Enrollment. Include samples of materials that would be included in the enrollment package.
8. How are updated provider directories made available to participants? Describe alternative means for plan members to obtain information on network provider (i.e., the Internet, an automated voice response system, etc).
9. Are patients subject to any ordering limitations (frequency or selection of eye wear)?

Questionnaire - B (Continued)

10. Can a member receive an exam from one provider and materials (frames, lens or contacts) from another provider?
11. How would your plan handle a situation where a patient orders additional materials or services that are not covered?
12. Indicated how glasses and contact lenses may be obtained; in office, by phone, or by mail.
13. What is the turnaround time (number of days) after an order for glasses and contact lenses has been ordered?
14. Do you have a centralized distribution facility?
15. If the vision care provider has a facility located in their office, can they fill the prescription for the glasses / contract lenses?
16. At what frequency, and under what conditions, can an employee change providers?
17. What is the current number of participating providers? Indicate by optometrist, ophthalmologist, and dispensing facility in Louisiana.
Use the chart below:

Region (Zip Codes) See page 4 of NIC	Number of Location	Percent of Independent Providers	Percent of Chain Providers	Number of Optometrists	Number of Ophthalmologists	Number Of Opticians	Number of Dispensing Facilities

18. Provide a breakdown of number of providers by independent practitioners and/or chain stores in Louisiana.
19. What percentage of your participating ophthalmologists are Board-certified or Board-eligible?
20. Describe how you would handle a situation where a provider refuses to give agreed upon discounts.
21. Describe your customer satisfaction guarantee (i.e., materials, warrantee programs, etc.).

Questionnaire - B (Continued)

22. Provide a list of references from at least three (3) of your largest current Vision clients. Use the chart below.

Employer Name	Number of Employees	Date Services Commenced	Contact Person	Address	Phone Number
1.					
2.					
3.					

23. Provide a list of at least three (3) terminated Vision clients. Use the chart below.

Employer Name	Number of Employees	Date Services Terminated	Reason for Termination	Contact Person	Address	Phone Number
1.						
2.						
3.						

24. Describe the components of a regular eye examination and a comprehensive eye examination by your network providers. Does this exam vary for eyeglass users versus users? If so, please explain the difference. Is there a cost difference in the exam?
25. If you order a materials mail order program, what is your performance standard for turnaround time? What is your average turnaround time? Do you offer overnight delivery service? If yes, at what additional cost?
26. Describe how an employee accesses care from initial contact with your plan to making an appointment with a provider.
27. Describe any benefit pre-certification or vouchers that members would be required to obtain before benefits are provided.
28. Provide a current 2005 directory of your network providers, by location, including address and zip code, for the entire state of Louisiana.
29. Complete the following GeoAccess summary for OGB employees. The description of the census file layout is include in Attachment D. your study should include a summary report for each of the items listed below. Each summary should indicate the total number and percentage of employees with access by zip code and by parish. Please include GeoAccess Reports.

Questionnaire - B (Continued)

- a. Number and percentage of employees with two Optometrists within 10 miles of the employees zip code.
- b. Number and percentage of employees with two Ophthalmologists within 10 miles of the employees zip code.
- c. Number and percentage of employees with two dispensing facilities / opticians within 10 miles of the employees zip code.

Regions (Zip Codes) (See Page 4 of NIC)	Number of Eligible Employees	% of Employees with 2 Optometrists within 10 miles	% of Employees with 2 Ophthalmologists Within 10 miles	% of Employees with 2 Facilities/Opticians Within 10 miles
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- 30. Describe how providers are added to your network along with any ongoing requirements.
- 31. Describe your methods for determining the need for additional providers.
- 32. Describe how providers are compensated and describe the terms of compensation.
- 33. Describe your internal audit procedures to safeguard fraud or billing irregularities.
- 34. Describe the financial condition of your organization. Provide copies of your most recent audited financial statement.
- 35. What standard reports are available? Are there additional costs associated with any of these reports? How frequently are these reports available?
- 36. Can you accept eligibility information electronically and/or by magnetic tape?
- 37. Describe, in detail, the claim processing and payment systems that your company will use for the vision plan.
- 38. List the functions your claim system automatically performs.

