8/17/2010

State of New Hampshire

REQUEST FOR BID

FOR

Administration Services for Flexible Spending Accounts,
Health Reimbursement Arrangements, and
Producer Services for Voluntary Group Insurance Plans

Bid # 1267-12

Bid Submission Deadline: September 2, 2011, 2:00 P.M. E.D.T.

Risk Management Unit
Department of Administrative Services

SECTION I
INTRODUCTION

This is a Request for Bid (Bid) issued by the Department of Administrative Services, acting through the Risk Management Unit, in accordance with NH RSA 21-I:44-a and b and the current in force Collective Bargaining Agreements for State Employees relative to the following:

- Flexible Spending Accounts (health and dependent care reimbursements);
- Health Reimbursement Arrangements; and
- Producer Services for Voluntary Group Insurance Plans.

A. BACKGROUND

Flexible Spending Accounts:

The State of New Hampshire (State) has offered a Flexible Spending Account (FSA) program to its employees since 1991. The FSA program is currently administered by Employee Benefit Management, Inc. (EBMI), in partnership with Combined Services, LLC (CSLLC).

Currently, 12,700 employees are eligible to participate in the State's FSA program. Only full-time (who work 37.5 hours per week or more) active employees are eligible to participate. Enrollment and deduction information for the FSA accounts for the last nine years is attached hereto as **Appendix F**.

For more information regarding the current FSA program, please refer to the State's Human Resources website at http://www.nh.gov/hr/flexible_spending.html.

Health Reimbursement Arrangement:

Effective January 1, 2008, employees enrolled in either the State's HMO or POS plans became eligible to participate annually in a Health Reimbursement Arrangement (HRA) program established by the 2007-2009 Collective Bargaining Agreement (Section 19.8.1. d.), upon proper submission of proof of completion of an annual health risk appraisal (aka Health Assessment Tool (HAT)) provided by the State's medical benefits administrator. The arrangement provides funds for the payment of eligible expenses associated with medical benefit services currently covered by the plans (including pharmacy) up to the amount of $200 per calendar year. *Please note: the HRA is not available for employees enrolled in the Trooper HMO or POS plans.*

HRA plan design features include the following:

- The calendar year benefit amount can be used by the employee or eligible dependents (to include same gender spouses and/or their dependents);
- The HRA can only be used for out-of-pocket expenses such as deductibles, co-pays and co-insurance, for services that are covered by the medical and pharmacy benefits administrators of the respective plans;
- Unused HRA balance amounts will NOT roll over into future years;
- HRA account balances will not accrue interest;
- If an employee has qualified for an HRA and has an FSA on a particular date of service, the system shall utilize the HRA account before using the FSA account for those expenses that qualify under both the HRA and FSA. Only upon HRA fund exhaustion should the system default to the FSA account for HRA qualified transactions.

- The HRA account shall only be used for eligible medical expenses incurred between January and December of each calendar year. Employees must use or lose their $200 HRA benefit each calendar year.

Voluntary Group Insurance Plans:

The State has historically allowed full-time employees, through the State's FSA and HRA Administrator, as a licensed insurance producer, the option to enroll in one or all of the following voluntary group insurance plans:

a. Short-Term Disability Insurance;
b. Critical Illness Insurance; and
c. Accident Insurance

The State currently allows payment of premiums through voluntary employee payroll deduction; however, such voluntary group plans are not financially sponsored by the State.

B. CURRENT ADMINISTRATION

The following section outlines the current administration for the State's FSA and HRA programs and voluntary group insurance plans.

1. FSA and HRA Programs

As stated within A. Background, the FSA programs (medical and dependent care coverage) are currently administered by EBMI in partnership with CSLLC. The FSA and HRA claim administration is handled by CSLLC. The flexible spending enrollment is processed using the online benefits system currently administered by the State's Enrollment Administrator.

EBMI is also the State's enrollment and eligibility vendor for the health benefit program comprising medical, flexible spending accounts (medical and dependent care) and dental benefits. EBMI provides management and hosting of the enrollment system for medical, flexible spending accounts and dental plans, and conducts the transfer of eligibility; plan option selection and enrollment data to the State's health benefit carriers via the HIPAA ANSI X12N 834 standard transaction code set or in the vendor's proprietary format.

2. Voluntary Group Insurance Plans

As stated above in A. Background, the State has also offered a group short-term disability, critical illness and accident insurance policy enrollment option to employees through payroll deduction. EBMI currently provides the short term disability, critical illness and accident insurance. Enrollment for these plans is currently handled through a paper enrollment process. During open enrollment and as requested by the State or by individual agencies, EBMI conducts on-site meetings to educate employees about how to elect these voluntary group plans. Paper enrollment forms are completed and returned to the respective vendors by the employees, Human Resource Representatives or by EBMI for the short term disability, critical illness and/or accident insurance policies. From the enrollment information, the respective vendors create an electronic data file based upon the record layout form provided by the State, and that file is then loaded on the State's FTP site.

EBMI has been offering a short-term disability policy through Fort Dearborn since 1999, a critical illness insurance policy through Colorado Bankers since 2006 and an employee

accident insurance policy through Boston Mutual, Inc. since January of 2010. From 1999 through 2009 an employee accident policy was provided by American Heritage.

C. OBJECTIVE

The State is seeking bids from qualified vendors to provide administration services for both the FSA and HRA programs while duplicating the current plans as closely as possible, and to provide insurance producer services for the voluntary group insurance plans. The State will accept bids which may incorporate a partnership arrangement to accomplish the objective; however the bid must be submitted by a single entity with the partner serving as a subcontractor.

The FSA program is composed of a dependent care assistance program established by NH RSA 21-I: 44-a and a medical and related expenses program established by NH RSA 21-I: 44-b. The HRA program is the result of 2007-2009 Collective Bargaining Agreement that, effective January 1, 2008, allows State employees enrolled in either the HMO or POS plans to participate annually in an HRA program that provides reimbursement of eligible medical expenses associated with medical benefit services currently covered on the plans (including pharmacy) up to the amount of $200 per calendar year.

The State consults with the State Employee Association ("SEA") and others with respect to employee benefits, including voluntary group insurance plans. The State is in the process of negotiations with the SEA and other unions. Any changes in coverage resulting from these negotiations will be incorporated into the State's contract with its voluntary benefits administrator.

SECTION II
BIDDING INSTRUCTIONS AND CONDITIONS

A. BID CONDITIONS FOR THE STATE OF NEW HAMPSHIRE, DEPARTMENT OF ADMINISTRATIVE SERVICES, RISK MANAGEMENT UNIT

1. BID SCOPE

The Department of Administrative Services, acting through the Risk Management Unit, is soliciting bids for the administration services for the State's Flexible Spending Accounts (medical and dependent care), Health Reimbursement Arrangements, and Producer services for voluntary group insurance plans as described herein.

2. MANDATORY INSTRUCTIONS FOR VENDORS

It is requested that you complete all sections of the Bid and provide your bid response by the stated bid submission deadline. Do not alter any parts of this Bid, to include the questions or question numbering.

Failure to follow these instructions is grounds for rejection of your bid response.

3. REQUIRED CONTRACT TERMS AND CONDITIONS

a. The Transmittal Letter (attached hereto as Appendix A) must be signed and submitted with your bid response. Failure to submit the Transmittal Letter with your response may result in rejection of your bid response.

b. The form contract P-37 (attached hereto as Appendix B) shall be considered part of the bid and the basis for any resulting contract. The successful vendor and the State, following notification of award, shall promptly execute this form of contract, which is to be completed by incorporating the service requirements and price conditions established by the vendor's offer.

c. The form contract Business Associate Agreement (attached hereto as Appendix C), is required to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 and those parts of the HITECH Act applicable to business associates, shall be promptly executed by the successful vendor and State, following notification of contract award.

4. CERTIFICATE OF INSURANCE

The selected vendor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, including for the benefit of the State, the following insurance:

a. **General Liability Insurance.** The vendor shall carry comprehensive general liability insurance in accordance with Section 14 of the P-37 contract. The coverage shall have appropriate riders against all claims of bodily injury, death or property damage, in amounts of not less than $250,000.00 per claim and S1,000,000 per occurrence and no less than $1,000,000 in excess/umbrella liability each occurrence.. Please provide a copy of your Certificate of Insurance as part of your bid submission.

b. **Worker's Compensation Insurance.** The vendor shall certify compliance with, or exemption from, the requirements of NH RSA 281-A, Workers' Compensation, in

accordance with Section 15 of the P-37 contract. Please provide a copy of your Certificate of Insurance or letter of exemption as part of your bid submission.

c. **Errors and Omissions.** The vendor shall carry an errors and omissions/professional liability policy in the amount of $1 (one) million per claim and $3 (three) million in the aggregate. Please provide a copy of your Certificate of Insurance policy as part of your bid submission.

5. VENDOR CERTIFICATIONS

All bidders must be duly registered as a vendor authorized to conduct business in the State of New Hampshire.

- **STATE OF NEW HAMPSHIRE VENDOR APPLICATION**. If you are not currently a registered vendor in the State of New Hampshire, you must complete a Vendor Application and W-9 Form and submit it to the NH Bureau of Purchase and Property. See the following website for information on obtaining and filing the required forms (no fee): http://www.admin.state.nh.us/purchasing or www.nh.gov.

- **NEW HAMPSHIRE SECRETARY OF STATE REGISTRATION** Any person or persons conducting business under any name other than his/her own legal name must register with the NH Secretary of State. Businesses are classified as 'Domestic' (in-state) or 'Foreign' (out-of-state). Please visit the following website to find out more about the requirements and filing fees for both classifications: http://www.nh.gov/sos/corporate.

6. SUBMISSION FORMAT

Your bid response must be sectioned and tabbed in sequential order as outlined within this bid document.

7. INQUIRIES / REQUESTS FOR CLARIFICATIONS AND/OR SPECIFICATION CHANGES

All questions regarding this bid, including clarifications and proposed specification changes, or modifications to the terms and conditions of the form contract P-37, must be submitted to Tammy Nelson, Department of Administrative Services, at Tammy.Nelson@nh.gov. **All questions must be submitted in writing via e-mail no later than August 24, 2011, 3:00 P.M. E.D.T.** The vendor must include complete contact information including the vendor's name, telephone number, fax number, and e-mail address. The State shall attempt to provide any assistance or additional information of a reasonable nature, which might be required by interested vendors. The questions and answers will be consolidated and responded to via a written addendum, or addendums, that will be posted on the State's website.

Bid inquiries must be submitted by an individual authorized to commit the organization to provide the services necessary to meet the requirements of this bid.

8. MICROSOFT WORD VERSION

This bid may be requested in a Microsoft Word format by contacting Tammy Nelson in writing at Tammy.Nelson@nh.gov .

9. ADDENDUM

In the event it becomes necessary to add to or revise any part of this bid invitation prior to the scheduled bid submittal deadline, the State shall post any addenda on the State's Bureau of Purchase and Property website. Before submitting your bid, always check the site

for any addenda or other materials that may have been issued, that would affect this bid invitation. The website address is www.admin.state.nh.us/purchasing.

