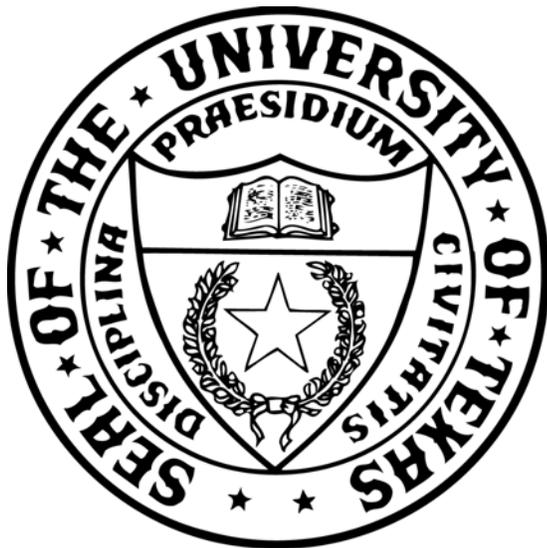


REQUEST FOR PROPOSALS
For
Re-opening and Recovery Services
for
Retiree Drug Subsidies for Medicare Part D
Plans On Behalf of the UT SELECT Health Plan
for
The University of Texas System
Office of Employee Benefits



To be effective October 1, 2015

Office of Employee Benefits

702 Colorado Street, Ste. 2.100, Austin, Texas 78701
Phone: 512-499-4616 Fax: 512-499-4620

May 29, 2015

To Qualified Firms:

The Office of Employee Benefits (OEB) of The University of Texas System (System) is issuing a Request for Proposals (RFP) for a firm to re-open closed and reconciled prior plan year CMS Retiree Drugs Subsidy filings for Medicare Part D Plans on behalf of the UT SELECT Health plan to be effective October 1, 2015.

The enclosed specifications and appendices have been developed to provide the information needed to respond to this RFP. It is the intent of the System to select only one qualified firm to provide the services described in this RFP; however, the System retains the right to select none. Due to statutory requirements, the System is not permitted to contract with a brokerage firm.

One original, six (6) identical copies, and one (1) electronic version on CD or disk of the firm's response to these specifications should be submitted on or before 3:00 p.m. Central Time on Tuesday, **July 21, 2015** to:

Laura C. Chambers, Director
Office of Employee Benefits
The University of Texas System
210 West 6th Street, Room B.140E
Austin, Texas 78701-3043

If you are interested in submitting a response to this RFP, you must register on-line at <http://utdirect.utexas.edu/rfp>.

All questions and comments related to this RFP must be sent via e-mail using the appropriate e-mail link on the RFP Web site. To ensure that all replies can be provided to all prospective responding firms prior to the deadline for submission of proposals, no questions received after 5:00 PM (Central Time) on Wednesday, **July 7, 2015**, will be considered or responded to by the System.

Sincerely,

Laura C. Chambers, Director
Office of Employee Benefits

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1.0 INTRODUCTION

The Texas Constitution of 1876 provided that “the Legislature shall, as soon as practical, establish, organize and provide for maintenance, support and direction of a university of the first class, to be located by vote of the people of this State, and styled ‘The University of Texas.’” In 1881, the 17th Texas Legislature passed an act to establish The University of Texas. Later that year, voters determined that the Main System was to be located in Austin and the Medical School was to be located in Galveston.

Today, The University of Texas System (System) includes nine (9) academic institutions in Arlington, Austin, Brownsville, Dallas, Edinburg (Pan American), El Paso, Odessa (Permian Basin), San Antonio and Tyler, plus six (6) health institutions in Dallas, Galveston, Houston (2), San Antonio and Tyler. In addition, the main System Administration office is located in Austin; however, many of the operations of System Administration are decentralized and therefore located in numerous areas of Texas as well as in Washington, D.C. Many of the UT institutions have their own payroll systems.

Effective September 1, 2015, the University of Texas at Austin will open a new medical school, to be located in Austin. In addition, System will add a new institution to be known as The University of Texas at Rio Grande Valley, which will include both an academic department and a medical school. At a future date, UT Pan American and UT Brownsville will close and will be replaced by UTRGV. At the time of this RFP, System estimates these anticipated organizational changes will result in a slight net increase of less than 2,000 new System employees.

The following table shows the name, location and the approximate number of benefits-eligible employees associated with each institution in the System as of September 2014:

The University of Texas System September 2014			
Location	Institutions	Benefits-Eligible Employees	Benefits-Eligible Retired Employees
Austin	The University of Texas at Austin	17,117	4,955
	The University of Texas System Administration	669	273
Brownsville	The University of Texas at Brownsville	704	295
Dallas	The University of Texas at Arlington	3,154	1,089
	The University of Texas at Dallas	2,980	565

	The University of Texas Southwestern Medical Center at Dallas	12,852	1,658
Edinburg	The University of Texas – Pan American	1,918	476
El Paso	The University of Texas at El Paso	2,289	805
Galveston	The University of Texas Medical Branch at Galveston	11,151	4,368
Houston	The University of Texas Health Science Center at Houston	6,378	1,504
	The University of Texas M.D. Anderson Cancer Center	19,572	3,395
Odessa	The University of Texas of the Permian Basin	398	110
San Antonio	The University of Texas at San Antonio	3,341	783
	The University of Texas Health Science Center at San Antonio	5,147	1,640
Tyler	The University of Texas at Tyler	833	228
	The University of Texas Health Science Center at Tyler	1,037	615
TOTAL		83,505	22,759

1.1 OBJECTIVES OF THE REQUEST FOR PROPOSAL

The University of Texas System (System) is soliciting proposals from qualified and appropriately licensed firms to provide services related to recovery of CMS Medicare Part D plan subsidies on behalf of the System self-funded preferred provider employee health plan (UT SELECT) operated by the Employee Group Insurance Program for a period not to exceed six years beginning September 1, 2015.