Questionnaire - B (Continued)

39. Identify the office from which the account will be handled for claim processing and payment.
40. What are your claim processing standards for turnaround time, procedural accuracy and financial accuracy? What are your actual results for 2003 and 2004?
41. Describe the structure and staffing of your customer service office, including the number of customer services representatives.
42. What information is available to employees via a voice response unit?
43. Describe performance standards for customer service unit.
44. Is your doctor network leased or owned?
45. Describe your provider credentialing and recredentialing process. Does it meet National Committee Quality Assurance (NCQA) standards?
46. Are you willing to add providers specifically requested by our organization?
47. Describe your company's Quality Improvement (Q) program(s).
48. How do you measure and monitor member / patient satisfaction? What were the results of your latest survey?
49. What would you anticipate your role and OGB's role being in the implementation process?
50. What is the background, training, education and experience of the account executive and service representative assigned to OGB? Please provide brief resumes for these individuals.
51. What other customers do the account executive and service representative assigned to OGB serve?
52. Disclose the name of any officer, director or agent who is also an employee of the State of Louisiana.
53. Can you provide an improved LASIK benefit and at what cost? Describe the benefits in detail.
54. Can you provide true copays for all levels of service?

Questionnaire - B (Continued)

- 55. If true copays are not provided, how are potential additional costs communicated to the employees?
- 56. How are employees protected against overcharges by providers?
- 57. How are costs established for frames and lenses?

Complete the following table outlining your wholesale pricing for the following items and include types of lenses in each level.

Option Price List		
Progressive Lenses	Single Vision – Wholesale Price	Multi Focal – Wholesale Price
Level One Progressive		
Level Two Progressive		
Level Three Progressive		
Level Four Progressive		
Transitions / Sensor / Colomatic		
Anti-Reflection Standard		
Anti-Reflection Premium		
Standard Scratch		
Scratch Premium		
Ultra Violet Coating		
Hi-Index Lens Styles		
Non-Aspheric Design		
Hi-Index Lens		
Hi-Index 1.53-1.59		
Hi-Index 1.60-1.66		
Trivex / Trilogy		
Aspheric Design		
Regular Plastic		
Polycarbonate		
Mid-Index Plastic		
Hi-Index 1.60-1.66		
Hi-Index 1.7		
Polarized Styles		
Polaroid Plastic		
Polaroid Hi-Index		
Polaroid Polycarbonate		

Progressives			
Level 1	Level 2	Level 3	Level 4

TAB 4

SIGNATURE PAGE

STATE OF LOUISIANA
OFFICE OF GROUP BENEFITS (OGB)
FULLY INSURED VISION PLAN NIC

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 NIC. 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 NIC.
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 5

COST PROPOSAL/QUOTE FORM

_____ proposes to provide a Fully Insured Vision Plan to active and retired plan participants of the Office of Group Benefits (OGB) Health Plan Program on a statewide basis in accordance with the requirements, terms, and conditions of the Notice of Intent to Contract (NIC).

Proposed Cost Proposal/Quote – Per Member Per Month (PMPM):

Plan/Tier	Basic Plan	Enhanced Plan
-----------	------------	---------------

- Basic Benefits:
Employee Only
Employee + One Dependent
Employee + Family

- Enhanced Benefits:
Employee Only
Employee + One Dependent
Employee + Family

NOTE: Rates shall be guaranteed for 36 months.

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 – Fully Insured Vision Plan NIC" on the outside of such envelope.