10. BID SUBMISSION DEADLINE

All bid submissions must be received at the Bureau of Purchase and Property **no later than 2:00 PM E.D.T. on September 2, 2011.** Submissions received after the date and time specified will be marked as late and will not be considered.

All bid offers shall remain valid from the proposal submission deadline of September 2, 2011 until the contract effective date of October 1, 2011, or upon Governor and Council approval, whichever is later. A vendor's disclosure or distribution of bids other than to the Department of Administrative Services, Bureau of Purchase and Property, shall be grounds for disqualification. No more than one (1) bid per respondent should be submitted.

Vendors shall submit their bid in its entirety to:

State of New Hampshire
C/O Tammy Nelson, Administrative Services
New Hampshire Bureau of Purchase and Property
25 Capitol Street, Room 102
Concord, NH 03301-6312
(603) 271-2201

Bid responses shall be marked as:

State of New Hampshire, Bid #1267-12
Response Due: September 2, 2011@ 2:00 PM E.D.T.
FSA/HRA Administration Services

11. BID DELIVERY

Your Bid response must conform to the following criteria:

a. Bid responses must be addressed to the State of New Hampshire, Bureau of Purchase and Property, Attention: Tammy Nelson.

b. Exterior of the package shall be permanently marked identifying the submitting party's name and address, as well as the assigned Bid # 1267-12.

c. Package shall be sealed (tape, glue etc.).

d. Bid responses must include:

   i. One (1) original (clearly identified as such) copy of your bid response to Sections I to VI, including any Addenda in numerical sequence and signed;

   ii. One (1) conforming copy (clearly identified as copies) of your bid responses; and

   iii. Two (2) electronic copies of your bid response.

   iv. The original Bid response must include the Transmittal Letter (Appendix A), signed by a person authorized to bind the company to all commitments made in the bid response.

   v. Bid responses transmitted by facsimile or e-mail will not be accepted or reviewed.

*In the event a discrepancy between a bid response in paper and electronic copy, the paper copy shall prevail.

The State shall not be held liable for any costs incurred by the bidder in preparing or submitting a bid response. Any and all damage, which may occur due to shipping, is the bidder's responsibility.

12. BID RECEIPT AND OPENING

To preserve the integrity of the bidding process, bids **will not** be made public at the time of bid opening. For vendors wishing to attend the bid opening, only the names of the responders will be read.

13. ADDITIONAL INFORMATION

The State reserves the right to make a written request for additional information in writing from a vendor to assist in understanding or clarifying a bid response. The State reserves the right to reject any and all bids, or any part thereof.

14. TERMS OF SUBMISSION

The State assumes no responsibility for understandings or representations concerning conditions made by its officers or employees prior to and in the event of the execution of a contract, unless such understanding or representations are specifically incorporated into this bid. Verbal discussions pertaining to modifications or clarifications of this bid shall not be considered part of this bid unless confirmed in writing. Any information provided by the vendor verbally shall not be considered part of that vendor's response.

Bidders agree that if this bid results in your company being awarded a contract and if, in the preparation of that contract, there are inconsistencies between what was offered and accepted versus the contract language that has been generated, that any controversy arising over such discrepancy will be resolved in favor of the language contained in the bid or correspondence relating to your bid response.

15. PUBLIC DISCLOSURE

Generally, all bids and proposals (including all materials submitted in connection with them, such as attachments, exhibits and addenda) become public information upon the effective date of a resulting contract or purchase order. However, to the extent consistent with applicable state and federal laws and regulations, as determined by the State, including, but not limited to, RSA Chapter 91-A (the "Right-to-Know" Law), the State shall attempt to maintain the confidentiality of portions of a bid that are clearly and properly marked by a bidder as confidential. Any and all information contained in or connected to a bid or proposal that a bidder considers confidential must be clearly designated in a manner that draws attention to the designation. The State shall have no obligation to maintain the confidentiality of any portion of a bid, proposal or related material, which is not so marked. Marking an entire bid, proposal, attachment or sections thereof confidential without taking into consideration the public's right to know shall neither be accepted nor honored by the State. Notwithstanding any provision of this RFP to the contrary, pricing shall be subject to public disclosure upon the effective date of all resulting contracts or purchase orders, regardless of whether or not marked as confidential. If a bid or proposal results in a purchase order or contract, whether or not subject to approval by the Governor and Executive

Council, all material contained in, made part of, or submitted with the contract or purchase order shall be subject to public disclosure.

If a request is made to the State by any person or entity to view or receive copies of any portion of a bid or proposal, and if disclosure is not prohibited under RSA 21-I: 13-a, bidders acknowledge and agree that the State may disclose any and all portions of the bid, proposal or related materials which is not marked as confidential. In the case of bids, proposals or related materials that contain portions marked confidential, the State shall assess what information it believes is subject to release; notify the bidder that the request has been made; indicate what, if any, portions of the bid, proposal or related material shall not be released; and notify the bidder of the date it plans to release the materials. The State is not obligated to comply with a bidder's designation regarding confidentiality.

By submitting a bid or proposal, the bidder agrees that unless it obtains and provides to the State, prior to the date specified in the notice described in the paragraph above, a court order valid and enforceable in the State of New Hampshire, at its sole expense, enjoining the release of the requested information, the State may release the information on the date specified in the notice without any liability to the bidder.

16. NOTIFICATION AND AWARD OF CONTRACT:

The Bureau of Purchase and Property shall provide written notification to a vendor who is selected for contract award relative to this Bid. Public announcements or news releases pertaining to any contract(s) awarded shall not be made without the written permission of the Department of Administrative Services.

Bid results will not be given by telephone. Bid results will be made public at the time of contract award which occurs upon the approval of the Governor and Council. After such approval, bid results may be viewed on our website at http://www.state.nh.us/purchasing/bid.asp.

17. RESTRICTION OF CONTACT WITH STATE EMPLOYEES

From the release date of this bid, all contact with personnel employed by or under contract with the State, except those specifically mentioned in this bid, is prohibited. Improper contact is grounds for rejection of your bid response.

18. CANCELLATION

The State reserves the right to cancel all or any part of this bid at any time. Cancellation of this bid, in whole or in part, shall not bar the State from issuing a bid for the same services or from purchasing the same services through other means.

B. ESTIMATED TIMETABLE / SCHEDULE OF EVENTS

Action	Date
RFB Released	August 17, 2011
Deadline for Vendor Questions	August 24, 2011, 300 PM (EDT)

Bid Submission Deadline / Bid Opening in Concord, NH	September 2, 2011; 2:00 PM (EDT)
Contract Effective Date	October 1, 2011, or upon Governor & Council approval, whichever is later

C. CONTRACT TERM

The anticipated term of the contract shall be for a thirty-nine (39) month period set to commence October 1, 2011, or upon Governor and Council approval, whichever is later, and expire thereafter on December 31, 2014. Voluntary Benefits shall become effective January 1, 2012.

The State shall have the right to terminate the contract, if a contract is awarded, at any time by giving the vendor thirty (30) days advance written notice.

D. ELIGIBILITY CRITERIA

All bidders shall meet or exceed the eligibility criteria contained in this section. Bids that are not in compliance with the eligibility criteria shall be deemed non-responsive.

- The bidding entity shall have a minimum of three (3) years experience providing Flexible Spending Accounts (FSA) and Health Reimbursement Arrangements (HRA) to public sector clients (state and/or local government) with collectively bargained benefits. To demonstrate such experience the bidder must provide:

  i. A minimum of at least three (3) current client references willing to speak to the State (preferably peer groups for the services requested in this RFB). Provide the following information for each reference:

     - Client name, client contact, client address and client contact telephone number and email address
     - Number of employers
     - Number of employees
     - Services provided
     - Effective date of contract

- The bidding entity shall demonstrate financial stability. At a minimum, the State is requesting the following reports:

  a. Bidder's most recent financial report, and
  b. most recent independent auditor's report, and
  c. SAS-70 or equivalent external audit of bidder's operations

- The bidding entity shall have a current New Hampshire resident business entity producer license. The lead staff member who will be the designated state contact and at least one other staff member shall have current New Hampshire resident individual producers licenses in accordance with NH RSA 402-J. Please provide a copy of the applicable producer licenses with your bid response.

- The bidding entity, or its subcontractor, must be a licensed Third Party Administrator, or provide a valid Certificate of Authority issued by the Insurance Commissioner pursuant to NH RSA 402-H:11.

- The bidding entity shall be duly registered as outlined in Section II, 5.

E. BASIS FOR BID AWARD

The State shall award a contract, if at all, to the bidder submitting **the bid that meets or exceeds the bid specifications offering the lowest total aggregate price for the administration of the FSA and HRA programs.** Formal and final selection of the bidder, however, is contingent upon the successful negotiation and the proper execution of all contract documents (acceptable to the State) and the approval of Governor and Council.

If the State is unable to reach agreement with the selected vendor, the State may, at its sole discretion and at any time and without liability to the bidder, immediately terminate such contract discussions with the bidder and undertake discussion with the bidder submitting the next lowest bid meeting or exceeding the bid specifications, and so on. The State may, at its sole discretion, immediately terminate any and all contract discussions with any and all bidders at any time. The State may cancel the bid and/or reject any or all bid(s) at any time prior to the final execution of a contract.

F. SUBCONTRACTORS

If your organization plans to utilize subcontractors for any portion of the services identified in this RFB, please include the subcontractor information, to include the types of services or functions in which you would plan to subcontract, and a brief company profile. Said subcontractors shall meet all requirements described in this Bid. Subcontracting of services shall require prior approval by the State.

G. BIDDER CONTACTS

Designate the individual(s) with the following responsibilities:

The individual(s) representing your company during the Bid process:

Representative Name:_____ Phone #:_____ Email: _____

The individual(s) responsible for day-to-day service (if different):

Representative Name:_____ Phone #:_____ Email: _____

SECTION III
SCOPE OF SERVICES / SPECIFICATIONS

The Contractor shall perform the following services described in this Section, Section III – Scope of Services.

PLAN ELIGIBILITY

The following are the basic eligibility rules for the FSA and HRA programs. A copy of the State's Benefit Booklets are attached hereto as **Attachment 1** and **Attachment 2** for the respective plans. Unless otherwise specified in the Benefit Booklet, by the State or within the Contractor's agreement, the Contractor shall apply its standard administrative practices and procedures and enrollment policies, which may be revised or modified from time to time, in connection to its performance of its responsibilities as outlined in its Agreement with the State or as a direct result of changes to Federal or State laws as they apply to the administration of FSAs and HRAs.

FSA Plan Eligibility. Full-Time State employees (37.5 hours per week or more) are eligible to participate in the FSA program. A new employee becomes eligible effective the first of the month following (30) thirty days of employment. Employees who have a same gender spouse may not use their FSA for their same gender spouse's or his or her dependents for FSA eligible claims.

FSA Plan Changes. In order for employees to make changes to their plans, they must have a change in status. For Medical FSAs, the State's plan allows employees to make a change to their election amount when one of the following life events occur:

1. Marriage,
2. Divorce, Legal Separation or Annulment,
3. Birth,
4. Placement for Adoption or Adoption,
5. Death of a Dependent

For Dependent Care FSAs, the State's plan allows employees to make changes when the above life events occur in addition to when a dependent becomes ineligible for coverage. Additional details about plan changes can be found in the Benefit Booklet attached hereto as **Attachment 1**.