The primary objective of the System is to maximize the benefits and services that employees and retired employees of the System receive for each dollar spent on benefits. In support of this objective, the Office of Employee Benefits (OEB) requires a contractor capable of re-opening previously reconciled Medicare Plan D Retiree Drug Subsidy (“RDS”) filings with the Centers for Medicare and Medicaid Services (“CMS”) for the purpose of claiming any additional subsidies owed to the UT SELECT Summary of Current System Programs

The System has over 106,000 employees and retired employees plus approximately 99,000 dependents participating in the Employee Group Insurance Program. The System provides one health plan option – UT SELECT, a self-funded preferred provider organization health plan available to all

eligible participants.. UT SELECT medical benefits are currently administered by Blue Cross and Blue Shield of Texas (BCBSTX), while UT SELECT pharmacy benefits are currently administered by Express Scripts, Inc. (ESI).

It is significant to note the Pharmacy Benefit Manager that administers the prescription drug coverage offered by the UT SELECT Health Plan does not have a role in the RDS process. System houses and maintains eligibility records and claims data for all UT SELECT Health Plan employee and retirees. System is responsible for maintaining the retiree list, cost calculation, and cost reporting to the CMS Medicare Part D RDS system on behalf of UT SELECT. For Plan years 2005–2006 to 2012–2013, System has applied for RDS subsidies and has received \$59,598,781.12. System seeks to increase subsidies received by re-opening previous plan years with the help of a Contractor with significant expertise in this area.

2.0 GENERAL INFORMATION AND REQUIREMENTS

2.1 PLAN YEAR

UT SELECT's Plan Year begins on September 1st and ends the following August 31st. This period corresponds with the fiscal year of the System and the State of Texas.

2.2 CONFLICT OF INTEREST

No member of the System Board of Regents, nor any System employee (including the Chancellor, Vice Chancellor for Administration, Vice Chancellor of Business Affairs, Associate Vice Chancellor for Employee Benefits and Services, and Office of Employee Benefits management), shall have any direct interest in any firm to which a Contract may be awarded or any indirect conflict of interest involving the firm including, but not limited, to any financial interest.

2.3 AGENT OF RECORD

The System shall not designate an Agent of Record or any other such company employee or commissioned representative to act on behalf of the System or the firm. All requests for the System to provide such designation shall be rejected. Firms are specifically instructed to submit proposals directly to the System. Proposals submitted through a third party agent will not be accepted.

2.4 NEWS RELEASES

Written approval by the System will be required prior to any issuance of any news releases or other public communication regarding a contract awarded to a responding firm.

2.5 RESPONSES, ORDERING OF CONTENTS, DEVIATIONS

The content of all responses submitted must be ordered to correspond with the specifications as they appear in the RFP. Unless a deviation is specifically noted in the response, it will be assumed that the responding firm agrees to meet all specifications exactly as set forth in this RFP.

2.6 RESERVED RIGHTS

2.6.1 RIGHT TO REJECT

The System retains the right to reject any and/or all proposals submitted and/or call for new proposals. The System is not required to select the proposal with the lowest proposed fee(s), but shall take into consideration other factors as described herein. The System reserves the right to enter into discussions and negotiations with one or more firms selected at its discretion to determine the best and final terms. The System is not under obligation to hold these discussions

or negotiations with each responding firm that submits a proposal. The System is under no legal obligation to execute a Contract on the basis of this RFP or upon receipt of a proposal.

2.6.2 RIGHT TO REVISE

The System specifically reserves the right to revise any or all RFP or Contract provisions set forth at any time prior to the System's execution of a Contract where the System deems it to be in the best interests of the System and its participants.

2.6.3 RIGHT TO AUDIT

The System reserves the right to audit/validate all materials and responses submitted with the firm's proposal.

2.7 TERM OF ACCEPTANCE

It is the intent of the System, at this time, to enter into a three year contract for provision of RDS recovery services beginning October 1, 2015 and ending September 30, 2018, which shall be renewable at System's option for one additional three year period, or until the Medicare Part D Plan terminates and subsidies are no longer available to System; whichever occurs sooner.

2.8 USE OF SYSTEM INFORMATION FOR SOLICITATION PROHIBITED

The selected firm must specifically agree that it shall never use any information, regardless of whether such information has been de-identified, concerning UT SELECT plan participants received from any source for any marketing purpose or to solicit other business of any type. This agreement extends to the provision of lists of System employees or retired employees, discussions, advertisement, distribution, or other marketing by the firm or a parent or subsidiary to coverage, products, or materials other than those explicitly relating to the selected firm's participation in the UT System programs to other firms or any other third party. This prohibition applies even after termination of the Contract.

2.9 System's Historically Underutilized Business (HUB) Program

2.9.1 REQUIREMENTS

All agencies of the State of Texas are required to make a good faith effort to assist historically underutilized businesses (each a "HUB") in receiving contract awards. The goal of the HUB program is to promote full and equal business opportunity for all businesses in contracting with state agencies. Pursuant to the HUB program, if under the terms of any agreement or contractual arrangement resulting from this RFP, the Contractor subcontracts any of the Program, then the Contractor must make a good faith effort to utilize HUBs certified by the Procurement and Support

Services Division of the Texas Comptroller of Public Accounts. Proposals that fail to comply with the requirements contained in this Section 2.9 will constitute a material failure to comply with advertised specifications and will be rejected by System as non-responsive. Additionally, compliance with good faith effort guidelines is a condition precedent to awarding any agreement or contractual arrangement resulting from this RFP. Proposing firm acknowledges that, if selected by System, its obligation to make a good faith effort to utilize HUBs when subcontracting any of the Program will continue throughout the term of all agreements and contractual arrangements resulting from this RFP. Furthermore, any subcontracting of the Program by the firm is subject to review by System to ensure compliance with the HUB program.