Do not include the Cost Proposal Form or any information relative to costs in the three ring binder with your technical proposal

ATTACHMENT A

SAMPLE BASIC PLAN DESIGN

BASIC PLAN BENEFITS	In Network (After Co-payments)	Out Network (After Co-payments)	Proposed In Network (After Co-payments)	Proposed Out Network (After Co-payments)
Co-payments	\$4 exam co-payment/\$10 materials co-payment			
Exam (every 12 months)	Paid in full	Cover up to \$30		
Lenses (every 12 months)*				
Single vision	Paid in full	Covered up to \$20		
Bifocal	Paid in full	Covered up to \$40		
Trifocal	Paid in full	Covered up to \$40		
Lenticular	Paid in full	Covered up to \$100		
Progressive	At a minimum, three (3) types of progressive lenses will be covered in full. With a minimum allowance of \$78 wholesale price for non-covered lenses.			
Contact Lenses (every 12 months)				
Elective Contact Lenses	\$85 allowance for exam + lenses ¹	\$85 allowance for exam + lenses ¹		
Medically Necessary Contacts	Paid in full	\$150		
Frame (every 12 months)	Covered up to \$50 wholesale allowance	Covered up to \$45 retail		
Discounts	. 20% discount on second pair of glasses ²	Discount do not apply		
	. 15% discount on professional service fees for elective contact lenses (exam, fittings) ²	Discount do not apply		
	LASIK discount	Discount do not apply		

ATTACHMENT A (Continued)

SAMPLE BASIC PLAN DESIGN

1. The contact lens allowance replaces all other benefits for the year. You can select either the contact lens allowance or other covered services (exam and glasses), but not both.
2. These extras are available for 12 months after the covered eye exam from the Vision and Plan network doctor who performs the initial exam.

ATTACHMENT B

SAMPLE ENHANCED PLAN DESIGN

ENHANCED PLAN BENEFITS	In Network (After Co-payments)	Out Network (After Co-payments)	Proposed In Network (After Co-payments)	Proposed Out Network (After Co-payments)
Co-payments				
Exam Exam Copays	\$4 exam copayment / \$10 materials copayment			
Exam Exam / Glasses Copays	\$4 exam copayment / \$10 materials copayment			
Exam Exam / Contracts Copays (includes all charges)	\$10 exam copyament / \$10 materials copayment			
Exam (every 12 months)	Paid in full	Covered up to \$30		
Lenses (every 12 months)*				
Single vision	Paid in full	Covered up to \$30		
Bifocal	Paid in full	Covered up to \$45		
Trifocal	Paid in full	Covered up to \$65		
Lenticular	Paid in full	Covered up to \$105		
Progressive	At a minimum, three (3) types of progressive lenses will be covered in full. With a minimum allowance of \$125 wholesales price for non-covered lenses.			
Contact Lenses (every 12 months)				
Elective Contact Lenses	\$120 allowance for exam + lenses ¹	\$120 allowance for exam + lenses ¹		
Medically Necessary Contacts	Paid in full	\$210 allowance for exam + lenses ¹		
Frame (every 12 months)	Covered up to \$75 wholesale allowance	Covered up to \$45 retail		
LASIK Benefit	Flat dollar allowance / copay or fixed fee	Not covered		
Discounts	. 20% discount on second pair of glasses ²	Discounts do not apply		
	. 20% discount on all other services.			

ATTACHMENT B (Continued)

SAMPLE ENHANCED PLAN DESIGN

1. The contact lens allowance replaces all other benefits for the year. You can select either the contact lens allowance or other covered services (exam and glasses), but not both.
2. These extras are available for 12 months after the covered eye exam from the Vision Plan network doctor who performs the initial exam.

ATTACHMENT C

PERFORMANCE STANDARDS

The Proposer shall ensure the following standards are adhered to:

Performance Guarantees	Amount of Liquidated Damages
Monthly call abandonment rate not more than 3% (incoming calls).	\$500 per occurrence
Monthly call abandonment rate not more the 3% while waiting for customer service representative.	\$500 per occurrence
Monthly call pickup rate: 95% of calls answered within five minutes while waiting for customer service representative.	\$500 per occurrence
Claims must be processed within 30 days	\$500 per occurrence
Brochures/descriptive literature must be delivered to OGB, or to its designees as directed, in final form within 60 calendar days prior to annual enrollment. Additional materials must be provided within 30 calendar days of a request by the OGB staff.	\$500 per occurrence
Complete provider directories shall be delivered to OGB, or to its designees as directed, in final form within 60 calendar days prior to open enrollment. Additional directories must be provided within 30 calendar days of a request by the OGB staff.	\$500 per occurrence
Additions to, deletions from and changes to the Provider Directories must be furnished to the OGB staff monthly.	\$500 per occurrence
The M/WBE's office will require a 30-day written notice for substitution of an M/WBE vendor	\$100 per calendar day for the first 30 days and \$1,000 per calendar day thereafter until notification is received.
All written inquiries or complaints by OGB staff or plan participants must have a written response from the Awardee within 30 calendar days.	\$500 per occurrence
Any letters sent to plan participants by vision care providers threatening legal action, referral to a collection agency or other negative action must be responded to directly by the Awardee within five calendar days of receipt of such correspondence by the Awardee.	\$500 per occurrence
The employees of OGB must have their telephone calls returned within 24 hours from receipt.	\$250 per occurrence
Office visit co-payments are all inclusive. Patients may not be billed for any procedure associated with any eye exam beyond the applicable co-payment.	\$500 per occurrence
Orders placed for materials (glasses, lenses and/or contract) must be received within 3 weeks.	\$250 per occurrence
Proposer must agree that significant provider attrition during the course of this contract will constitute ground for termination of this contract at the sole option of OGB. Should the total number of voluntary and involuntary terminations by providers listed in the Provider Directory submitted with this proposal exceed 20% if the total number of providers listed in that directory, OGB at its option, may terminated this contract with 60 days notice to	

the Awardee. Additionally, proposer must agree to performance standards of 1% of in force premium for every percentage of provide turnover exceeding 10% annually.	
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* Maximum aggregate penalty will not exceed 10% of annual premium.

ATTACHMENT D

Census Data

OGB doesn't currently have a "Fully Insured" or a

“Self Insured” Vision Plan.

Plan Participants health plan enrollment census data will be available on request.

ATTACHMENT E

SAMPLE

MEMORANDUM OF UNDERSTANDING (MOU)

**MEMORNADUM OF UNDERSTANDING
BETWEEN
STATE OF LOUISIANA
OFFICE OF GROUP BENEFITS (OGB)
AND
ORGANIZATION/PROPOSER**

This Memorandum of Understanding (MOU) is entered into by the State of Louisiana, Division of Administration, Office of Group Benefits (OGB) located at 5825 Florida Blvd., Baton Rouge, LA 70806 and _____ located at _____.

PURPOSE

_____ will offer to the Office of Group Benefits active and retired plan participants a “Fully Insured Vision Plan” pursuant to the Notice of Intent to Contract (NIC) and the proposal.

TERM

The term is for a three-year period beginning _____ and ending _____.

RATES

The following rates will apply:

(Note: Rates included in the proposal will be inserted).

_____ will be responsible for the premium collection for active plan members from the various payroll systems (approximately 250 payroll systems).

_____ will be responsible for the premium collection for retired plan members directly from the plan member.

TAXES

_____ hereby agrees that the responsibility for payment of taxes from the funds thus received under this MOU is its responsibility.

CONFIDENTIALITY

The parties, their agents, staff members and employees agree to maintain as confidential all individually identifiable information regarding Louisiana Office of Group Benefits plan members, including but not limited to patient records, demographic information and claims

history. All information obtained by _____ 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 the end, the parties anticipate amending this MOU 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 MOU, 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

_____. 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 MOU, or is rightfully obtained from third parties.

AUDIT

_____ shall grant the State of Louisiana, through the Office of the Legislature Auditor, Office of Group Benefits, Division of Administration, Inspector's General Office and/or other such officially designated body the right to inspect and review all books and records pertaining to services rendered under this MOU with 3 days advance notice.

TERMINATION

Both parties agree to give at least (90) days written notice to the other if it becomes necessary to terminate this MOU. The MOU can be immediately terminated by either party, if it is determined by either of the parties that any provision of this MOU cannot be fulfilled because of legal or regulatory reasons.

RECORDS RETENTION

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

AMENDMENTS

Any alteration, variation, modification, or waiver of provisions of this MOU shall be valid only

when it has been reduced to writing, duly signed.