HRA Eligibility. As described in Section I – Introduction, A. Background, upon proper submission of proof of completion of a Health Assessment Tool (HAT) provided by the State's medical benefits administrator, employees enrolled in the HMO or POS plan become eligible for a $200 HRA. The arrangement provides funds for the payment of eligible expenses associated with medical benefit services currently covered on the plans (including pharmacy) up to the amount of $200 per calendar year. Employees may use their HRA for their same gender spouse. When employee who has a same gender spouse qualifies for the HRA, the State automatically imputes the $200 through its payroll system. *Employees who are enrolled in the Trooper plans are not eligible for the HRA benefit.*

FSA and HRA Claims Eligibility. As indicated above, the Contractor shall apply its standard administrative practices and procedures and enrollment policies during its Agreement.

FLEXIBLE SPENDING ACCOUNT ADMINISTRATION REQUIREMENTS

A. Medical Care Flexible Spending Accounts

1. Plan Administration

a. **Medical FSA Files.** The Contractor shall accept and process eligibility for the State's Medical FSA's from the State's enrollment and eligibility administrator.

b. **Medical FSA Termination Files.** The Contractor shall accept and process terminations of Medical FSA's from the State's enrollment and eligibility administrator.

c. **Medical FSA Promotion and Support.** The Contractor shall provide the State with materials that promote and assist employees in enrolling in the Medical FSA offered by the State. The Contractor shall share this information with employees when attending open enrollment meetings and other events.

2. Claim Administration Services

a. **Claim Processing.** The Contractor shall process claims with a Claim Incurred Date during the agreement period, including investigating and reviewing such claims to determine what amount, if any, is due and payable with respect thereto in accordance with the terms and conditions of the Benefit Booklets, and the in force Agreement. In processing claims, the Contractor shall conform to the following timeframes when processing claims:

i. Notification of whether claim is accepted or denied	5 business days
ii. Extension due to matters beyond the control of the Plan	15 days
iii. Notification of Extension	15 days
iv. Response by Participant	45 days
v. Review of claim denial	60 days

The enrollee shall have 180 days from the date of the denial to appeal the decision.

b. **Claim Underpayment.** Should the State or the Contractor determine that it has paid a claim in an amount less than the amount due under the Benefit Booklet upon notification the Contractor shall promptly adjust the underpayment during the next payment cycle or sooner.

c. **Claim Overpayment.** Should the State or the Contractor determine that it has overpaid a claim or claims or provided a benefit to an ineligible person the Contractor shall make efforts to collect such amounts to make the recovery. If the Contractor is unsuccessful in recovering any improper payment or overpayment, the Contractor shall notify the State. At a minimum, at the end of each calendar/plan year, the Contractor shall provide the State a report of any improper payments or overpayments where recovery efforts have been unsuccessful.

d. **Duplicate Claim Payment.** The Contractor's claim payment system shall ensure duplicate payments are not made for the same claim.

e. Recurring Claim Payment. The Contractor's claim payment system shall allow recurring claims payment should an enrollee have recurring charges to a provider. An example would be monthly orthodontia payments. Once an employee has substantiated the first recurring payment, and upon employee request, the Contractor shall allow recurring payments to the provider providing the amounts remain to be consistent.

f. Verify Plan Maximums. The Contractor's claim system must have systems in place to enforce each respective plans maximum election and claims payment amounts.

g. Determine Qualified Expenses or Services. Medical FSA Qualified Expenses or Services shall be defined as a service or expense that has been defined and approved under I.R.C Section 213 (d) for an enrollee's Medical FSA and shall be the only expenses reimbursed under the State's Medical FSA.

h. COBRA Administration. The Contractor shall provide continuation of Medical FSA consistent with the Consolidated Omnibus Reconciliation Act (COBRA) of 1985, as updated and any other applicable law governing continuation of coverage. In addition, the Contractor shall perform the following services with respect to COBRA administration to include:

1. Determining the FSA COBRA premium by first subtracting from the total of the enrollee's elected goal amount any amount already contributed by way of enrollee payroll deductions, then adding an administrative fee equal to 2% of that figure, and then dividing that sum by the number of months left in the benefit term.

2. Upon receiving a notice of employee termination, the Contractor shall send via US mail a notification of COBRA eligibility to continue their Medical FSA. The notification shall include:

   i. Language that indicates the right to continuation of coverage;

   ii. The election period;

   iii. The premium amount and;

   iii. An application form for election or declination of continuation of coverage.

i. Periodic Statements. The Contractor shall provide plan enrollees a periodic statement of account balances minimally once per plan year prior to open enrollment on a date mutually agreed upon based on an annual open enrollment schedule. Additional period statement mailings shall be scheduled as mutually agreed upon or as needed based on the State's business needs. The letter shall include:

i. A statement of the employee's account balances for their Flexible Spending Accounts;

ii. A reminder about the "use or lose" clause;

iii. Remind the employee of the date by which claims can be incurred for that plan year and;

iv. Remind the employee of the date by which manual claims must be submitted in order to be eligible for that plan year to ensure the new plan year is not affected.

j. Welcome Letters. The Contractor shall provide a welcome letter to enrollees as they enroll as new employees as well as at the beginning of the plan year following the State's annual open enrollment. The welcome letter shall include:

i. Information about how to access the Contractor's web site to view account balances and claim statuses;

ii. A re-statement of the employees goal amount for the Medical FSA plan elected during open enrollment;

iii. A claim form for manual claim reimbursement;

iv. The address for where claims must be submitted;

v. Where to locate a copy of the Benefits Booklet or how to request a paper copy and;

vi. Information on who to call with questions regarding their benefits.

k. Open Enrollment Announcement Letters. The Contractor shall provide a letter to all existing enrollees to announce open enrollment and provide guidance on how to elect benefits for the upcoming benefit year.

B. Dependent Care Flexible Spending Accounts

1. Plan Administration

a. Dependent Care FSA Files. The Contractor shall accept and process eligibility for the State's Dependent Care FSA's from the State's enrollment and eligibility administrator.

b. Dependent Care FSA Termination Files. The Contractor shall accept and process terminations of Medical FSA's from the State's enrollment and eligibility administrator.

c. Dependent Care FSA Promotion and Support. The Contractor shall provide the State with materials that promote and assist employees in enrolling in the Dependent Care FSA offered by the State. The Contractor shall share this information with employees when attending open enrollment meetings and other events.

2. Claim Administration Services

a. Claim Processing. The Contractor shall process Claims with a Claim Incurred Date during the agreement period, including investigating and reviewing such claims to determine what amount, if any, is due and payable with respect thereto in accordance with the terms and conditions of the Benefit Booklets, and the in force Agreement. In processing claims, the Contractor shall conform to the following timeframes when processing claims:

i. Notification of whether claim is accepted or denied	5 business days
ii. Extension due to matters beyond the control of the Plan	15 days
iii. Notification of Extension	15 days

iv. Response by Participant 45 days

v. Review of claim denial 60 days

The participant shall have 180 days from the date of the denial to appeal the decision.

b. Claim Underpayment. Should the State or the Contractor determine that it has paid a claim in an amount less than the amount due under the Benefit Booklet upon notification the Contractor shall promptly adjust the underpayment during the next payment cycle or sooner.

c. Claim Overpayment. Should the State or the Contractor determine that it has overpaid a claim or claims or provided a benefit to an ineligible person the Contractor shall make efforts to collect such amounts to make the recovery. If the selected Contractor is unsuccessful in recovering any improper payment or overpayment, the Contractor shall notify the State. At a minimum, at the end of each calendar/plan year, the Contractor shall provide the State a report of any improper payments or overpayments where recovery efforts have been unsuccessful.

d. Duplicate Claim Payment. The Contractor's claim payment system shall ensure duplicate payments are not made for the same claim.

e. Verify Plan Maximums. The Contractor's claim system shall enforce each respective plans maximum election and claims payment amounts.

f. Determine Qualified Dependent Care FSA Expenses or Services. Dependent Care FSA Qualified Expenses or Services shall be defined as a service or expense that has been defined and approved under I.R.C Section 213 (d) for an enrollee's Dependent Care FSA and shall be the only expenses reimbursed under the State's Dependent Care FSA.

g. COBRA Administration Services. The Contractor is not required to provide COBRA administration services for the Dependent Care FSA.

h. Periodic Statements. The Contractor shall provide plan enrollees a periodic statement of account balances minimally once per plan year prior to open enrollment on a date mutually agreed upon based on an annual open enrollment schedule. Additional period statement mailings shall be scheduled as mutually agreed upon or as needed based on the State's business needs. The letter shall include:

i. A statement of the employee's account balances for their Flexible Spending Accounts;

ii. A reminder about the "use or lose" clause;

iii. Remind the employee of the date by which claims can be incurred for that plan year and;

iv. Remind the employee of the date by which manual claims must be submitted in order to be eligible for that plan year to ensure the new plan year is not affected.

i. **Welcome Letters.** The Contractor shall provide a welcome letter to enrollees as they enroll as new employees as well as at the beginning of the plan year following the State's annual open enrollment. The welcome letter shall include:

i. Information about how to access the Contractor's web site to view account balances and claim statuses;

ii. A re-statement of the employees goal amount for the Dependent Care FSA plan elected during open enrollment;

iii. A claim form for manual claim reimbursement;

iv. The address for where claims must be submitted;

v. Where to locate a copy of the Benefits Booklet or how to request a paper copy and;

vi. Information on who to call with questions regarding their benefits.

j. **Open Enrollment Announcement Letters.** The Contractor shall provide a letter to all existing enrollees to announce open enrollment and provide guidance on how to elect benefits for the upcoming benefit year.

HEALTH REIMBURSEMENT ARRANGEMENT ADMINISTRATION REQUIREMENTS

1. Plan Administration

a. **HRA Files.** The Contractor shall accept and process eligibility for the State's HRA accounts from the State's medical benefits administrator. The current medical benefits administrator's HRA file layout is attached hereto as **Appendix E**.

b. **HRA Termination Files.** The Contractor shall accept and process terminations of HRA accounts from the State's enrollment and eligibility administrator.

c. **HRA Promotion and Support.** The State shall provide the Contractor with materials that promote and assist employees in taking the Health Assessment Tool which makes employees eligible for the $200 Health Reimbursement Arrangement through the State's medical administrator. The Contractor shall share this information with employees when attending open enrollment and other events.