2.9.2 SUBCONTRACTING

System has reviewed this RFP in accordance with Title 34, *Texas Administrative Code*, Section 20.13 (a), and has determined that subcontracting opportunities may exist under this RFP.

2.9.3 HUB SUBCONTRACTING PLAN

A HUB Subcontracting Plan (“HSP”) is required as part of firm’s proposal. The HSP will be developed and administered in accordance with System’s Policy on Utilization of Historically Underutilized Businesses attached as **APPENDIX D** and incorporated for all purposes.

*Each proposing firm must complete and return the HSP in accordance with the terms and conditions of this RFP, including **APPENDIX D**. Firms that fail to do so will be considered non-responsive to this RFP in accordance with Section 2161.252, Texas Government Code.*

The Contractor will not be permitted to change its HSP unless: (1) the Contractor completes a newly modified version of the HSP in accordance with the terms of **APPENDIX D** that sets forth all changes requested by the Contractor, (2) the Contractor provides System with such a modified version of the HSP, (3) System approves the modified HSP in writing, and (4) all agreements or contractual arrangements resulting from this RFP are amended in writing by System and the Contractor to conform to the modified HSP.

2.9.4 DOCUMENTS

Proposing firm must submit three (3) originals of the HSP to System at the same time it submits its proposal to System (ref. **Section 2.25** of this RFP.) The three (3) originals of the HSP must be submitted under separate cover and in a separate envelope (the “HSP Envelope”). Firm must ensure that the top outside surface of its HSP Envelope clearly shows and makes visible:

- 2.9.4.1 The RFP title (ref. **cover page** of this RFP) and the Submittal Deadline (ref. **Section 2.25** of this RFP), both located in the lower left hand corner of the top surface of the envelope,

2.9.4.2 The name and the return address of the proposing firm, and

2.9.4.3 The phrase “HUB Subcontracting Plan”.

Any proposal submitted in response to this RFP that is not accompanied by a separate HSP Envelope meeting the above requirements will be rejected by System and returned to the firm unopened as that proposal will be considered non-responsive due to material failure to comply with advertised specifications. Furthermore, System will open a firm’s HSP Envelope prior to opening the proposal submitted by the firm, in order to ensure that the firm has submitted the number of completed and signed originals of the firm’s HUB Subcontracting Plan (“HSP”) that are required by this RFP. A firm’s failure to submit the number of completed and signed originals of the HSP that are required by this RFP will result in System’s rejection of the proposal submitted by that firm as non-responsive due to material failure to comply with advertised specifications; such a proposal will be returned to the firm unopened. **Note:** The requirement that the proposing firm provide three originals of the HSP under this **Section 2.9.4** is separate from and does not affect firm’s obligation to provide System with the number of copies of its proposal as specified in **Section 2.25** of this RFP.

2.10 CERTIFICATION

An authorized officer of any responding firm submitting a proposal must certify that the responding firm complies with the RFP specifications by signing and returning the Signature Page in Section 10 in this RFP.

2.11 ADDITIONAL INFORMATION FROM RESPONDING FIRMS

System reserves the right to request additional documentation regarding submitted proposals. Responding firms must agree to provide any information requested.

2.12 REFERENCES

Each responding firm must provide a list of current major public customers purchasing services as requested in the Interrogatories section of this RFP. These customers may be contacted by the System to provide information regarding the firm’s overall record of providing RDS recovery services for the customer.

The provision of references by the responding firm shall constitute verification that the System has the responding firm’s permission to contact these organizations and obtain any required information without seeking permission of the firm.

2.13 NON-RESPONSIVE PROPOSALS

The System will not accept for consideration any proposals that do not comply with the criteria set forth herein. Failure to address any of the RFP requirements may result in rejection of a proposal.

2.14 CONFIDENTIAL STATUS, DISCLOSURE OF PROPOSAL CONTENTS

Unless required to release such information by applicable law or court order, proposals submitted by firms will be deemed confidential until any announcement regarding the selection or rejection of a proposal has been made. However, once a proposal has been accepted or rejected, it becomes subject to release in accordance with the provisions of Chapter 552 of the Texas Government Code (The Public Information Act, "the Act"). In order to permit the responding firm to protect confidential information submitted by the firm in support of a proposal, the responding firm must designate any information in its Proposal of any attachments or other materials provided in connection with its Proposal that it believes to be exempt from disclosure and provide legal justification for each instance. The responding firm acknowledges and agrees that the System shall have no liability to the responding firm or any other person or entity for disclosure of information in accordance with the Act. It is the responding firm's sole obligation to advocate the confidential or proprietary nature of any information it provides in its proposal. Responding firms should be aware that the Texas Attorney General may determine that all or part of the claimed confidential or proprietary information should be disclosed. The System shall not advocate the confidentiality of the responding firm's material to the Texas Attorney General or to any other person or entity. System may release the responding firm's entire proposal, including alleged information confidential or proprietary, upon request from a member of the Legislature where needed for legislative purposes. The provisions described in this section apply to all Proposals and materials provided by any firm in response to this RFP.

2.15 COMPLIANCE WITH APPLICABLE LAW, CHANGES REQUIRED BY STATUTE OR REGULATION

All proposals must comply with all applicable State and Federal laws and regulations.

The System recognizes that the requirements of these laws and regulations may change. The System requires a good faith effort on the part of the selected firm to comply with additional responsibilities imposed by federal or state law without requiring mid-year fee increases. The System reserves the right to negotiate with the contracting firm to comply with any changes required by state or federal law or regulation.

