

	<b>State of South Carolina</b> <b>South Carolina Public Employee Benefit Authority</b> <b>Request For Proposal</b>	Solicitation Number: <b>PEBA0372022</b> Date Issued: <b>11/01/2022</b> Procurement Officer: Georgia Gillens, CPPO, CPPB, NIGP-CPP Phone: 803.734.0010 Email Address: <a href="mailto:GGillens@peba.sc.gov">GGillens@peba.sc.gov</a>

**DESCRIPTION: Third Party Administration for the South Carolina Public Employee Benefit Authority's Health Benefits Plan.**

**SUBMIT OFFER BY (Opening Date/Time): 01/06/2023 11:00 AM**

*The Term "Offer" Means Your "Proposal". Your offer must be submitted in a sealed package. The Solicitation Number & Opening Date should appear on the package exterior. See the clause entitled "Submitting Your Offer or Modification."*

**SUBMIT YOUR SEALED OFFER TO EITHER OF THE FOLLOWING ADDRESSES:**

<b>MAILING ADDRESS:</b> South Carolina Public Employee Benefit Authority P.O. Box 11960 Columbia, S.C. 29211-1960 Attention: Georgia Gillens, CPPO, CPPB	<b>PHYSICAL ADDRESS:</b> South Carolina Public Employee Benefit Authority 202 Arbor Lake Drive Columbia, S.C. 29223 Attention: Georgia Gillens, CPPO, CPPB
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<b>AWARD &amp; AMENDMENTS</b>	Award will be posted on <b>02//12/2023</b> . The award, this solicitation, any amendments, and any related notices will be posted at the following web address: <a href="https://procurement.sc.gov/vendor/contracts/other-solicitations/peba">https://procurement.sc.gov/vendor/contracts/other-solicitations/peba</a>
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You must submit a signed copy of this form with Your Offer. By submitting a proposal, You agree to be bound by the terms of the Solicitation. You agree to hold Your Offer open for a minimum of one hundred twenty (120) calendar days after the Opening Date. (See the clause entitled "Signing Your Offer.")

<b>NAME OF OFFEROR</b>  <small>(Full legal name of business submitting the offer)</small>	Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror. The entity named as the offeror must be a single and distinct legal entity. Do not use the name of a branch office or a division of a larger entity if the branch or division is not a separate legal entity, i.e., a separate corporation, partnership, sole proprietorship, etc.	
<b>AUTHORIZED SIGNATURE</b>  <small>(Person must be authorized to submit binding offer to contract on behalf of Offeror.)</small>		
<b>TITLE</b>  <small>(Business title of person signing above)</small>	<b>STATE VENDOR NO.</b>  <small>(Register to obtain S.C. Vendor No. at <a href="http://www.procurement.sc.gov">www.procurement.sc.gov</a>)</small>	
<b>PRINTED NAME</b>  <small>(Printed name of person signing above)</small>	<b>DATE SIGNED</b>	<b>STATE OF INCORPORATION</b>  <small>(If you are a corporation, identify the state of incorporation.)</small>

<b>OFFEROR'S TYPE OF ENTITY: (Check one)</b>	<small>(See "Signing Your Offer" provision.)</small>
<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Other _____	
<input type="checkbox"/> Corporate entity (not tax-exempt) <input type="checkbox"/> Corporation (tax-exempt) <input type="checkbox"/> Government entity (federal, state, or local)	

**PAGE TWO**  
**(Return Page Two with Your Offer)**

<b>HOME OFFICE ADDRESS</b> (Address for offeror's home office / principal place of business)	<b>NOTICE ADDRESS</b> (Address to which all procurement and contract related notices should be sent.)  _____ Area Code - Number - Extension      Facsimile  _____ Email Address
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<b>PAYMENT ADDRESS</b> (Address to which payments will be sent.)  _____ Payment Address same as Home Office Address _____ Payment Address same as Notice Address <b>(check only one)</b>	<b>ORDER ADDRESS</b> (Address to which purchase orders will be sent)  _____ Order Address same as Home Office Address _____ Order Address same as Notice Address <b>(check only one)</b>
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**ACKNOWLEDGMENT OF AMENDMENTS**  
 Offerors acknowledges receipt of amendments by indicating amendment number and its date of issue. (See the clause entitled "Amendments to Solicitation")

Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date

<b>DISCOUNT FOR PROMPT PAYMENT</b> (See the clause entitled "Discount for Prompt Payment")	10 Calendar Days (%)	20 Calendar Days (%)	30 Calendar Days (%)	_____ Calendar Days (%)
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## TABLE OF CONTENTS

SCHEDULE OF KEY DATES IN THE PROPOSAL PROCESS.....	7
<b>PART 1 <u>INSTRUCTIONS TO OFFERORS – A. GENERAL INSTRUCTIONS</u>.....</b>	<b>7</b>
1.1 DEFINITIONS, CAPITALIZATION, AND HEADINGS.....	7
1.2 AMENDMENTS TO SOLICITATION.....	8
1.3 AUTHORIZED AGENT.....	8
1.4 AWARD NOTIFICATION.....	8
1.5 PROPOSAL AS OFFER TO CONTRACT.....	9
1.6 PROPOSAL ACCEPTANCE PERIOD.....	9
1.7 BID IN ENGLISH & DOLLARS.....	9
1.8 CERTIFICATE OF INDEPENDENT PRICE DETERMINATION.....	9
1.9 CERTIFICATION REGARDING DEBARMENT AND OTHER RESPONSIBILITY MATTERS.....	10
1.10 CODE OF LAWS AVAILABLE.....	10
1.11 COMPLETION F FORMS/CORRECTION OF ERRORS.....	10
1.12 DEADLINE FOR SUBMISSION OF OFFER.....	11
1.13 DISCLOSURE OF CONFLICTS OF INTEREST OR UNFAIR COMPETITIVE ADVANTAGE.....	11
1.14 DRUG FREE WORK PLACE CERTIFICATION.....	11
1.15 DUTY TO INSPECT AND INQUIRE.....	11
1.16 ETHICS CERTIFICATE.....	11
1.17 OMIT TAXES FROM PRICE.....	12
1.18 OPEN TRADE REPRESENTATION.....	12
1.19 PROHIBITED COMMUNICATIONS AND DONATIONS.....	12
1.20 PROTESTS.....	12
1.21 PUBLIC OPENING.....	12
1.22 QUESTIONS FROM OFFERORS.....	12
1.23 REJECTION/CANCELLATION.....	13
1.24 RESPONSIVENESS/IMPROPER OFFERS.....	13
1.25 SIGNING YOUR OFFER.....	13
1.26 STATE OFFICE CLOSINGS.....	13
1.27 DISCLOSURE OF YOUR PROPOSAL and SUBMITTING CONFIDENTIAL DATA.....	13
1.28 SUBMITTING YOUR OFFER OR MODIFICATION.....	14
1.29 TAX CREDIT FOR SUBCONTRACTING WITH DISADVANTAGED SMALL BUSINESSES.....	14
1.30 VENDOR REGISTRATION MANDATORY.....	15
1.31 WITHDRAWAL OR CORRECTION OF OFFER.....	15
<b>PART 1 <u>INSTRUCTIONS TO OFFERORS – B. SPECIAL INSTRUCTIONS</u>.....</b>	<b>15</b>
1.32 PRE-PROPOSAL CONFERENCE/SUBMISSION OF QUESTIONS.....	15
1.33 CONTENTS OF OFFER.....	16
1.34 OPENING PROPOSALS/INFORMATION NOT DIVULGED.....	16
1.35 PROTEST – CPO – MMO ADDRESS.....	16
1.36 UNSUCCESSFUL OFFERORS.....	17
1.37 RELEASE OF CLAIMS.....	17
1.38 DISCUSSIONS AND NEGOTIATIONS.....	17
<b>PART 2 <u>SCOPE OF PROPOSAL</u>.....</b>	<b>17</b>
2.1 INTRODUCTION.....	17
2.2 OBJECTIVE.....	19