2. Claim Administration

a. **Claim Processing.** Process Claims with a Claim Incurred Date during the agreement period, including investigating and reviewing such claims to determine what amount, if any, is due and payable with respect thereto in accordance with the terms and conditions of the Benefit Booklets, and the in force Agreement. In processing claims, the Contractor shall conform to the following timeframes when processing claims:

i. Notification of whether claim is accepted or denied	5 business days
ii. Extension due to matters beyond the control of the Plan	15 days
iii. Notification of Extension	15 days

iv. Response by Participant 45 days

v. Review of claim denial 60 days

The enrollee shall have 180 days from the date of the denial to appeal the decision.

b. **Claim Underpayment.** Should the State or the Contractor determine that it has paid a claim in an amount less than the amount due under the Benefit Booklet upon notification the Contractor shall promptly adjust the underpayment during the next payment cycle or sooner.

c. **Claim Overpayment.** Should the State or the Contractor determine that it has overpaid a claim or claims or provided a benefit to an ineligible person the Contractor shall make efforts to collect such amounts to make the recovery. If the Contractor is unsuccessful in recovering any improper payment or overpayment, the Contractor shall notify the State. At a minimum, at the end of each calendar/plan year, the Contractor shall provide the State a report of any improper payments or overpayments where recovery efforts have been unsuccessful.

d. **Duplicate Claim Payment.** The Contractor's claim payment system shall ensure duplicate payments are not made for the same claim.

e. **Recurring Claim Payment.** The Contractor's claim payment system shall allow recurring claims payment should an enrollee have recurring charges to a provider. An example would be monthly orthodontia payments.

f. **Verify Plan Maximums.** The Contractor's claim system shall enforce each respective plans maximum election and claims payment amounts.

g. **Determine Qualified HRA Expenses or Services.** A qualified HRA Expense or Service shall be defined as any remaining enrollee or member responsibility left after the State's medical and pharmacy benefits administrator has paid a claim for a qualified expense or service defined in the state's medical pharmacy Benefits Booklets and by I.R.C section 213 (d) and shall be the only expenses reimbursed under the State's HRA. A copy of the State's medical and prescription drug benefits booklets can be found at: http://admin.state.nh.us/hr/open_enrollment.html

h. **COBRA Administration.** The HRA program is tied to the employee HMO and POS plans. Should an employee elect COBRA coverage, the employee would remain eligible for the HRA program provided they remain enrolled in a COBRA plan and complete the Health Assessment Tool each year they remain eligible for COBRA. Therefore, the Contractor shall continue to reimburse former employees who enroll in COBRA coverage for Qualified HRA Expenses or Services during that period of COBRA eligibility.

i. **Same Gender Spouse Coverage.** The State covers same gender spouses and their dependents, and calculates and administers pre and post-tax deductions based on IRS rules through the Government Human Resources System ("GHRS") payroll function. . The HRA is tied to those employees participating in the employee HMO and POS plans. Therefore, when an employee covers their same gender spouse and the dependents of their same gender spouse and qualifies for the $200 HRA, the State automatically taxes the $200 in full through its payroll system on the pay period closest to the date of the HAT completion.

The State's enrollment and eligibility administrator shall provide a list of employees who have a same gender spouse to the Contractor to compare against a listing of all employees who have qualified for the $200 HRA. As a result, the Contractor shall be required to provide a file of those employees who have qualified for the $200 HRA to the State for the purpose of taxing this benefit.

GENERAL ADMINSTRATION REQUIREMENTS

The following general administration requirements shall apply to the State's FSA and HRA programs as they apply to the State's requirements and/or plan administration as required by law.

1. **Internal Revenue Service (IRS) Requirements.** The Contractor shall provide the State with the information in its custody for use in the preparation of all returns and reports that are required by the Internal Revenue Service, the Department of Labor and any other federal or state agency.
2. **Alternate ID Numbers.** The State currently uses the social security number as the Employee Identifier, but is planning to discontinue that practice sometime in the future. The Contractor's system shall accommodate a transition to alternate identification numbers as part of this contract.
3. **Record Maintenance Requirements.** The Contractor shall perform the following record maintenance for each enrollee record for each plan:
   a. Maintain a list of participating employees, including full names, home addresses and social security numbers;
   b. Maintain records of contributions by, payments of benefits to, and resulting account balances of participating employees and report the same to the State in a format and frequency acceptable to the State;
   c. Maintain records of all transactions under the Contract during the term of the Contract and subsequent periods in compliance with applicable Local, State and Federal requirements;
   d. Provide the State bi-weekly payroll details listing employee, plan(s) and amount(s) for any new hires or life events performed within the online benefits system outside of open enrollment or special events for FSA plans. Please see the Record Layout, Flexible Spending and Other Voluntary Benefits Batch Transactions (attached hereto as **Appendix D**) for specific details of this requirement. (Note: data must be encrypted using the State's designated software and placed on the State's FTP site); and
   e. Accept weekly files from the State's enrollment and eligibility administrator identifying terminated employees. The format of this file is not available; However the State will work with the enrollment and eligibility administrator to ensure files will be in a format necessary to accommodate the Contractor as a result of this bid award.
4. **Claim Forms and Filing Instructions.** The Contractor shall provide the State with information necessary to enable enrollees to request reimbursement for covered claims.
5. **Benefit Booklets.** The Contractor shall maintain a master copy of Benefit Booklets for all programs they agree to administer as part of the Agreement and make changes and amendments to the master copy of the Benefit Booklets. The Contractor shall provide an electronic version of the Benefit Booklets for posting on the State's web site. In addition the Contractor shall provide either in person or via US mail in hard copy upon request from the State or its employees a copy of the Benefit Booklets.

6. **Employee Correspondence and Related Benefit Materials Mailings.** The Contractor shall present Employee Correspondence and Related Benefit Materials Mailings to the State for its review, editing and approval prior to its release to State Employees.

7. **Program Documents.** The Contractor shall provide the documents that set forth the terms of the programs contained within this bid and all other documents required to administer the programs. This shall include providing claims procedures, claims forms and information to enrolled employees and their covered dependents.

8. **Program Administration Changes.** The Contractor shall provide the State of any anticipated Program Administration Changes as soon as it becomes aware of a change being required, but no later than (30) thirty days prior to a change.

9. **Claim Overpayment Due to Errors and/or Omissions.** Should the State or the Contractor determine that it has overpaid a claim or claims, or provided a benefit to an ineligible person for any of the programs, due to any negligent or intentionally wrongful act, error or omission of the Contractor (or its employees or its agents) relative to its obligations under the Agreement, the Contractor shall be responsible for paying the amount of the improper payment or overpayment to the State.

10. **Manual Claims.** All manual claims received for reimbursement shall be checked for signature, proper documentation and eligibility. As claims are entered and processed the expense type must be allocated based on an expense type. If it is an item which is eligible for reimbursement from HRA funds, the HRA shall be set as the primary account and FSA shall be set as the secondary account. If it is an item which can only be reimbursed from FSA funds, the FSA shall be set as the primary account without a secondary account.

11. **Debit Cards.** The Contractor shall provide and manage all debit cards and their respective transactions for the FSA (medical and dependent care) and HRA programs. Within seven (7) business days of receipt of the State's enrollment data for both FSA and HRA benefits, the Contractor shall produce a debit card for the State's employees. Debit cards are to be received by State employees within ten (10) business days. In addition, State employees may request a debit card be provided to their dependent spouse and/or child(ren) providing they are at least eighteen (18) years of age or older. Please see **Attachment 6** for additional information about the State's current debit cards.

12. **Debit Card Transactions.** The Contractor shall establish the following systematic relationships for debit card transactions:

    a. **Pharmacy co-payments.** A relationship shall be built between the State's pharmacy benefits manager's pharmacy carrier and the debit card provider.

    b. **Office visit co-payments, deductibles and co-insurance.** The HRA in the debit card system shall be set to work with only those Contractor codes at which an enrollee would incur office visit co-payments, deductibles or co-insurance. Contractor codes for merchants which fall into vision, dental, orthodontic, etc would be coded only to the FSA account. When the card is swiped at a merchant with a Contractor code which is programmed to the HRA, the system will look first to the HRA. If there isn't an HRA or the funds have been exhausted, the system shall then look for an FSA from which to process the transaction.

13. **Inventory Information Approval System (IIAS).** The Contractor shall utilize this approval system that provides real-time auto-substantiation of eligible medical expenses as described in I.R.C

Section 213 (d). Eligibility under IIAS shall supersede any Contractor code exceptions that may be attached to FSA's through the debit card system. In addition, the Contractor shall ensure its partners become compliant as required by the IRS or any other federal mandate during the agreement period.

14. **Appeals.** The Contractor shall handle the intake, review, determination and notification of determination to enrollees for all appeal types for the FSA and HRA programs. The enrollee shall have 180 days from the date of the denial to appeal the decision made by the Contractor or its designee.

15. **Online Access.** The Contractor's system shall provide employees, enrollees, agency designees and the State's administrators with access to an online web site to access individual and group account information based on their designated roles. Social Security numbers shall not be used as user identification numbers for accessing their account online through its web site. The online web site shall allow those accessing the system to reset his/her password should they lose access to the system.

    The Contractor's system shall allow the State's administrators the capability to run, download and export reports for the FSA and HRA accounts from the Contractor's web site. These reports should include:

    Employee Level Reporting:

    The Contractor shall provide employee level reporting to the State as follows:

    a. Current overall goal amounts by employee, agency and payroll code by account elected;

    b. Payroll deductions applied to each account elected by the employee that includes the employee agency and payroll code.

    Employer Level Reporting:

    The Contractor shall provide employer level reporting to the State as follows:

    a. The State's overall account balance versus expenditures by account type and by agency;

    b. A counts report by agency of how many employees have become eligible for the HRA and their balance of the $200 HRA as of the date the report is run.

16. **Certificates of Creditable Coverage.** The Contractor shall provide certificates of creditable coverage as required by HIPAA with respect to enrollee participation in the programs administered by the Contractor or its designees if applicable.

17. **Legislative and Industry Updates.** The Contractor shall keep the State and its staff apprised of both federal and state updates. In addition, the Contractor shall work with the State to stay abreast of changes within the Contractor and its designee's industries respectively.

18. **Compliance Oversight.** The Contractor shall have oversight responsibility for compliance by its Contractor contracts, including but not limited to HIPAA compliance, along with compliance with all applicable federal, State and local laws. The Contractor shall have authority to enforce these contract stipulations with its designees as required.

19. **Enforcement Audits or Reviews.** Should the Contractor retain outside Contractors, auditors, and/or counsel to conduct audits or reviews of or to enforce its contracts or activities and recoveries or cost avoidance is a result of such audits, reviews or enforcement activities, the Contractor shall provide a credit to the State, after a reduction in such recovery or cost avoidance amount of its expenses. In addition, the Contractor shall provide a copy of the audit outcomes to the State to substantiate the credit.

20. **Reconciliation.** The Contractor shall work with the State and its enrollment and eligibility administrator and/or any other designee appointed by the State to ensure all files and databases are reconciled throughout the agreement period.

21. **Information Technology (IT) Resource.** The Contractor shall provide access to its IT resource to assist the State or its designee with transition, system and data issues that may arise during the term of this agreement as needed. At a minimum, the Contractor shall provide access to an IT resource during its initial implementation and the State's migration to Lawson.

IMPLEMENTATION REQUIREMENT

The Contractor's system shall be established with the existing FSA and HRA accounts and for receiving 2012 plan year elections during open enrollment by midnight on December 31, 2011. In addition the Contractor shall be available as part of the implementation for the State's Open Enrollment – Fall 2011 as outlined in the General Administration Requirement, **OPEN ENROLLMENT – FALL 2011**, section**.**

During the implementation phase of the HRA and Open Enrollment for the FSA, the Parties shall work together, to determine when eligibility files shall be provided between the Contractor and/or its designees if applicable, the State's medical benefits administrator and the State and when and how the Contractor shall enter such files into its systems and make the files available to the State for its use.