2.16 HIPAA COMPLIANCE

UT System Administration is a covered entity under the Health Insurance Portability and Accountability Act (HIPAA). The Contract contains a Business Associate Agreement that requires the contracting firm to comply with the System Administrations' HIPAA and other applicable privacy and security policies. In response to the related interrogatories included in Section 8 of this RFP, the vendor must describe in detail its HIPAA Privacy and Security programs, as well as its information security program.

2.17 NONDISCRIMINATORY PRACTICE

The contracting firm shall not discriminate against eligible System employees by excluding, seeking to exclude, or otherwise imposing restrictions on services on the basis of gender, race, national origin, religion, age, veteran status, disability, or pregnancy.

2.18 RETENTION OF PROPOSALS

All proposals submitted become the sole property of the System.

2.19 MODIFICATION

No proposal may be changed, amended, or modified after submission to the System except to correct an inadvertent error.

2.20 WEB SITE FOR INTERESTED FIRMS

To provide interested firms an opportunity to pose questions regarding the RFP specifications and selection process, the System has designated the following Web site for interested firm representatives to register on-line at <http://utdirect.utexas.edu/rfp>.

2.21 ADDENDA TO RFP, INQUIRIES REGARDING SPECIFICATIONS

All questions and comments related to the RFP must be sent via e-mail by using the appropriate e-mail link on the RFP Web site:

<http://utdirect.utexas.edu/rfp/>

Any response to an inquiry that alters an interpretation of, or requires a change to, this RFP will be posted as addenda on the RFP Web site. All firms will be responsible for regularly checking this Web site for RFP addenda and other announcements. All addenda issued by the System prior to receipt of a proposal shall be considered part of the RFP.

To ensure that all replies can be provided to all prospective responding firms prior to the deadline for submission of proposals, no questions received after 5:00 PM (Central Time) on Tuesday, July 7, 2015 will be considered or responded to by the System.

2.22 FIRM INITIATED CHANGES

The responding firm must notify the System in writing prior to making any major changes to its services, the designated System account team or other areas likely to impact the System. The System reserves the exclusive right to determine if these major changes may be applied to the System, and if so, when they shall apply.

2.23 ALTERNATIVE FEE ARRANGEMENTS

- 2.23.1 Alternative fee arrangements, other than as requested herein, shall not be considered. However, the System reserves the right to revise the financial arrangements should that become necessary due to legislative, budgetary, or other factors. The purpose of this RFP and the subsequent review process is to select the firm that the System considers to be most qualified to provide the most effective, efficient and high-quality services, reports, and products to the System. The System views the relationship with the firm as a cooperative one, and nothing contained in this RFP, nor any action taken in the review and approval process, shall prevent the System from continuing negotiations with the selected firm after the selection is made.
- 2.23.2 The firm must agree to act in good faith in connection with all such negotiations and in performing all of its services, duties, and provisions of services to the System.

2.24 FINALIST INTERVIEW

Following the System's initial review of the RFP Proposals, if the firm is selected as a finalist in the firm selection process, the System may, at its sole option, request that personnel from the firm, at the firm's expense, attend a meeting at a System-designated location to clarify responses and to answer questions regarding the firm's Proposal.

2.25 SUBMISSION OF PROPOSALS

Only proposals submitted in compliance with the following will be accepted by System:

- 2.25.1 One (1) signed original proposal signed with blue ink and clearly marked "Original", and six (6) identical copies of the proposal must be received by the System on or before 3:00 PM (Central Time), on Tuesday, **July 21, 2015**. The original and copies of the proposal should be delivered to:
- Laura C. Chambers, Director
Office of Employee Benefits
The University of Texas System
210 West 6th Street, Room B.140E
Austin, Texas 78701-3043
- 2.25.2 A responding firm must submit one (1) electronic version of the proposal on a separate disk or CD using Microsoft Word, Excel or Access. The electronic version must be labeled with the firm's name and the title of this RFP.

- 2.25.3 Proposals must be valid for one hundred twenty (120) days following the proposal receipt date. The proposed fee(s) must be firm and guaranteed for the twelve-month period beginning October 1, 2015 through September 30, 2016.
- 2.25.4 Proposals and any other information submitted by responding firms in response to this RFP shall become the property of System and will be subject to Section 2.14, Disclosure of Proposal Contents, of this RFP.
- 2.25.5 The System will not provide compensation to responding firms for any expenses incurred by the firms for proposal preparation or for any demonstrations, unless otherwise expressly stated in writing by the System. Responding firms shall submit proposals at their own risk and expense. Materials submitted with the RFP will not be returned to the firm.
- 2.25.6 Proposals containing deviations, or items not called for in the RFP documents, or irregularities of any kind are subject to disqualification by the System, at its option.
- 2.25.7 Each proposal must provide a succinct and concise description of the responding firm's ability to meet the requirements of the RFP. Emphasis should be on completeness, clarity of content, responsiveness to the requirements, and an understanding of the System's needs.
- 2.25.8 Representations made within the proposal will be binding on the responding firm and shall be incorporated by reference into the Contract. The System will not be bound to act by any other previous communication of any type or non-conforming proposals submitted by a responding firm.
- 2.25.9 A Table of Contents with page number references must be included. The Table of Contents should include sufficient detail to facilitate easy reference to the sections of the proposal, as well as separate attachments. Any supplemental information and attachments not requested in the RFP, but are included in the proposal, should be clearly identified in the Table of Contents and provided as a separate section in the proposal.
- 2.25.10 The materials submitted must be enclosed in a sealed envelope, box, or container. The package must show clearly the submittal deadline, the responding firm's name, and the responding firm's return address. **IMPORTANT: A separate HUB Subcontracting Plan (HSP) envelope must accompany the firm's proposal, or the proposal will be rejected due to material failure to comply with required specifications as described in Section 2.9.4 of this RFP.**
- 2.25.11 Late proposals will not be accepted or considered under any circumstances. Late proposals properly identified will be returned to the responding firm unopened at the responding firm's expense. Other late proposals will be held at the Office of Employee Benefits (OEB) for 30 days and then discarded.
- 2.25.12 Telephone proposals or proposals transmitted electronically are not acceptable responses to this RFP.