<b>PART 3</b>	<b><u>SCOPE OF WORK</u></b>	<b>20</b>
3.1	<b>BUSINESS OFFICE, KEY PERSONNEL AND ACCOUNT MANAGEMENT</b>	<b>20</b>
3.2	<b>PROVIDER NETWORKS</b>	<b>22</b>
3.3	<b>ELIGIBILITY DETERMINATION</b>	<b>24</b>
3.4	<b>UTILIZATION MANAGEMENT</b>	<b>25</b>
3.5	<b>CASE MANAGEMENT</b>	<b>26</b>
3.6	<b>DISEASE MANAGEMENT</b>	<b>26</b>
3.7	<b>POPULATION HEALTH MANAGEMENT</b>	<b>28</b>
3.8	<b>SOCIAL DETERMINANTS OF HEALTH</b>	<b>29</b>
3.9	<b>CLAIMS PROCESSING AND PAYMENT</b>	<b>30</b>
3.10	<b>COST CONTAINMENT</b>	<b>37</b>
3.11	<b>CUSTOMER SERVICE</b>	<b>37</b>
3.12	<b>COMMUNICATIONS AND TRAINING</b>	<b>38</b>
3.13	<b>REPORTING</b>	<b>40</b>
3.14	<b>INFORMATION SECURITY</b>	<b>41</b>
3.15	<b>PERFORMANCE MEASUREMENTS/STANDARDS/GUARANTEES (LIQUIDATED DAMAGES)</b>	<b>42</b>
3.16	<b>FINANCIAL ARRANGEMENTS</b>	<b>42</b>
3.17	<b>IMPLEMENTATION PLAN</b>	<b>43</b>
3.18	<b>TRANSITION PLAN</b>	<b>44</b>
<b>PART 4</b>	<b><u>QUALIFICATIONS</u></b>	<b>45</b>
4.1	<b>QUALIFICATIONS OF OFFERORS</b>	<b>45</b>
4.2	<b>MANDATORY MINIMUM QUALIFICATIONS</b>	<b>45</b>
<b>PART 5</b>	<b><u>INFORMATION FOR OFFERORS TO SUBMIT</u></b>	<b>46</b>
5.1	<b>TECHNICAL PROPOSAL</b>	<b>47</b>
5.1.1	<b>COVER PAGE</b>	<b>47</b>
5.1.2	<b>EXECUTIVE SUMMARY</b>	<b>47</b>
5.1.3	<b>TABLE OF CONTENTS</b>	<b>48</b>
5.1.4	<b>OFFEROR'S TECHNICAL PROPOSAL RESPONSE</b>	<b>48</b>
5.1.4.1	<i>Business Office, Key Personnel and Account Management</i>	<b>48</b>
5.1.4.2	<i>Provider Networks</i>	<b>48</b>
5.1.4.3	<i>Eligibility Determination</i>	<b>50</b>
5.1.4.4	<i>Utilization Management</i>	<b>50</b>
5.1.4.5	<i>Case Management</i>	<b>51</b>
5.1.4.6	<i>Disease Management</i>	<b>51</b>
5.1.4.7	<i>Population Health Management</i>	<b>52</b>
5.1.4.8	<i>Social Determinants of Health</i>	<b>53</b>
5.1.4.9	<i>Claims Processing and Payment</i>	<b>54</b>
5.1.4.10	<i>Cost Containment</i>	<b>54</b>
5.1.4.11	<i>Customer Service</i>	<b>55</b>
5.1.4.12	<i>Communications and Training</i>	<b>55</b>
5.1.4.13	<i>Reporting</i>	<b>56</b>
5.1.4.14	<i>Information Security</i>	<b>56</b>
5.1.4.15	<i>Performance Measurements/Standards/Guarantees (Liquidated Damages)</i>	<b>56</b>
5.1.4.16	<i>Financial Arrangements</i>	<b>58</b>
5.1.4.17	<i>Implementation Plan</i>	<b>58</b>