The Contractor and its designees if applicable shall work with the State's enrollment and eligibility administrator and the State's medical benefits administrator to establish a HIPAA compliant, mutually acceptable interface to ensure timely files feeds, enrollment and access to HRA benefits for enrollees.

The Contractor shall provide a project plan for the Implementation phase of this agreement in accordance with the Section titled General Contractual Obligations, 18. Project Plans, as outlined within this Bid.

OPEN ENROLLMENT – FALL 2011

The Contractor shall participate in the State's Open Enrollment in the fall of 2011. The State works with its enrollment and eligibility administrator and other health benefit administrators to plan for open enrollment from approximately September through mid October to ensure all plan changes, if applicable, are in place for open enrollment plan elections and are in effect for January 1 of the next plan year.

As described in the section below in **OPEN AND/OR SPECIAL ENROLLMENT REQUIREMENTS**, the State requires these same activities for the fall of 2011 to be performed by the Contractor on an annual basis during the contract period.

OPEN AND/OR SPECIAL ENROLLMENT REQUIREMENTS

The following section outlines the Contractor's responsibilities during the State's annual Open Enrollment, or as requested as part of a Special Enrollment. Depending upon plan changes and other business needs, the State reserves the right to determine whether it requires a passive or an active open enrollment period each year at least once each calendar year. At times, the State may require an additional enrollment period depending upon its business needs due to Collective Bargaining or other events that have an impact on employee plan offerings.

The State's annual Open Enrollment period typically runs for two weeks and is expected to commence sometime late in November or December 2011 for a January 1, 2012 effective date. *This timeframe within this bid is meant to provide an approximation of the dates the State generally holds Open Enrollment but does not limit the State to only hold Open Enrollment during this timeframe or to not hold Special Enrollment sessions should they become necessary.*

The Contractor shall provide the following enrollment support:

1. Work with the State and its individual agencies and departments and the State's other health benefit administrators in planning and scheduling on-site open enrollment activities to support the State's 160 worksite locations, including all District Offices and Department of Transportation sheds to include:

a. Key employee/staff informational meetings to educate and/or remind key staff of the enrollment process for all voluntary group insurance plans and options for election and;

b. Face to face employee informational meetings that provide information to current and prospective enrollees about all benefit options available to them that include but are not limited to; respective plan Benefit Booklets, pamphlets and enrollment forms if applicable. The incumbent Contractor coordinated and attended 33 (thirty-three) on site events during the 2010 open enrollment.

2. Attend Human Resource meetings to review current plans and any applicable plan changes being shared with employees for that Open Enrollment or Special Enrollment period. Generally the Division of Personnel hold (1) one open enrollment meeting for Human Resources in October prior to the on site meetings for open enrollment.

3. Work with the State's enrollment and eligibility administrator to ensure timely and accurate files during and immediately after the closing of Open Enrollment. At the conclusion of open enrollment, the enrollment and eligibility administrator shall send a full enrollment file to the Contractor for FSA administration who shall calculate the bi-weekly payroll deductions and forward on to the State a full enrollment file to establish the deductions for that calendar year.

4. Work with the State's medical benefits administrator to ensure timely and accurate files for the current plan year and the new plan year for HRA enrollment.

5. Each year, employees must make an active election for flexible spending participation. The Contractor's system shall default all elections to zero ($0).

6. The Contractor shall provide a link to an online Calculator for Section 125 Plans to the State's enrollment and eligibility administrator for employee use within the enrollment system when employees elect benefits. The Calculator shall have, at a minimum, the following capabilities:

a. Allow employees to change their elections in the calculator without actually changing their elections so that they can perform "what-if?" calculations;

b. Calculate employee tax savings realized with pre-tax benefits; and

c. Show a side-by-side comparison of the employees' after-tax take-home pay with and without the Section 125 plan.

Should the Contractor have an online calculator that could be integrated further as part of employee benefit elections process with the State's enrollment and eligibility administrator, the State would require the Contractor to work with the State's enrollment and eligibility administrator to implement this as part of its initial implementation.

NEW HIRE ORIENTATIONS AND/OR EDUCATIONAL SESSIONS

Several of the State's larger agencies hold regular new hire orientations that include presentations by its health benefits administrators. All contents in the Contractor's orientation presentations, education sessions or any other materials being presented to State employees must be approved by the State prior to their release. The Contractor shall provide, at a minimum, the following activities with respect to new hire orientations and/or educational sessions as requested by its agencies;

a. Promote employee participation in FSA programs via seminars, direct outreach and other educational campaigns as mutually agreed to by the State;

b. Provide employee communications such as benefit booklets, newsletters or similar informational materials, web-access to interactive information and tax savings calculators (e.g., links to claims history information maintained online by the current health benefit administrators for verifying out of pocket expenses, and calculating payroll contributions to the programs being offered), announcement posters, payroll stuffers, new hire letters and informational packets, etc.;

REPORTING REQUIREMENTS

The Contractor shall provide the following reports:

1. **Call Tracking Report.** The Contractor shall provide a call tracking report for the average speed to answer, abandonment rate and inquiries resolved during the first call on a schedule mutually agreed upon during the entire agreement period.

2. **Payroll Deduction Report.** The Contractor shall provide a weekly deduction change report as required for FSA, HRA and voluntary benefit administration as required by the State. Please see Record Layout, Flexible Spending and Other Voluntary Benefits Batch Transactions attached hereto as **Appendix D** for details about this requirement. (Note: data must be encrypted using the State's designated software and placed on the State's FTP site).

3. **Client Service Level Reports.** The Contractor shall provide the State with the following client service level reports:
   a. Weekly check registrar reports (weekly);
   b. Monthly debit card transaction reports (monthly) and;
   c. An annual FSA and HRA forfeiture report (within 45 days of the end of each plan year).

4. **Same Gender Spouse Reports.** The Contractor shall provide the State a report on a weekly basis listing those employees who became newly eligible for the HRA who have a same gender spouse and/or dependents on their plan for tax purposes.

5. **HRA Reports.** The Contractor shall provide the State with reports on a monthly basis that include the following:

   a. The number of HRA accounts established with and/or without FSA accounts;
   b. The agency of the employee who has established the HRA and/or HRA/FSA accounts;
   c. HRA balances.

FUNDING REQUIREMENTS

The following section outlines the State's account funding and banking requirements for the FSAs and HRA claims administration.

1. **Banking.** The Contractor shall provide and maintain the bank account to be used for claims administration for the FSA and HRA accounts. The Contractor shall assume all responsibility with respect to administrative banking fees and any other related fees and shall not invoice the State for these fees.

2. **Funding of the Plans/Accounts.** The State shall not pre-fund any of the accounts or plans administered under this contract.

   a. **Medical FSA Funds.** The Contractor shall accept a bi-weekly deposit via Electronic Funds Transfer (EFT) to an account held by the Contractor at a bank of its choice for use in claims payments for covered medical expenses. However, 100% of employee goal amounts shall be available for use at any time during the plan calendar year regardless of the payroll deductions made by the employee to that point.

   b. **Dependent Care FSA Funds.** The Contractor shall accept a bi-weekly deposit via EFT to an account held by the Contractor at a bank of its choice for use in claims payment for covered dependent care expenses. However, reimbursement shall only occur up to the amount of payroll deductions collected to that point.

   c. **HRA Funds.** The State shall reimburse the Contractor for the reimbursement of HRA funds the Contractor pays out to the State's employees who have qualified for the HRA up to $200 per calendar year. The State shall not pre-fund the $200 HRA. The Contractor shall receive payment from the State for HRA claims payments as the $200 HRA is spent down for each eligible employee.

ADMINISTRATIVE FEE INVOICING AND PAYMENT

The following section outlines the State's administrative fee invoicing and payment requirements.

1. **Administrative Fee Invoicing.** The Contractor shall submit monthly invoices for administrative fees to the State in two separate invoices. The invoices shall be sent as follows:

   a. The FSA administrative fee invoices shall be sent to the State (c/o the Division of Personnel) on the last day of each month setting forth the applicable Monthly Fee for the services

provided. Each invoice shall reference the contract and provide detailed information and be in a format as approved by the State.

b. The HRA administrative fee invoices shall be sent to the State (c/o Risk Management Unit) on the last day of each month setting forth the applicable Monthly Fee for the services provided. Each invoice shall reference the contract and provide detailed information and be in a format as approved by the State.

2. **Administrative Fee Payments.** Administrative payments from both the Division of Personnel for FSA Administration and the Risk Management Unit for HRA administration shall be paid within thirty (30) business days after receipt of properly documented invoices and acceptance by the State.

3. **HRA Claims Reimbursement Invoicing.** The Contractor shall submit a monthly invoice for HRA claims payment reimbursement. During peak times of the plan year (generally the first quarter of a plan year) the Contractor may submit invoices on a bi-weekly basis during that period for HRA claims reimbursement.

4. **HRA Claims Payments.** Reimbursement to the Contractor for HRA claims from Risk Management Unit shall be paid within fourteen (14) business days after receipt of properly documented invoices and acceptance by the State.

5. **Claims Run In.** The Contractor shall accept a file or files from the incumbent administrator that identify account balances as of December 31, 2011, or a date mutually agreed to, for the administration of claims run out from calendar year 2011 for HRA claims and for medical FSA claims incurred both during calendar year 2011 and 2012 that are being reimbursed against FSA and for dependent care FSA claims incurred in calendar year 2011 that have not been reimbursed to the employee(s) as of this date.

6. **Claims Run Out.** At a minimum, within five (5) business days or as mutually agreed upon from the termination of this agreement, the Contractor shall provide all necessary data required to transition all account administration within the agreement to the State, or its designee, upon contract termination or on a date mutually agreed upon prior to the contract termination to ensure continuity of coverage for the services outlined in the Contract.

7. **Bank Account Closing and Reconciliation.** At a minimum, within five (5) business days or as mutually agreed upon from the termination of this agreement, the Contractor shall provide all remaining funds and supporting documentation to the State, or its designee, for all account balances for both the FSAs and HRAs held by State employees.

CONFIDENTIALITY, USE OF INFORMATION

The following section outlines the State's requirements with respect to the confidentiality of its data and the Contractor's use of it.

1. **Confidential Data.** The State considers all data, and any other information, provided to the Contractor through file transfers and employees, and all other modes to be confidential information and owned by the State. Any disclosure of the State's confidential data shall require prior written approval from the State unless such disclosure is otherwise required by applicable law.

2. **Use of State's Confidential Information.** The Contractor shall not use the State's confidential data and other information, for purposes other than as necessary for the Contractor's performance under this Agreement.