ENTIRE MOU

This MOU (together with the NIC, the proposal submitted by _____ in response to the NIC, and any exhibits specifically incorporated herein by reference) constitutes the entire MOU between the parties with respect to the subject matter.

This MOU shall, to the extent possible, be construed to give effect to all provisions contained therein; however, where provisions are in conflict, first priority shall be given to provisions of the MOU, second priority will be given to the provisions of the NIC and third priority shall be given to the provisions of the Proposal.

BY SIGNING BELOW, THE PARTIES AGREE TO ALL OF THE TERMS AND CONDITIONS SET FORTH ABOVE.

THIS DONE AND SIGNED ON THE DATE(S) LISTED BELOW:

STATE OF LOUISIANA

**DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS**

SIGNATURE _____

SIGNATURE _____

NAME Brenda St.Romain

NAME _____

TITLE Deputy Assistant Secretary

TITLE _____

ATTACHMENT F

SAMPLE

BUSINESS ASSOCIATE AGREEMENT (BAA)

State of Louisiana, Division of Administration
Office of Group Benefits
Protected Health Information Addendum

I. Definitions

- a) “Administrative Safeguards” shall mean administrative actions, and policies and procedures, to manage the selection, development, implementation, and maintenance of security measures to protect electronic protected health information and to manage the conduct of the covered entity's workforce in relation to the protection of that information., as more particularly set forth in 45 CFR § 164.308.
- b) “Agreement” shall mean the agreement between Business Associate and OGB, dated _____, pursuant to which Business Associate is to provide certain services to OGB involving the use or disclosure of PHI, as defined below.

- c) "Business Associate" shall mean [REDACTED].
- d) "ePHI" shall have the same meaning as the term "electronic protected health information" in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of OGB.
- e) "HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- f) "HIPAA Regulations" shall mean the Privacy Rule and the Security Rule.
- g) "Individual" shall have the same meaning as the term "individual" in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
- h) "OGB" shall mean the State of Louisiana, Division of Administration, Office of Group Benefits, which is a covered entity under the Privacy Rule, as defined below.
- i) "PHI" shall have the same meaning as the term "protected health information" in 45 CFR § 160.103, limited to the information created or received by Business Associate from or on behalf of OGB.
- j) "Physical Safeguards" shall mean physical measures, policies, and procedures to protect a covered entity's electronic information systems and related buildings and equipment, from natural and environmental hazards, and unauthorized intrusion as more particularly set forth in 45 CFR § 164.310.
- k) "Privacy Rule" shall mean the regulations promulgated pursuant to HIPAA regarding Privacy of Individually Identifiable Health Information at 45 CFR, Part 160 and Part 164, Subparts A and E.
- l) "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.103.
- m) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.
- n) "Security Incident" shall have the same meaning as the term "security incident" in 45 CFR § 164.304.
- o) "Security Rule" shall mean the regulations promulgated pursuant to HIPAA regarding Security Standards for Electronic Protected Health Information at 45 CFR, Part 160 and Part 164, Subparts A and C.
- p) "Technical Safeguards" shall mean the technology and the policy and procedures for its use that protect electronic protected health information and control access to it, as more particularly set forth in 45 CFR § 164.312.
- q) Any other terms used in this Addendum that are not defined herein but are defined in the HIPAA Regulations shall have the same meaning as given in the HIPAA Regulations.

II. Obligations and Activities of Business Associate

- a) Business associate agrees to comply with OGB policies and procedures regarding the use and disclosure of PHI.
- b) Business Associate agrees to not use or further disclose PHI other than as permitted or required by this Addendum, or as Required by Law.
- c) Business Associate agrees to limit all requests to OGB for PHI to the minimum information necessary for Business Associate to perform functions, activities, or services for or on behalf of OGB as specified in the Agreement.