5.1.5	OFFEROR’S BACKGROUND AND EXPERIENCE.....	59
5.2	BUSINESS PROPOSAL.....	60
5.2.1	FIXED ADMINISTRATIVE FEE.....	60
<b>PART 6 <u>AWARD CRITERIA</u>.....</b>		<b>60</b>
<b>PART 7 <u>TERMS AND CONDITIONS – A. GENERAL</u>.....</b>		<b>62</b>
7.1	ASSIGNMENT, NOVATION, AND CHANGE OF NAME, IDENTITY, OR STRUCTURE.....	62
7.2	BANKRUPTCY-GENERAL.....	62
7.3	CHOICE-OF-LAW.....	62
7.4	CONTRACT DOCUMENTS AND ORDER OF PRECEDENCE.....	62
7.5	DISCOUNT FOR PROMPT PAYMENT.....	63
7.6	DISPUTES.....	63
7.7	EQUAL OPPORTUNITY.....	63
7.8	FALSE CLAIMS.....	63
7.9	FIXED PRICING REQUIRED.....	63
7.10	NO INDEMNITY OR DEFENSE.....	63
7.11	NOTICE.....	63
7.12	OPEN TRADE.....	64
7.13	PAYMENT & INTEREST.....	64
7.14	PUBLICITY.....	64
7.15	PURCHASE ORDERS.....	64
7.16	SURVIVAL OF OBLIGATIONS.....	64
7.17	TAXES.....	64
7.18	TERMINATION DUE TO UNAVAILABILITY OF FUNDS.....	65
7.19	THIRD PARTY BENEFICIARY.....	65
7.20	WAIVER.....	65
<b>PART 7 <u>TERMS AND CONDITIONS – B. SPECIAL</u>.....</b>		<b>65</b>
7.21	ADVERTISING USE AND REPRESENTATION: CONTACT WITH STATE ENTITIES.....	65
7.22	ATTORNEY’S FEES.....	65
7.23	BANKRUPTCY – GOVERNMENT INFORMATION.....	65
7.24	CHANGES.....	66
7.25	COMPLIANCE WITH LAWS.....	66
7.26	CONFERENCE – PRE-PERFORMANCE.....	66
7.27	CONTRACT INTERPRETATION.....	66
7.28	CONTRACT LIMITATIONS (JAN 2006).....	67
7.29	CONTRACTOR PERSONNEL.....	67
7.30	CONTRACTOR’S LIABILITY INSURANCE-GENERAL.....	67
7.31	CONTRACTOR’S LIABILITY INSURANCE-INFORMATION SECURITY AND PRIVACY.....	68
7.32	CONTRACTOR’S OBLIGATION - GENERAL.....	69
7.33	DEFAULT.....	69
7.34	DUTIES UPON TERMINATION.....	70
7.35	HIPAA COMPLIANCE/CONFIDENTIALITY.....	71
7.36	ILLEGAL IMMIGRATION.....	71
7.37	LAWSUIT NOTIFICATION AND COOPERATION.....	71
7.38	INDEMNIFICATION-THIRD PARTY CLAIMS - GENERAL.....	71
7.39	INDEMNIFICATION-THIRD PARTY CLAIMS-DISCLOSURE OF INFORMATION.....	72
7.40	INFORMATION SECURITY – DEFINITIONS.....	73
7.41	INFORMATION SECURITY-SAFEGUARDING REQUIREMENTS.....	73
7.42	INFORMATION SECURITY – DATA LOCATION.....	75
7.43	INFORMATION USE AND DISCLOSURE.....	75