3.0 THE CONTRACT

The Contract shall be in the format specified by the System. The Contract will incorporate the RFP, the contracting firm's proposal thereto, and any other information the responding firm may be required to provide. Until a Contract has been executed and signed, the RFP and the selected firm proposal will be binding. A Sample Contract is included in the RFP as Appendix E. Firms unable to agree to each term set forth in the Sample Contract should not submit a proposal in response to this RFP. Proposals containing proposed changes to the Sample Contract will not be considered.

3.1 INTRODUCTION

No Contract will be executed until the System has accepted the responding firm's proposal, and the System has notified the responding firm of its approval. The Contract will be for a three year period from October 1, 2015 through September 30, 2018, unless terminated as provided in the Contract with the option to renew for up to an additional period through September 30, 2021. If the current firm submits a proposal and is not selected, the current firm shall continue to perform in good faith all obligations under its existing contract with the System.

The System and the contracting firm shall agree and acknowledge, as applicable, that the services to be provided under the Contract will be provided from October 1, 2015 through no later than August 31, 2021. However, the System and the contracting firm shall also agree and acknowledge that there may be duties and obligations specified by the RFP to be performed prior to October 1, 2015 and following termination of the Agreement, and the Contract will specify that the parties agree to perform all such duties and obligations, and that all applicable damage provisions shall be in effect as to these duties and obligations.

The Contract shall comprise the complete and exclusive statement of each agreement between the System and the contracting firm and supersede all prior or contemporaneous agreements, negotiations, course of prior dealings, and oral representations relating to the subject matter hereof.

The System has specific contracting requirements that cannot be waived or altered. All firms should carefully review the Sample Contract in Appendix E. Firms should include in their written proposals all changes to the Contract they wish to propose. Firms should not assume that an opportunity exists to add such matters through the contract negotiation process. Unacceptable terms and conditions added by a firm may cause the System to reject a proposal, despite other factors of the evaluation. In addition, firms should not strike-through or otherwise alter anything in the Sample Contract. Submission of an altered Sample Contract as part of a proposal shall cause the System to reject a proposal, despite other factors of the evaluation.

In the event that a contracting firm fails or refuses to perform any of its duties or obligations as provided by the Contract, the System, without limiting any other rights or remedies it may have by law,

equity or under contract, will have the right to terminate the Contract immediately. Notwithstanding such termination, certain obligations of the firm shall survive the termination of the Contract.

The contracting firm must agree not to publicize the Contract or disclose, confirm or deny any details thereof to third parties or use any photographs or video recordings of the System's employees or use the System's name in connection with any sales promotion or publicity event without the prior express written approval of the System.

This Contract is for the personal services of the firm and the firm's interest in such agreement. Duties assigned to the firm under the contract may not be assigned or delegated to a third party.

3.2 FAILURE TO COMPLY

Failure to comply with the procedures required by the RFP or any other applicable guidelines shall be cause for immediate suspension or cancellation of the Contract. Any suspension will remain in effect until System is satisfied that circumstances resulting in suspension have been corrected.

3.3 FIRM ID NUMBERS

A responding firm must obtain a Vendor Identification Number issued by the Comptroller of Public Accounts of the State of Texas. The firm will be required to complete and submit a Payee Identification Form in order to receive payment.

3.4 AUTHORIZED SIGNATURES

The Chief Executive Officer, General Counsel, or an authorized officer of the responding firm must sign the Contract. The proposal must state the name and office of the individual who will sign the Contract on behalf of the firm and include a copy of the document granting that individual the authority to do so.

3.5 RELATIONSHIP OF PROPOSAL TO CONTRACT

Any contract resulting from the selection of a firm by the System shall incorporate by reference the RFP, the firm's response thereto and any other information the firm may be required to provide.

4.0 SCOPE OF SERVICE AND FEE STRUCTURE

4.1 SCOPE OF SERVICE

4.1.1 The Contractor shall provide any and all services necessary to assist System, as a Medicare Part D Plan Sponsor eligible for the Retiree Drug Subsidy, in re-opening closed and reconciled prior plan year RDS filings with CMS for the purpose of increasing Systems RDS reimbursements.

4.1.2 Develop timelines to re-open previously reconciled plan years that minimize the loss of potentially additional subsidies.

4.1.3 Prepare the Plan Sponsor's notice of RDS re-opening request on behalf of System.

4.1.4 Prepare any required federal reporting associated with re-opening closed and reconciled prior plan year RDS filings with CMS.

4.1.5 Possess current and active state and/or federal licenses or specific agency approvals required by state and/or federal laws required to provide the requested services.

4.1.6 Provide data retention and reporting capabilities in compliance with System's records retention requirements and sufficient to ensure System's compliance with all applicable audit requirements for the RDS Program.

4.1.7 Perform all functions to re-open previously reconciled plan years on behalf of System.

4.1.8 Obtain all necessary data from System in order to successfully analyze previously reconciled plan years for the recoupment of potentially additional subsidies.