- d) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Addendum.
- e) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Addendum.
- f) Business Associate agrees to report to OGB any use or disclosure of the PHI not provided for by this Addendum of which it becomes aware. Such report shall be made within two (2) business days of Business Associate learning of such use or disclosure.
- g) Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of, OGB agrees to the same restrictions and conditions that apply through this Addendum to Business Associate with respect to such information. However, Business Associate shall not enter into any subcontractor or other agency relationship with any third party that involves use or disclosure of such PHI without the advance written consent of OGB.
- h) Business Associate agrees to provide access, at the request of OGB, and in the time and manner designated by OGB, to PHI maintained by Business Associate in a Designated Record Set, to OGB or, as directed by OGB, to an Individual in order to meet the requirements under 45 CFR § 164.524.
- i) Business Associate agrees to make any amendment(s) to PHI maintained by Business Associate in a Designated Record Set that OGB directs or agrees to pursuant to 45 CFR § 164.526 at the request of OGB or an Individual, and in the time and manner designated by OGB.
- j) Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, OGB available to OGB, or at the request of OGB to the Secretary, in a time and manner designated by OGB or the Secretary, for purposes of the Secretary determining OGB's compliance with the Privacy Rule.
- k) Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for OGB to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.
- l) Business Associate agrees to provide to OGB or an Individual, in a time and manner designated by OGB, information collected in accordance with Section II.j of this Addendum, to permit OGB to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.
- m) At any time(s) requested by OGB, Business Associate agrees to return to OGB or destroy such PHI in its possession as directed by OGB.
- n) Business Associate shall defend and indemnify OGB from and against any and all claims, costs, and/or damages arising from a breach by Business Associate of any of its obligations under this Addendum. Any limitation of liability provision set forth in the Agreement, including but not limited to any cap on direct damage liability and any disclaimer of liability for any consequential, indirect, punitive, or other specified types of damages, shall not apply to the defense and indemnification obligation contained in this Addendum.
- o) Business Associates shall relinquish to OGB all control over responses to subpoenas Business Associate receives related to PHI.
- p) Not later than April 20, 2005, the compliance date for the Security Rule, Business Associate shall:

1. Implement and document Administrative Safeguards, Physical Safeguards, and Technical Safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the ePHI that it creates, receives, maintains, or transmits on behalf of OGB, specifically including, but not limited to, the following:
 - i) Ensuring the confidentiality, integrity, and availability of all ePHI that it creates, receives, maintains, or transmits on behalf of OGB;
 - ii) Protecting against any reasonably anticipated threats or hazards to the security or integrity of such information;
 - iii) Protecting against any reasonably anticipated uses or disclosures of such information that are not permitted or required by this Addendum or Required by Law; and
 - iv) Ensuring compliance with these requirements by its workforce;
 2. Ensure that any agent, including a subcontractor, to whom it provides ePHI agrees to implement reasonable and appropriate safeguards to protect it;
 3. Report to OGB any Security Incident of which it becomes aware. If no Security Incidents are reported, Business Associate shall certify to OGB in writing within ten (10) days of each anniversary date of the Agreement that there have been no Security Incidents during the previous twelve months.
- q) Business Associate shall not permit PHI to be disclosed to or used by any individual or entity outside of the territorial and jurisdictional limits of the fifty United States of America.

III. Permitted Uses and Disclosures by Business Associate

- a) Except as otherwise limited in this Addendum, Business Associate may use or disclose PHI to perform functions, activities, or services for or on behalf of OGB as specified in the Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by OGB or the minimum necessary policies and procedures of OGB.
- b) Except as otherwise limited in this Addendum, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.
- c) Except as otherwise limited in this Addendum, Business Associate may disclose PHI for the proper management and administration of Business Associate, provided that such disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the PHI is disclosed that it will remain confidential and be used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person promptly notifies the Business Associate of any known instances of breach of the confidentiality of the PHI
- d) Except as otherwise limited in this Addendum, Business Associate may use PHI to provide Data Aggregation services to OGB as permitted by 45 CFR § 164.504(e)(2)(i)(B), provided that such services are contemplated by the Agreement.
- e) Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR § 164.502(j)(1).

IV. Obligations and Activities of OGB

- a) With the exception of Data Aggregation services as permitted by 45 CFR § 164.504(e)(2)(i)(B), OGB shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by OGB.
- b) OGB shall notify Business Associate of any limitation(s) in OGB's Notice of Privacy Practices in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- c) OGB shall notify Business Associate of any changes in, or revocation of, permission by any Individual to use or disclose PHI, to the extent such changes may affect Business Associate's use or disclosure of PHI.
- d) OGB shall notify Business Associate of any restriction to the use or disclosure of PHI that OGB has agreed to in accordance with 45 CFR § 164.522, to the extent such restriction may affect Business Associate's use or disclosure of PHI.