7.44	INFORMATION USE AND DISCLOSURE – STANDARDS.....	76
7.45	LICENSES AND PERMITS.....	76
7.46	OFFSHORE CONTRACTING PROHIBITED.....	77
7.47	PERFORMANCE BOND REQUIRED.....	77
7.48	PRICE ADJUSTMENTS.....	77
7.49	PRICE ADJUSTMENT-LIMITED.....	78
7.50	PRICE ADJUSTMENTS-LIMITED BY CPI “OTHER GOODS AND SERVICES”.....	78
7.51	PRICING DATA – AUDIT – INSPECTION.....	78
7.52	RELATIONSHIP OF THE PARTIES.....	78
7.53	RESTRICTIONS ON PRESENTING TERMS OF USE OR OFFERING ADDITIONAL SERVICES.....	78
7.54	SERVICE PROVIDER SECURITY ASSESSMENT QUESTIONNAIRE-REQUIRED.....	79
7.55	SERVICE PROVIDER SECURITY REPRESENTATION.....	79
7.56	TERM OF CONTRACT – EFFECTIVE DATE.....	79
7.57	TERMINATION FOR CONVENIENCE.....	79

**PART 8 ATTACHMENTS TO SOLICITATION.....81**

ATTACHMENT 1 - IMPORTANT TAX NOTICE – NONRESIDENTS ONLY.....	82
ATTACHMENT 2 - OFFEROR’S CHECKLIST.....	84
ATTACHMENT 3 - SERVICE PROVIDER SECURITY ASSESSMENT QUESTIONNAIRE.....	85
ATTACHMENT 4 – MINORITY PARTICIPATION FORM.....	88
ATTACHMENT 5 – BUSINESS ASSOCIATE AGREEMENT.....	89
ATTACHMENT 6 - NON-DISCLOSURE AGREEMENT.....	96
ATTACHMENT 7 - DESCRIPTION OF CURRENT CARE MANAGEMENT PROGRAMS.....	99
ATTACHMENT 8 - PROVIDER REIMBURSEMENT METHODOLOGIES.....	103
ATTACHMENT 9 – LIST OF DATASETS.....	105
ATTACHMENT 10 – 834 MEDICAL COMPANION GUIDE.....	posted to the web
ATTACHMENT 11 – 834 ADDENDUM.....	posted to the web

**REQUEST FOR PROPOSAL (RFP)  
SOLICITATION NUMBER PEBA037**

**THIRD PARTY ADMINISTRATION OF THE SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT  
AUTHORITY’S HEALTH BENEFITS PLAN  
SCHEDULE OF KEY DATES IN THE PROPOSAL PROCESS  
All dates subject to change**

1.	Distribution of the Request for Proposal	11/01/2022
2.	Questions on the Request for Proposal and Claims Data (requires NDA)	11/18/2022
3.	(a) Pre-Proposal Conference; 10:30 AM (b) Final Deadline for Submission of All Questions; and, (c) Final Deadline for Submission of the Non-Disclosure Agreement (if applicable)	12/01/2022
4.	State’s Written Responses to Questions	12/09/2022
5.	Submission and Opening of Proposals (11:00 a.m.)	01/06/2022
6.	Intent to Award Posting Date	02/16/2023
7.	Intent to Award Becomes Official (tentative)	03/01/2023
8.	Implementation Plan Due (tentative)	03/15/2023
9.	Live Test Demonstration	08/31/2023
10.	Contract Performance	01/01/2024

**PART 1**

**INSTRUCTIONS TO OFFERORS-A. GENERAL INSTRUCTIONS**

**1.1 DEFINITIONS, CAPITALIZATION, AND HEADINGS:** Clause headings used in this solicitation are for convenience only and shall not be used to construe meaning or intent. Even if not capitalized, the following definitions are applicable to all parts of the solicitation, unless expressly provided otherwise.

Amendment means a document issued to supplement the original solicitation document.

Business means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other legal entity.

Change Order means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual agreement of the parties to the contract.

Contract See the clause entitled “Contract Documents & Order of Precedence.”

Contract Modification means a written order signed by the Procurement Officer directing the Contractor to make changes which the clause of the contract titled “Changes,” authorizes the Procurement Officer to order without the consent of the Contractor.