3. **Data Ownership upon Contract Termination or Expiration.** At a minimum, within thirty (30) days prior to the termination or expiration of the Agreement, the State or its designee requires receipt of at least one file to be used as an initial load and testing file of the Contractor awarded the Agreement that includes any and all confidential data contained within the Contractor's system at that time. In addition within seven (7) days or as mutually agreed upon of the termination or expiration of the agreement the State or its designee shall be provided a final file of any and all confidential data contained within the vendor's system as of the date of termination or expiration in a format determined by the State or its designee. The return of all confidential information to the State or its designee shall be at no additional cost to the State. Should the Contractor retain any of the State's enrollment and eligibility information upon termination or expiration the confidentiality of that data shall survive the termination or expiration of the agreement.

4. **Relief.** In the event of unauthorized use or disclosure of the State's confidential data, the State shall immediately be entitled to pursue any remedy at law or in equity, including, injunctive relief.

MIGRATION TO LAWSON ENTERPRISE RESOURCE PLANNING HUMAN RESOURCE MODULE

The State of New Hampshire is in the midst of phase two (2) of it's implementation plan for transitioning to Lawson Enterprise Resource Planning (ERP) Version 9.0.1 to support administrative and financial functions including procurement, accounts payable, accounts receivable, general ledger, human resources and payroll. The human resources administration and payroll functions including many employee/manager self-service functions are the second phase of this project. **This phase of the ERP project will begin in September of 2011 and is estimated to be completed by January of 2013.**

The Lawson ERP Human Resources/Payroll implementation shall replace the current payroll system which has been in place for over 20 years and for which maintenance support is no longer practicable. It shall add automated processes to the State's human resource management functions, such as on-line time reporting, and on-line HR/benefits administration.

CONTRACTOR MIGRATION RESPONSIBILITIES

The selected Contractor shall work with the State and its enrollment and eligibility administrator to ensure transition and migration of plan data to the ERP system that includes all FSA, HRA and other voluntary group insurance plans the State determines it will administer through its new ERP Human Resource Module for health and benefits administration.

The Contractor shall provide a project plan assuming a go live effective date of January 1, 2013 for the transition and Migration of data to the ERP system in accordance with General Contractual Obligations, 18. Project Plans as outlined within this RFB.

PERFORMANCE GUARANTEES

The following section outlines the required performance guarantees.

1. **Quarterly Performance Reports.** The Contractor shall provide all of the following reports on a quarterly basis within forty-five (45) days of the end of the quarter. Each report, at a minimum, must provide the State results of the Contractor's performance for that particular quarter in addition to cumulatively how the Contractor has performed to that point within the each plan year of the agreement period.

   Each report must provide the appropriate information to support the Contractor's status with respect to meeting and/or exceeding the guarantees outlined within this section. The State shall work with the Contractor to develop the contents of each report during implementation to ensure the State is satisfied with the Contractor's ability and methodology of tracking these guarantees.

   The following are the reports the State requires on a quarterly basis for its review:

   a. All participant inquiries statistics report. This report should track call types (claims, eligibility, coverage etc.) to allow the State and the Contractor to collaboratively make improvements to the Program for its employees.

   b. Average speed to answer report

   c. Claims Turn Around report

   d. Claims Payment Accuracy report

   e. Debit Card Delivery report

   f. Inbound File Processing report

PERFORMANCE GUARANTEES

The Contractor agrees to the following performance guarantees. All guarantees shall be set and measured annually. Measurement of performance guarantees may be based on internal self-reporting, subject to independent audit.

Customer Service Guarantees		
Guarantee	**Standard**	**At Risk $**
Participant inquires (including the State's Program management team). Includes all forms of inquiry including but not limited to; phone, fax, email handwritten, or any other electronic means of communication available and used by participants.	Average 85% of inquiries resolved within same business day	$ 5,000.00
	Average 90 % of inquiries resolved within one business day	$ 3,000.00
	Average 98 % of inquiries resolved within 5 business days	$ 3,000.00
Average Speed to Answer - (seconds)	< 30 seconds	$ 2,000.00
Call Abandonment Rate	< 5%	$ 2,000.00
Claims Processing Guarantees		
Guarantee	**Standard**	**At Risk $**
Claims Turnaround Time	98% within 5 business days	$ 5,000
Claims Payment Accuracy	98%	$ 5,000
All Other Guarantees		
Guarantee	**Standard**	**At Risk $**
Debit Card Delivery	98% Mailed within 10 business days of receiving inbound file, or other Request (e.g.: replacement)	$ 10,000
Inbound File Processing	98% within 2 business days	$ 10,000
Annual Settlement Report(s) Must Include: All participant inquires statistics report Average speed to answer report Claims Turnaround Time report Claims Payment Accuracy Report Debit Card Delivery Report Inbound File Processing Report	99% of the Annual Settlement Reports listed must be provided to the State within 45 days of the close of each plan year for the duration of the Agreement	$ 5,000

Total Dollars at Risk $ 50,000

GENERAL CONTRACTUAL OBLIGATIONS

The following section outlines additional contractual requirements.

1. **Administrator Customer Service.** The Contractor shall provide access to front line staff who shall provide assistance for day to day operational issues that may arise with the programs.

   In addition, the Contractor shall provide dedicated contacts to provide assistance to the State's benefits management team to include, but not be limited to: working directly with the State during implementation, open enrollment, special enrollments or at other times mutually agreed upon by the State and the Contractor for other projects that are a result of changes in the State's business needs in enrollment and eligibility services.

2. **State Service Hours.** The Contractor shall provide support during the business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, Eastern Standard Time.

3. **Holiday Closings.** The Contractor shall provide the State a copy in writing of its anticipated holiday closing schedule within thirty (30) days of the beginning of each plan year, or sooner.

4. **Other Closings.** The Contractor shall provide the State with as much advanced written notice of company closing for any other type closing it might experience. For example, inclement weather.

5. **Account Information Access.** The Contractor shall ensure access to its or it's designee's system (24) twenty-four hours per day, (7) seven days per week via an internet based web site for both enrollees and designated representatives identified by the State. Employees shall have access to view account balances and claims status for Medical and Dependent Care FSA's along with account balance and claims status for the HRA (providing the employee has qualified for this benefit).

6. **Toll-Free Number.** The Contractor shall provide a toll-free number for Contractor enrollees or State agency staff, to contact the Contractor, to handle eligibility and/or claims issues.

7. **Special Needs Accommodations.** The Contractor shall provide a Telecommunications Device for the Deaf or other voice capability for the hearing impaired.

8. **Non-English Speaking Accommodation.** The Contractor shall accommodate non-English speaking enrollees.

9. **Voicemail and E-mail.** Voicemail and email shall be used when contacts at the Contractor's office are not available. The Contractor shall use commercially reasonable efforts to return all e-mails and voicemails no later than four (4) business hours after receipt.

11. **Dedicated Staff Assignments.** The Contractor shall assign experienced personnel necessary to perform services described herein and who are dedicated to the State account. The dedicated personnel must consist of a project manager, contracts manager, and support staff responsible for day-to-day operations. The State reserves the right to approve changes in, or replacements of, dedicated personnel in advance of any such change. Such personnel shall assist the State upon contract approval or at other times as mutually agreed upon by the State and the Contractor the following activities and/or projects that include:

    i. Initial implementation;

    ii. Implementation of new or changed/enhanced functionality as the State's business needs change or if requested by the State;

    iii. Day to day account management;

    iv. Open or special enrollments.

12. **Meetings.** At a minimum, the Contractor shall meet with the State in person on a quarterly basis in Concord, NH. The State generally holds monthly Contractor meetings for the State's health program staff to meet with its medical, dental, prescription drug, FSA/HRA and voluntary group insurance plan administrators to discuss ongoing projects, any changes that affect one or all administrators, etc. In addition, ad-hoc meetings are held on-site at the State or via conference call dependent upon the State's business needs and the nature of the discussion. The Contractor shall be required to attend additional on site meeting attendance at meetings prior to and during annual open enrollments.

13. **Other Health Benefit Activities.** In addition to the other events and activities listed within this Bid, the State and its respective agencies hold annual benefit fairs, wellness events and/or wellness coordinator training sessions or other employer sponsored activities throughout the year that the State invites its health benefit administrators. The State shall invite the Contractor to events as it deems appropriate and will specify those when attendance is required. In calendar year 2010 the incumbent Contractor attended the following on site health benefit activities;

    a. (3) three, New Hire Events
    b. (6) six, Human Resource meetings (including the annual open enrollment meeting)
    c. (3) three, benefit fairs/safety days

    Note: Benefit activity requirements shall vary each year depending upon the State's business needs.

14. **E-mail Encryption Solution**. The Contractor shall host a secure web-based e-mail solution for the State's use to communicate with its voluntary group insurance plan administrator(s). In addition, the State requires that your system have the capability to enable TLS e-mail encryption between your organization and the State. These solutions shall be used for exchanging all e-mails containing ePHI including but not limited to eligibility files, reports and file attachments.

15. **System and Data File Back Up Requirements**. Backups of the State's data shall be completed at a minimum of seven days per week. The Contractor's system and data file back up shall include a separate off-site storage at a secure location and be made available to the State upon request.

16. **Disaster Recovery and Business Continuity/Contingency Plan Requirement.** The Contractor shall have a redundant data center to ensure continuity of operations should the State's enrollment and eligibility system fail or become unavailable.

17. **Project Plans.** For each project (especially the initial implementation and conversion to Lawson) the Contractor, unless otherwise specified by the State, shall provide a project plan for each project that is satisfactory to the State. The Contractor shall assign a project manager and team (if applicable) to the project for the duration of the project. Any change to project manager, unless specifically requested by the State, shall be given in writing and shall give the State reasonable notice of a change so not to jeopardize the success of the project.

    1. **Project Manager Requirements.** The assigned project manager shall at a minimum;

        a. Have the full authority to act within the project plan;
        b. Promptly respond to inquires from the State;
        c. Demonstrate full commitment to the project;
        d. Be qualified to perform the duties of a project manager and delegate assignments as appropriate to the project team.

    2. **Project Plan Requirements.** Each project plan shall include, but is not limited to, the following;

        a. A detailed description of the schedule (to include due dates);
        b. Milestones such as critical events, tasks and task dependencies;
        c. Entity responsible for all milestones (Contractor or State);
        d. A training plan for those affected by the project if applicable.

3. **Project Status Reporting Requirements.** Project status reports shall be provided by the project manager to the State on a weekly basis or as mutually agreed upon given the nature of the project and shall include at a minimum;

   a. Revisions of the project plan to be reviewed by the State;
   b. Minutes of meetings held since the last report;
   c. Status of the project and;
   d. Issues and/or concerns raised by either party that require resolution by the State, the Contractor or any other party that may be involved as part of the project plan.

18. Business Relationships. The Contractor shall in a timely manner and in good faith establish and maintain the necessary and appropriate business relationships with the State's benefits administrators as reasonably necessary to provide the services of the agreement. The State reserves the right during the agreement period to select benefit administrators other than those or in addition to those whose contracts with the State are in effect on the effective date of this agreement if and/or when awarded.

19. Proprietary Rights. Both the Contractor and the State shall grant to the other a royalty-free, non-exclusive, non-transferable, revocable license (without rights to sublicense) to reproduce and display such trademarks, copyright and other proprietary rights notices solely in connection with the services, provided that such use shall strictly conform to the granting party's graphic standards. The Contractor shall agree that any reproduction or display of the State's trademarks, copyright and other proprietary notices shall be in accordance with the State's standards as provided to the Contractor.