4.1.9 Provide monthly reports to System on the status of the Contractor's activities in reopening plan years to include but not be limited to:

- a) Findings of additional subsidies owed to System for each applicable plan year
- b) Findings of overpayment of subsidies to System for each applicable plan year

4.1.10 Provide copies of all communications between the Contractor and CMS regarding the re-opening plan years.

4.2 FEE STRUCTURE

In responding to this RFP, the vendor must complete the fee schedule in Section 9 of this RFP, which will be guaranteed for the twelve-month period from October 1, 2015 through September 30, 2018. It is the expectation of the System that all reimbursement for the services provided by the vendor will be based entirely on a percentage of the amount recovered and no other fee for service.

In accordance with the Contract, the vendor must submit its invoice to the System upon submission of adjusted cost reporting to CMS by the vendor for reimbursement of the percentage amount stated in

the Contract. The System shall remit payment to the firm within thirty (30) days following the date of receipt of a transfer of funds from CMS to the System. The remittance will be supported by appropriate detail supporting the invoice amount.

5.0 DATA PROCESSING & DATA SECURITY REQUIREMENTS

This Section describes the data processing interface requirements as mandated by the System. Due to the nature of this service the System will be required to send personally identifiable enrollment and claims detail data. The firm shall provide data processing services in a manner consistent with all applicable laws and regulations, as well as requirements set forth in this RFP by the System.

Each institution of the System self-administers its enrollment. The System's sixteen (16) institutions do not use the same payroll system; approximately seven (7) different systems are used. System institutions transmit enrollment data to the System, and the System in turn transmits the appropriate data to the plan vendors.

All claims data for claims processed on behalf of the System's self-insured plans are transmitted to the System by the contracted vendors responsible for administering the plans.

All eligibility and claims data related to this contracted service will be transmitted directly from the System to the selected firm.

5.1 DATA LAYOUT STANDARD

The system is prepared to propose layouts but would prefer to work with the selected firm to define the layout standards.

5.2 DATA TRANSMISSION

The System has developed a standardized method for receiving and transmitting enrollment and claims information. The selected firm will be required to accept encrypted enrollment and claims data via Secure File Transfer Protocols (SFTP) over the Internet.

5.3 SECURE FILE TRANSFER PROTOCOL (SFTP) OVER THE INTERNET

During the past decade, the use of FTP over the Internet greatly increased the speed and accuracy of data transmission. During the last few years, because of heightened concerns for security of data containing sensitive information, new security requirements mandate that SFTP be used to access System servers.

Enrollment and claims data will be sent to the selected firm per a set schedule and will be available to the firm by 6 AM Central Time.

A responding firm's ability to use SFTP over the Internet will be important considerations in the System's evaluation of the proposals.

5.4 SYSTEM DATA SECURITY REQUIREMENTS

For the purpose of this RFP, System data is defined as any and all information maintained, created or received by or behalf of System.

Responding vendors must maintain a robust security program capable of protecting the integrity, confidentiality, appropriate accessibility, and security of System data. Questions included in Section 8 of this RFP are designed to elicit specific information about the vendor's security program and must be thoroughly and accurately completed.

6.0 TIME TABLE

These dates represent the best estimate of your firm's compliance with the listed requirements.

1.	Last date for firm to submit RFP questions	7/7/2015
2.	RFP Proposal due date	7/21/2015
3.	Firm selected, contract finalized and signed	8/10/2015
4.	First planning meeting between System and firm	8/25/2015
5.	Enrollment and Claims data layouts, transmission schedule and procedures set	9/7/2015
6.	Initial transmission of enrollment and claims data	10/1/2015
7.	New contract year begins	10/01/2015

7.0 PROPOSAL EVALUATION CRITERIA

Proposals submitted in response to this RFP will be evaluated on the basis of the criteria included in this section. The criteria are not necessarily listed in order of importance. While the criteria will provide the basis for an objective evaluation of each proposal, the experience and judgment of the System staff and their advisors shall also be important in the selection process. The goal of the process will be to determine the firm that will provide the System with the best partner for provision of RDS recovery services during the term of the contract.

7.1 COMPLIANCE WITH AND ADHERENCE TO THE RFP

Deviations are strongly discouraged and must be specifically identified and described in detail in order to be considered. While a proposal with minor deviations from the RFP will not be disqualified, preference will be shown to those firms with the fewest, least significant deviations. The System will interpret firm responses to match the specifications herein except for deviations specifically noted and described in response to this item.

7.2 PROPOSED FEES

The System anticipates proposals from multiple qualified firms, all of which can provide high quality, cost-effective services. For these, a distinguishing factor will be the firm's proposed fees.

7.3 PRIVACY AND SECURITY OF SYSTEM DATA

The vendor must demonstrate its ability to safeguard the privacy and security of System data, collected or maintained by the vendor on System's behalf, in compliance with applicable law and System's own privacy and security requirements.

7.4 OTHER FACTORS

The System may determine that other factors should be considered important based on their review of the responses to the interrogatories. Examples of such factors include, but are not limited to, experience serving large group programs; prior System, higher education or state experience; and references.

The System reserves the right to reject any and/or all proposals and/or call for new proposals if the System deems it to be in the best interests of System. The System also reserves the right to reject any proposal submitted that does not fully comply with the RFP's instructions and criteria. The System is under no legal requirement to execute a Contract on the basis of this notice or upon issuance of the RFP or receipt of a Proposal.

8.0 INTERROGATORIES

In order for a firm's proposal to be considered and accepted, it must provide answers to all of the questions presented in this Section 8. Each question must be answered specifically and in detail. Reference should not be made to a prior response, or to another document, unless the question involved specifically provides such an option. Be sure to refer to the earlier sections of this RFP and the Contract before responding to any of the questions, to ensure a complete understanding of all of the System's requirements with respect to the bid.