V. Term and Termination

- a) Term. The Term of this Addendum shall commence on the effective date set forth below, and shall terminate when all of the PHI provided by OGB to Business Associate, or created or received by Business Associate on behalf of OGB, is destroyed or returned to OGB, or, if it is not feasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.
- b) Termination of Agreement for Cause. In the event that OGB learns of a material breach of this Addendum by Business Associate, OGB shall, in its discretion:
 - 1. Provide a reasonable opportunity for Business Associate to cure the breach to OGB's satisfaction. If Business Associate does not cure the breach within the time specified by OGB, OGB may terminate the Agreement for cause; or
 - 2. Immediately terminate the Agreement if Business Associate has breached a material term of this Addendum and cure is not possible; or
 - 3. If neither termination nor cure is feasible, OGB may report the violation to the Secretary.
- c) Effect of Termination.
 - 1. Except as provided in paragraph (2) below, upon termination of the Agreement for any reason, Business Associate shall return or destroy all PHI received from OGB, or created or received by Business Associate on behalf of OGB. Business Associate shall retain no copies of the PHI. This provision shall also apply to PHI that is in the possession of subcontractors or agents of Business Associate.
 - 2. In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to OGB written notification of the conditions that make return or destruction not feasible. Upon mutual agreement of the parties that return or destruction of PHI is not feasible, Business Associate shall extend the protections of this Addendum to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction not feasible, for so long as Business Associate maintains such PHI.

VI. Miscellaneous

- a) A reference in this Addendum to a section in the Privacy Rule means the section as in effect or as amended, and for which compliance is required.
- b) The parties agree to amend this Addendum from time to time as necessary for OGB to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act, Public Law 104-191.
- c) If applicable, the obligations of Business Associate under Section V.c.2 of this Addendum shall survive the termination of this Addendum.
- d) Any ambiguity in this Addendum shall be resolved in favor of a meaning that permits OGB to comply with the Privacy Rule. It is the intent of the parties that neither this Addendum, nor any provision in this Addendum, shall be construed against either party pursuant to the common law rule of construction against the drafter.
- e) Except as expressly stated herein, the parties to this Addendum do not intend to create any rights in any third parties. Nothing in this Addendum shall confer upon any person other than the parties and their respective successors or assigns any rights, remedies, obligations, or liabilities whatsoever.
- f) In the event of any conflict between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum will control, with the exception that if the Agreement contains any provisions relating to the use or disclosure of PHI that are more protective of the confidentiality of PHI than the provisions of this Addendum, then the more protective provisions will control. The provisions of this Addendum are intended to establish the minimum limitations on Business Associate's use and disclosure of PHI.
- g) The terms of this Addendum shall be construed in light of any applicable interpretation or guidance on HIPAA and/or the Privacy Rule issued from time to time by the Department of Health and Human Services or the Office for Civil Rights.
- h) This Addendum may be modified or amended only by a writing signed by the party against which enforcement is sought.
- i) Neither this Addendum nor any rights or obligations hereunder may be transferred or assigned by one party without the other party's prior written consent, and any attempt to the contrary shall be void. Consent to any proposed transfer or assignment may be withheld by either party for any or no reason.
- j) Waiver of any provision hereof in one instance shall not preclude enforcement thereof on future occasions.
- k) For matters involving the Privacy Rule, this Addendum and the Agreement will be governed by the laws of the State of Louisiana, without giving effect to choice of law principles.

In witness whereof, the parties have executed this Addendum through their duly authorized representatives. This Addendum shall be effective as of the _____ day of _____, 20_____.

State of Louisiana,
 Division of Administration
 Office of Group Benefits

By: _____ By: _____

Name: Brenda St. Romain

Name: _____

Title: Deputy Assistant Secretary

Title: _____