21. Audit Rights. Upon reasonable prior notice to the Contractor, the State's auditor or its designee shall have unfettered access to its facilities, equipment, software, personnel, data and records, as permitted by law, for the purpose of performing audits of compliance with the terms of the agreement.

SECTION IV – FSA AND HRA BID OFFER

Bidders are required to complete the following offer tables by providing a monthly fee per employee per month (PEPM) per account.

FSA AND HRA FEES ON A PER EMPLOYEE PER MONTH BASIS

FSA ADMINISTRATION	Year 1 (1/1/12 – 12/31/12)	Year 2 (1/1/13 – 12/31/13)	Year 3 (1/1/14 – 12/31/14)
Medical FSA Only			
Dependent Care FSA Only			
Medical and Dependent Care FSA			

HRA ADMINISTRATION	Year 1 (1/1/12 – 12/31/12)	Year 2 (1/1/13 – 12/31/13)	Year 3 (1/1/14 – 12/31/14)
HRA Only			
HRA and Medical FSA			
HRA, Medical and Dependent Care FSA			

Debit Card Fee - INFORMATIONAL USE ONLY

Debit card fees must be provided below. The fee information will be for informational purposes only and will not used for the basis of bid award.

Debit card fees shall be embedded in the FSA and/or HRA administrative fees in the above offer tables. The State shall not pay any expense or additional fee presented by the Contractor over and above fees quoted in the above offer tables. Failure to complete any portion of the requested information is grounds for rejection of your bid response. Please note: Because the HRA and FSA are stacked upon each other and do not require an individual card for each account an employee established, the State should only be charged for one card for each employee and their dependent(s) regardless of how many accounts an employee establishes during a plan year.

Debit Card $_____ Initial
Debit Card $_____ Additional
Debit Card $_____ Duplicate

SECTION V – SCOPE OF SERVICES FOR PRODUCER SERVICES FOR VOLUNTARY GROUP INSURANCE PLANS

The State authorizes the development and administration of a coordinated program by a licensed insurance producer/TPA. As stated in Section I, B, #2, the State currently offers a group short-term disability, critical illness and accident insurance policy to employees through enrollment administration and payroll deduction. The policy effective date for Voluntary Group Insurance Plans shall be January 1, 2012.

Responses to this bid shall include the following:

- A proposal for group voluntary insurance plans (similar to the current plan offerings as described below) for eligible State employees (bidders are encouraged to provide a proposal which includes a carrier's plan selection, or multiple plan selections);
- The proposal shall include cost structure that clearly demonstrates the plan's premium rates;
- A minimum of two quotes* per plan design shall be provided;
- Any commission or administration fee shall be fully disclosed to the State;
- A sample Administrative Services Agreement between the producer and carrier offering the group voluntary insurance plan; and
- A sample Broker of Record letter.

* Quotes shall be provided based upon the aggregated census data provided in Appendix G.

Upon the effective date of the contract, the State shall provide the Contractor with a broker of record letter authorizing the Contractor to act as the Broker of Record on behalf of the State for negotiating voluntary group insurance plans. The Contractor shall provide to the State the Administrative Services Agreement between the producer and the carrier, authorizing the Contractor to manage the administration of the State's group policies on behalf of the carrier.

The Contractor shall, at its own expense, provide all personnel, materials and resources necessary to perform the services described herein. The Contractor shall warrant that all personnel engaged in the contract services are qualified to perform the services and are properly licensed and otherwise authorized to perform services under all applicable laws. The Contractor shall demonstrate a strong commitment to customer service in all aspects of its dealings with the State and/or its employees. The Contractor shall return telephone calls promptly, be professional and maintain confidentiality when communicating with State employees.

The Contractor services shall, at a minimum, include the following:

A. Develop, recommend and manage administrative services for the Voluntary Group Insurance Plans, at a minimum to include:

- Enrollment: explain enrollment process, answer questions regarding services covered, collect enrollment forms and coordinate delivery with various Providers;
- Education: conduct individual and group informational meetings, distribute plan information, premium information, program details;
- Issue certificates of insurance: distribute confirmation of coverage directly to members;
- Timely delivery of binders, policies and endorsements;
- Verify accuracy of policy language, coverage endorsements, exclusions and other terms and conditions consistent with placement noting variations/changes from the previous policies;
- Claims administration: oversee claims adjudication and appeals process;
- Invoicing, and Invoice Reconciliation: ensure accurate payroll deductions consistent with enrollment information;
- Attendance at the annual open and/ or special enrollment periods (see specifications described in Sections "Open Enrollment – Fall 2011", "Open And/Or Special Enrollment Requirements", and "New Hire Orientations And/Or Education Sessions" of this bid): answer questions, assist with enrollment, and distribute plan summary material.

C. Report monthly to the State on employee participation in the various voluntary group plans.

D. Provide employees with quality customer service and account service features.

E. Provide employees with a monthly report itemizing the deductions for their elected plans, if enrolled in more than one voluntary group insurance plan.

F. Provide weekly to the State, in the format described in Appendix D, information which will permit the State to accurately deduct the cost of voluntary group insurance plans from the pay of an employee electing voluntary group insurance plan participation.

G. Receive all monies deducted from employee pay for the Providers and pay it (less Contractor's commissions) to the Providers for the voluntary group insurance plans.

H. Promptly refund to an employee any money improperly withheld from employee pay as a result of an error by the Contractor or a Provider.

I. Employee Complaints: If an employee has a complaint regarding any matter related to the voluntary group insurance plans or the Providers, the employee must complain directly to the Contractor or the Provider, as appropriate. State benefit customer service and union grievance processes are not available for employee complaints regarding the voluntary group insurance plans.

The State obligations with respect to the voluntary group insurance plans are as follows:

A. Approve or disapprove any recommendation by the Contractor regarding voluntary group insurance plans or Providers. The determination of the State regarding any recommendation of the Contractor is final and not subject to further review.

B. Review all agreements between the Contractor and any Provider regarding the obligations of the State with regard to the voluntary group benefit plans offered.

C. Review and approve all administrative and operational procedures with regard to the obligations of the State with regard to the voluntary group benefit plans offered.

D. If an employee elects one or more voluntary group insurance plan offered, the State will withhold from the employee's pay the cost of the elected insurance plan and transmit the money to the Contractor.

E. Facilitate the Contractor's educational and marketing efforts with the State employees.

F. Promptly refund to an employee any money improperly withheld from employee pay as a result of an error by the State.

An overview of the current voluntary group insurance plans are described below. Contractor shall have the capacity to enroll up to 12,000 lives effective January 1, 2012 with no medical underwriting requirement.

1. Short-Term Disability Coverage enrollment: See **Attachment 3** for a copy of the plan brochure and current premium rates. Monthly replacement rates are based on age and salary.

- Eligibility: Full time State employees are eligible to enroll in short-term disability benefits effective the first of the month following 30 days of employment.
- Plans: 1st day accident, 8th day sickness 26 week duration or 15th day accident, 15th day sickness and 52 week duration.
- Weekly Amounts: both plans allow employees to select a weekly benefit amount ranging from $100 to $1000 per week in $50 increments not to exceed 70% of basic weekly income*

*Basic weekly income means the weekly compensation an employee earns from their normal occupation with their employer. It does not include earnings from overtime, bonuses, or any other form of pay. State employees are paid on a bi-weekly basis but this benefit is calculated on a weekly basis for when employees are not at work due to their short-term disability.

2. Critical Illness Insurance enrollment:

- Eligibility: Full time employees are eligible to enroll in critical illness Insurance. See **Attachment 4** for the specific coverage available, riders, and rates available.
- Plans: Employee only and employee and dependent spouse and/or child(ren). A spouse cannot have more coverage than the employee has.
- Weekly Amounts: Rates are based on the age of the employee and their dependent(s) (if applicable) and whether the employee and/or their dependent spouse and/or child(ren) are smokers or non-smokers.

3. Accident Insurance enrollment;

- Eligibility: An employee must work 90 days before becoming eligible to participate in Accident Insurance. Full time employees are eligible to enroll in accident insurance. See **Attachment 5** for the specific coverage, riders, and rates available.
- Plans: An employee may enroll his or herself along with their dependent spouse and/or child (ren). An employee may also add riders to change Emergency Room levels of coverage in addition to the physician's office visit base amount.
- Weekly Amounts: The amounts of weekly payroll deductions are determined by the tier (employee only, employee + 1 or family) and the level of coverage chosen if riders are added for Emergency Room visits and physician office visits.

VOLUNTARY GROUP INSURANCE PLANS PAYROLL DEDUCTION AND CONTRACT TERMINATION

The following shall apply for any voluntary group insurance plan accepted by the State:

1. **Payroll Deduction.** The State shall allow payment of premiums through payroll deductions.

2. **Exclusive Marketing Rights.** The State shall grant the Contractor an exclusive right for direct marketing of voluntary group insurance plans, selected by the State through payroll deductions, to State employees on State property for the duration of this agreement.

3. **Termination of Payroll Deduction Upon Contract Termination.** Upon the termination or expiration, the State shall discontinue all payroll deductions on behalf of the incumbent Contractor and require the incumbent Contractor to cease and desist marketing any voluntary group insurance plans to State employees on State property, unless awarded a subsequent contract for these services.

4. **Termination of Marketing Rights Upon Contract Termination.** Upon contract termination or award to another Contractor, the State will transition the Exclusive marketing Rights to the subsequent Contractor. All information and data held by the terminated Contractor related to State employees participating in the group voluntary insurance plans are the property of the State and shall be returned to the State. This information cannot be used for marketing to State employees following termination of the Exclusive Marketing Rights.

5. **Claims Payment and Service Obligations upon Contract Termination.** Payment for all claims in process and all related service for enrollees in claims payment status shall continue to be provided for the duration of the obligation under the insurance contract.

6. **Continuation of Employee Coverage Upon Contract Termination.** Upon termination or expiration of the contract, the State will notify employees of the successor Contractor and the process whereby coverage can be transitioned or elected. All correspondence between the terminated Contractor and the State employee or enrollee regarding continuation of coverage through the terminated Contractor shall be reviewed and approved by the State prior to its release.

APPENDICES

Appendix A	State of New Hampshire Transmittal Letter
Appendix B	P-37 Form Contract
Appendix C	Business Associate Agreement
Appendix D	Record Layout, Flexible Spending and Other Voluntary Benefits Batch Transactions
Appendix E	HRA Record Layout
Appendix F	FSA Enrollment and Deduction Information (2003 – 2011)
Appendix G	Voluntary Insurance Plan Enrollment and Deduction Information (2003-2011)

APPENDIX A

STATE OF NEW HAMPSHIRE RFP TRANSMITTAL LETTER

Date: _____ Company Name: _____
Address: _____
_____

To: **Point of Contact:** Tammy Nelson
Telephone: (603)-271-2009; Fax: (603) 271-7564
Email: Tammy.Nelson@nh.gov

RE: **BID Name:** Administration Services for FSA, HRA and Producer Services **BID Number:** 1267-12
BID Submission Date and Time: September 2, 2011 at 2:00 PM E.D.T.