Answers to the questions included in this section should be detailed enough to satisfactorily explain the firm's position on each particular issue. It is the firm's responsibility to respond to these questions in such a way that the System has a full and complete understanding of the firm's intent. The answers to these questions will be the basis for interpretation of various aspects of the contract between the System and the firm. It is important to carefully define any key words or phrases used in answering these questions.

Each response must be preceded by the question to which the response pertains.

DEVIATIONS

1. Enumerate and provide a detailed description of each deviation from this RFP. Deviations, which are strongly discouraged, must be specifically identified in order to be considered. General references to or comparisons with your contract will not be considered as satisfactory identification of a deviation and shall be deemed void. The System will interpret your proposal to match the specifications of this document except for deviations specifically noted and described in response to this item. If the System enters into a Contract with your firm, deviations shall not become a part of the final Contract unless expressly agreed to and accepted by System in writing. In all cases, the Contract terms shall control.

GENERAL INFORMATION

2. Since OEB is responsible for maintaining the retiree list, cost calculation, and cost reporting to the RDS system and will be the source for all eligibility and claims data, the selected firm will deal directly with OEB instead of a PBM that they may be accustomed to. State whether this is a factor in developing your proposal and any concern or advantage you foresee with this arrangement.
3. Provide the following information regarding your firm:
 - a. Firm's full legal name, address, telephone number
 - b. Name, title, telephone number, email address and FAX number of contact person
 - c. Name, title, telephone number and email address of the person authorized to execute this RFP, and any subsequent contract that may be awarded
 - d. Name, title, telephone number and email address of the person who will serve as the System account liaison

- e. Name(s), titles, e-mail addresses, mailing address(es), telephone number(s), and facsimile number(s) of the personnel responsible for preparation of the Fee Proposal Response noted in Section 9
 - f. Type of incorporation (for profit/not-for-profit or non-profit); publicly or privately owned
 - h. Names of officers and directors and percentage of ownership in the company
 - i. State of incorporation
 - j. Date and nature of State of Texas licensure. Provide your firm's State of Texas vendor ID number (14-digit number).
 - k. Name, title, e-mail address, mailing address, and telephone number of the person who shall serve as the firm's legal counsel with respect to the proposal and the Contract if awarded
 - l. Name and title of the individual who will be signing the contract on behalf of the firm. Provide a secretary statement or other proof that this individual is authorized to bind the firm in this manner
4. Does the firm propose to utilize subcontractors in the performance, delivery and provision of services, coverage, benefits, equipment, supplies and products requested hereunder? If so, provide the information requested above for each subcontractor and specify what services may be performed by each subcontractor.
 5. Provide the names and addresses of all parties who would receive compensation as a result of the firm's selection under this RFP including, but not limited to, consulting fees, finder's fees and service fees.
 6. Provide an organizational chart identifying the personnel who will be responsible for the administration and management of your firm's contract with the System.
 7. Confirm that your firm will comply with all of the general requirements described in Section 2 of this RFP.
 8. Confirm that your firm will comply with all of the financial requirements described in Section 4 of this RFP.
 9. Confirm that your firm will comply with all data processing interface requirements described in Section 5 of this RFP.
 10. Will the firm propose its own data layout standards for the enrollment and claims information? If so, please provide an initial proposal of the firm's data layout standards and / or requirements.

REFERENCES

11. List as references three (3) major public employers for whom you provide RDS recovery services. The System is particularly interested in public employers located in Texas. For each employer, include:
 - a. Name and telephone number of the representative of the employer who is familiar with the services you provide

- b. Type(s) of services provided to the employer.
- c. The number of employees, retirees and dependents for whom benefits are administered

Note: Your response to this request officially authorizes the System to contact these employers to discuss the services that you have provided for these employers and authorizes the employers to provide such information to the System.

FIRM FINANCIAL INFORMATION

- 12. State the name and address of any sponsoring or parent corporation or others who provide financial support to your firm. Provide an indication of the type of such support, i.e., guarantees, letters of credit, etc. What are the maximum limits of additional financial support? Provide a copy of the sponsoring organization's most recent audited financial statement.

PROPOSED FEE STRUCTURE

- 13. Describe the proposed fee structure you would charge for this service.

HUB PARTICIPATION PROGRAM

- 14. Confirm that you have read the HUB requirements in Section 2.9 and Appendix D of this RFP and have provided three (3) originals of the HUB Subcontracting Plan with your proposal..

ADMINISTRATION

- 15. Provide a list of individuals who will comprise your implementation team should your firm be selected. In addition, provide a list of individuals who will provide ongoing program support to the System. Provide a description of each team member, including job title, firm-related duties, length of time with your firm, background in information systems, experience in working with major public health plans, and working knowledge of Texas insurance laws and applicable state and federal laws relating to group retirement plans.
- 16. What are your firm's contingency plans and procedures for providing back-up service in the event of strike, natural disaster, backlog, or other events that might interrupt or delay service? Provide a copy of your disaster recovery plan and/or business resumption plan, including the results of your most recent test of the plan.

REPORTING REQUIREMENTS

- 17. Describe your reporting capability. Provide samples of reports available. How often are these reports prepared?
- 18. Describe the firm's *ad hoc* reporting capability.

MISCELLANEOUS

- 19. List the date(s) and type(s) of contracts the firm has had with any University of Texas institution within the past five years.

20. Describe any litigation, regulatory proceedings and/or investigations completed, pending or threatened directed against your organization and/or any person or subcontractor performing any part of the services in connection with the Contract within the past five (5) years. Identify the full style of each suit, proceeding or investigation including county and state, regulatory body and/or federal district and provide a brief summary of the matters in dispute, current status and resolution if any.
21. Describe any investigations, proceedings or disciplinary actions by any state regulatory agency against your organization and/or any of its related affiliates, officers, directors and any person or subcontractor performing any part of the services in connection with the Contract during the past five (5) years. Identify the full style of each suit, proceeding or investigation including county and state, regulatory body and/or federal district, and provide a brief summary of the matters in dispute, current status and resolution, if any.
22. Is your firm presently actively considering or subject to any mergers with and/or acquisitions of or by other organizations? If so, provide specifics. Affirm your firm's agreement to notify the System immediately upon reaching any form of binding agreement in connection with any reorganization of your firm's management or ownership. Disclose any contractual relationships with affiliates that could present a conflict of interest with your role as a vendor for the System.

PRIVACY PRACTICES; HIPAA COMPLIANCE

23. Please provide a detailed description of the vendor's HIPAA Privacy and Security Compliance programs as these would apply to System data. Include information on workforce training and monitoring. (See also the questions about the vendor's Information Security at below. Describe all policies and practices implemented to ensure the privacy of all confidential information as defined in the Contract, including but not limited to protected health information as defined by the HIPAA privacy rule, employee/member information, or other confidential information about the System and its members. Include a link to the vendor's HIPAA policies and Notice of Privacy Practices as well as a brief description of any HIPAA violations alleged against the vendor by consumers or the Department of Health and Human Services, including the outcomes.
24. Confirm that the vendor is currently in compliance with all HIPAA requirements; in particular, confirm compliance with the rules and regulations applicable to data transmission and privacy, and the organization's willingness to comply with future changes.
25. Provide the name of vendor's HIPAA privacy officer and a description of his or her qualifications.

INFORMATION SECURITY

26. Please provide a detailed description of the vendor's information technology security program that would be applicable to System data collected and/or maintained by the vendor. Include, at a minimum, the following details:
 - a) Does the vendor have an information security plan in place, supported by security policies and procedures, to ensure the protection of information and information resources? If so, provide an outline of the plan and note how often it is updated. If not, describe what

alternative methodology the vendor uses to ensure the protection of information and information resources.

- b) Describe the procedures and tools used for monitoring the integrity and availability of the information systems interacting with the service proposed, detecting security incidents, and ensuring timely remediation.
- c) Describe the physical access controls used to limit access to the vendor's data center and network components.
- d) What procedures and best practices does the vendor follow to harden all information systems that would interact with the service proposed, including any systems that would hold, process, or from which System data might be accessed?
- e) If the vendor were selected, would the vendor agree to a vulnerability scan by System of all information systems that would interact with the service proposed including any systems that would hold, process, or from which System data might be accessed? If the vendor objects to a vulnerability scan, describe in detail the reasons for objection.
- f) Does the vendor have a data backup and recovery plan, supported by policies and procedures, in place for the hosted environment? If so, provide an outline of the plan and note how often it is updated. If not, describe what alternative methodology the vendor uses to ensure the restoration and availability of System data.
- g) Does the vendor encrypt data backups? If so, describe the methods used to encrypt backup data. If not, what alternative safeguards will the vendor use to protect System data backups against unauthorized access?
- h) Does the vendor encrypt data in transit and at rest? If so, describe how that security is provided. If not, what alternative methods are used to safeguard data in transit and at rest?
- i) What technical security measures does the vendor propose to take to detect and prevent unintentional (accidental) and intentional corruption or loss of System data?
- j) What safeguards does the vendor have in place to segregate System and other customers' data to prevent accidental or unauthorized access to System data?
- k) What safeguards does the vendor have in place to prevent the unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access, or disclosure of System data?
- l) What administrative safeguards and best practices does the vendor employ with respect to staff members (vendor and third-party) who would have access to the environment hosting all information systems that would interact with the service proposed, including any information systems that would hold, process, or from which System data may be accessed, to ensure that System data and resources will not be accessed or used in an unauthorized manner.
- m) Describe the procedures and methodology in place to detect information security breaches and notify customers in a manner that meets the requirements of HIPAA and Texas breach notification laws.

- n) Describe the procedures the vendor has in place to isolate or disable all information systems that would interact with the service proposed, including systems that would hold, process, or from which Institution data might be accessed, when a security breach is identified?
- o) Describe the safeguards in place to ensure that all information systems that would interact with the service proposed, including any systems that would hold, process, or from which System data might be accessed, reside within the United States.
- p) What additional administrative, technical, and physical security controls does the vendor have in place or plan to put in place?

9.0 FEE PROPOSAL RESPONSE

In accordance with this RFP, _____ (Print Name of Firm) hereby proposes the following reimbursement fee structure for providing Retiree Drug Subsidy recovery services for the System for the period beginning October 1, 2015 through September 30, 2016. For each additional year of the six-year contract period, the selected firm and System will negotiate revised fees, if necessary, to be submitted by the selected firm by July 1 of each year prior to the following October 1. The System will have final approval of any proposed increase in the Shared Recovery Fee.

<u>Title</u>	Percentage of Recovery Rate to be retained <u>(10/1/2015 - 9/30/ 2018)</u>
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Firm percentage	_____%
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(Printed Name of Firm Official Submitting Proposal)

(Signature of Official)

(Title of Official)

Address_____

City_____ State_____ Zip_____

10.0 SIGNATURE PAGE

In accordance with our attached proposal(s), _____

(Print Name of Firm)

hereby agrees, if selected by The University of Texas System (System), to enter into negotiations for a contract to provide Retiree Drug Subsidy recovery services for the System for the six-year period beginning October 1, 2015. I have read the RFP from which this page is taken and verify that the above named firm can meet the requirements outlined.

Printed Name of Individual Signing this Form:

Address _____

City _____ State _____ Zip _____

The primary contact person regarding this proposal is:

Title: _____

Mailing Address _____

Telephone # _____ Fax # _____

I hereby certify that I have the authority to bind the above named firm.

Signature

Date

Title