Dear Madam:

[Insert Name of signor _____], on behalf of [Insert name of company submitting a proposal _____] (collectively referred to as "Vendor") hereby submits an offer as contained in the written proposal submitted herewith to the State of New Hampshire in response to BID 1267-12 for the administration services of the State's Flexible Spending Accounts, Health Reimbursement Arrangements, and Producer Services for voluntary group insurance plans at the price(s) quoted herein in complete accordance with the BID specifications.

[Print Signor name_____] is authorized to legally obligate [Print Company Name _____].

Vendor attests to the fact that:
1. The Vendor has reviewed and agreed to be bound by all BID terms and conditions.
2. The Vendor has not altered any of the language or other provisions contained in the BID document.
3. The proposal is effective for a period of 120 days from the BID submission deadline of September 2, 2011.
4. The prices Vendor has quoted in the proposal were established without collusion with other eligible vendors.
5. The Vendor has read and fully understands this BID.
6. Vendor's official point of contact is _____
   Title _____
   Telephone _____ Email _____

Authorized Signor Signature Printed _____

Authorized Signor Signature _____

COUNTY:_____ STATE:_____

NOTARY PUBLIC/JUSTICE OF THE PEACE
On the _____ day of _____, 2011, there appeared before me, the State and County foresaid a person who satisfactorily identified him/herself as _____
and acknowledge that he/she executed this document indicated above.

In witness thereof, I hereunto set my hand and official seal.

_____
(Notary Public/Justice of the Peace)

My commission expires: _____ (Date)

APPENDIX B

Subject: **ADMINISTRATION SERVICES FOR FSA AND HRA**

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name		1.2 State Agency Address	
1.3 Contractor Name		1.4 Contractor Address	
1.5 Contractor Phone Number	1.6 Account Number	1.7 Completion Date	1.8 Price Limitation
1.9 Contracting Officer for State Agency		1.10 State Agency Telephone Number	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory	
1.13 Acknowledgement: State of , County of On , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace			
1.14 State Agency Signature		1.15 Name and Title of State Agency Signatory	
1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By: Director, On:			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: On:			
1.18 Approval by the Governor and Executive Council By: On:			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.
5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.
14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.
15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.
15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

APPENDIX C

STANDARD EXHIBIT I

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 and those parts of the HITECH Act applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire Department of Administrative Services Employee and Retiree Health Benefit Program.

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
b. "Business Associate" has the meaning given such term in section 160.103 of Tile 45, Code of Federal Regulations.

c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.

d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.

e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.

f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.

g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, TitleXIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.

h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.

i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).

j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.

m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.

n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.

o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(2) Use and Disclosure of Protected Health Information.

a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, the Business Associate shall not, and shall ensure that its directors, officers, employees and agents, do not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.

b. Business Associate may use or disclose PHI:
   I. For the proper management and administration of the Business Associate;
   II. As required by law, pursuant to the terms set forth in paragraph d. below; or
   III. For data aggregation purposes for the health care operations of Covered Entity.

c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI shall be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402 of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.

b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.

c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.

d. Business Associate shall require all of its subcontractors that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein.

e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.

f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.

g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.

i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.

j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. Covered Entity agrees that Business Associate's need to maintain portions of the PHI in records of actuarial determinations and for other archival purposes related to memorializing advice provided, can render return or destruction infeasible.

(4) <u>Obligations of Covered Entity</u>

a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.

b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.

c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) <u>Termination for Cause</u>

In addition to standard provision #10 of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.

b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.

c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.

d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity and Business Associate to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.

e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.

f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

The State	Name of the Contractor
Signature of Authorized Representative	Signature of Authorized Representative
Name of Authorized Representative	Name of Authorized Representative
Title of Authorized Representative	Title of Authorized Representative
Date	Date

APPENDIX D
RECORD LAYOUT
FLEXIBLE SPENDING AND OTHER VOLUNTARY BENEFITS BATCH TRANSACTIONS

The State of New Hampshire Secure File Exchange Server

General Information

The State of New Hampshire Secure File Exchange Server supports data exchange between the Department of Information Technology Data Center and Business Partners not connected to the State of New Hampshire's Wide Area Network (WAN). This Secure File Exchange Server is accessible by anyone with Internet access. All data files on this server are encrypted while at rest. The data stays protected until downloaded by the receiver. Flexible spending batch transactions must be placed in the State's Secure FTP Server.

ASCI Text Format
Filename: FlexSpending

DATA NAME	# CHAR	FORM	POSITION	Value
SCREEN ID	4	A/N	1-4	MISC
TRANSACTION SEQUENCE NUMBER **'01'**	2	N	5-6	01
TRANSACTION RECORD TYPE	1	A/N	7	H
EMPLOYEE ID – SSN	9	A/N	8-16	999999999
FILLER	32	A/N	17-48	blanks
EFFECTIVE DATE (MMDDYY)	6	A/N	49-54	121611
EXPIRATION DATE (MMDDYY)	6	A/N	55-60	121312 *
DEDUCTION TYPE	5	A/N	61-65	CRITI FLEXD FLEXM FLEXP STERM
DEDUCTION PLAN	5	A/N	66-70	ILLNS DPEND MEDRM PREM DISAB
FILLER	177	A/N	71-247	blanks
OVERRIDE DEDUCTION AMOUNT S9 (8) V99 NNNNNNN.NN	10	N	248-257	Eg. 0000014.38
FILLER	29	N	258-286	

*Note: The expiration dates for FLEXP/PREM/CRITI and STERM/DISAB/ILLNS should be 999999.

HMC to HRA Administrator – SONH HRA Participation

CLIENT: State of New Hampshire
VENDOR / Data Recipient: HRA Administrator
DATA TYPE: HRA Participation
FORMAT: .CSV
DESTINATION: HRA Administrator
TRANSFER METHOD: FTP
FREQUENCY: Weekly – Friday
FILE NAME: Sample Filename: HMCHRAParticipationSONHmmddyyyy.txt Where mmddccyy is the date the extract was created

NOTE: First record in extract should be column headings, using the Field Names below.

DETAIL RECORDS

Field Name	Format	Max Length	Null Allowed?	Description	Values / Transformations	Source Table and Field
The following fields pertain to the member completing the HRA						
POLICY_ID	Text	20	N	Policy identifier	Retain leading zeroes	dMember.InsuredID
FIRST_NAME	Text	50	N	Member First Name		dMember.Firstname
LAST_NAME	Text	50	N	Member Last Name		dMember.Lastname
REL_DESC	Text	10	N	Member Relationship to policy holder	Translate to text values: PHO - Subscriber SPO - Spouse DEP - Dependent	dMember.Relation
GENDER_CD	Text	1	N	Member Gender	M - Male; F - Female	dMember.Gender
DOB	Text	10	N	Member Date of Birth	MM/DD/CCYY	dMember.DateofBirth
EMAIL	Text	30	Y	Member email address - not applicable		NULL
HQCOMPLETE_DT	Text	10	N	Date the HRA was completed	MM/DD/CCYY	fssMemberAssessmentStatus.SubmitDate
The following fields pertain to the subscriber - lookup the PHO record for the member using the InsuredID						
SUBSCRIBER_SSN	Text	9	N	Subscriber's SSN	Retain leading zeroes	dMember.SSN
SUBSCRIBER_FIRST_NAME	Text	50	N	Subscriber's First name		dMember.Firstname
SUBSCRIBER_LAST_NAME	Text	50	N	Subscriber's Last name		dMember.Lastname
FIRM	Text	50	N	Subscriber's group number	Retain leading zeroes	dClientEmployerGroup.EmployerGroupCoreCode
DIVISION	Text	50	Y	Subscriber's group sub code	Retain leading zeroes	dClientEmployerGroup.EmployerGroupSubCode
HBP	Text	1	N	Health Benefit Plan	Hardcode "1"	n/a
SUBSCRIBER_EFF_DT	Text	10	N	Subscriber's effective date	MM/DD/CCYY	dMember.EffectiveDate
STREET1	Text	75	Y	Subscriber's address		dMember.Address1
STREET2	Text	75	Y	Subscriber's address		dMember.Address2
CITY	Text	75	Y	Subscriber's address		dMember.City
STATE	Text	2	Y	Subscriber's address		dMember.State
ZIP	Text	10	Y	Subscriber's address	Retain leading zeroes	dMember.ZIP

APPENDIX F

FSA Enrollment and Deduction Information

Please refer to the following table for the Flexible Spending Accounts enrollment and deduction information for the past nine years:

Benefit Type	Plan Year								
	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011 (To 01/31/2011)**
Dependent Care:									
Participants	133	126	129	137	136	143	129	156	181
Total Deductions	$535,022	$504,360	$525,146	$560,858	$543,214	$547,362	$489,197	$528,598	$47,978.98
Health Care:									
Participants	545	520	599	811	935	1143	1291	1544	1514
Total Deductions	$631,666	$637,545	$772,270	$1,051,621	$1,250,854	$1,473,564	$1,700,893	$1,967,524	$144,309.58
Total FSA:									
Participants	676	646	728	948	1061	1286	1420	1700	1695
Total Deduction	$1,166,688	$1,141,905	$1,297,416	$1,612,479	$1,794,068	$2,023,927	$2,190,090	$2,496,123	$192,288.56

APPENDIX G

AGGREGATED CENSUS DATA AS OF AUGUST 16, 2011

Age Category	Data	Female	Male	Grand Total
18-29	Count of Employees	490	499	989
	Average annual salary	37,588.21	45,145.01	41,400.99
30-34	Count of Employees	441	372	813
	Average annual salary	41,982.33	42,781.47	42,347.99
35-39	Count of Employees	494	482	976
	Average annual salary	48,550.82	63,877.60	56,119.99
40-44	Count of Employees	684	719	1,403
	Average annual salary	47,956.64	59,385.49	53,813.62
45-49	Count of Employees	955	775	1,730
	Average annual salary	49,044.76	52,552.34	50,616.08
50-54	Count of Employees	1093	839	1,932
	Average annual salary	51,456.76	61,513.28	55,823.96
55-59	Count of Employees	1011	826	1,837
	Average annual salary	48,304.92	56,478.69	51,980.22
60-64	Count of Employees	570	535	1,105
	Average annual salary	49,429.38	61,339.98	55,196.05
65-69	Count of Employees	135	197	332
	Average annual salary	40,096.25	50,013.49	45,980.88
70+	Count of Employees	46	89	135
	Average annual salary	29,754.77	30,603.47	30,314.28
Total Count of Employees		5,919	5,333	11,252
Total Average annual salary		47,405.24	55,561.90	51,271.17

THE ABOVE CENSUS IS BASED ON AN EMPLOYEE WORKING A MINIMUM OF 25 HOURS PER WEEK.

Attachment 1	FSA Benefit Booklets
Attachment 2	HRA Benefit Booklets
Attachment 3	Short-term Disability Plan Brochure
Attachment 4	Critical Illness Plan Brochure
Attachment 5	Accident Insurance Plan Brochure
Attachment 6	Debit Card Informational Brochure