Contractor means the Offeror receiving an award as a result of this solicitation.

Covered person means any individual who participates in the plan, including all Subscribers and any covered dependents of the Subscriber.

Member means an individual who participates in the Plan, including all (a) active employees; (b) employees on leave of absence; (c) retirees; (d) survivors of deceased employees; (e) survivors of deceased retirees; (f) COBRA participants; (g) former spouse of employees or retirees and (h) any enrolled dependents of the individuals identified in (a) through (f) herein.

Cover Page means the top page of the original solicitation on which the solicitation is identified by number.

Offerors are cautioned that Amendments may modify information provided on the Cover Page.

Offer means the proposal submitted in response to this solicitation. The term Proposal is used interchangeably with the term Offer.

Offeror means the single legal entity submitting the offer. See the clause entitled “Signing Your Offer.”

PEBA means the South Carolina Public Employee Benefit Authority.

Procurement Officer means the person, or his successor, identified as such on either the Cover Page, an amendment, or an award notice.

Solicitation means this document, including all its parts, attachments, and any Amendments.

State means the State of South Carolina.

Subcontractor means any person having a contract to perform work or render service to the Contractor as part of the Contractor’s agreement arising from solicitation.

Subscriber means an active or retired employee, surviving child/surviving spouse, COBRA participant or former spouse who is enrolled in the Plan.

Work means all labor, materials, equipment, services, or property of any type, provided or to be provided by the Contractor to fulfill the Contractor’s obligations under the Contract.

You and Your means Offeror.

**1.2 AMENDMENTS TO SOLICITATION:** (a) The solicitation may be amended at any time prior to opening. All amendments to this solicitation shall be in writing from the South Carolina Public Employee Benefit Authority (“PEBA”). PEBA shall not be legally bound by any amendment which is not in writing. All actual and prospective Offerors should monitor the following website for the issuance of amendments: <https://www.procurement.sc.gov/doing-biz/bid-ops/peba> (b) Offerors shall acknowledge receipt of any amendment to this solicitation (1) by signing and returning the amendment, (2) by identifying the amendment number and date in the space provided for this purpose on Page Two, (3) by acknowledging receipt in the Offeror’s Executive Summary, (4) by letter, or (5) by submitting a proposal that indicates in some way that the Offeror received the amendment. (c) If this solicitation is amended, then all terms and conditions which are not modified by the amendment(s) remain unchanged.

**1.3 AUTHORIZED AGENT (FEB 2015):** All authority regarding this procurement is vested solely with the responsible Procurement Officer. Unless specifically delegated in writing, the Procurement Officer is the only government official authorized to bind the government with regard to this procurement or the resulting contract.

**1.4 AWARD NOTIFICATION:** Notice regarding any award, cancellation of award, or extension of award will be posted at the location and on the date specified on the Cover Page or, if applicable, any notice of extension of award. Notice will be sent to all Offerors responding to the Solicitation and any award will not be effective until the calendar day immediately following the seventh business day after such notice is given.



**1.5 PROPOSAL AS OFFER TO CONTRACT:** By submitting your proposal, you are offering to enter into a contract with PEBA. Without further action by either party, a binding contract shall result upon final award. Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror on the Cover Page. An offer may be submitted by only one legal entity; “joint bids” are not allowed.

**1.6 PROPOSAL ACCEPTANCE PERIOD:** In order to withdraw your offer after the minimum period specified on the Cover Page, you must notify the Procurement Officer in writing. Otherwise, your offer remains valid until final award including through any periods consumed by protests.

**1.7 BID IN ENGLISH & DOLLARS:** Offers submitted in response to this solicitation shall be in the English language and in US dollars.

**1.8 CERTIFICATE OF INDEPENDENT PRICE DETERMINATION (MAY 2008):** Giving false, misleading, or incomplete information on this certification may render you subject to prosecution under Section 16-9-10 of the South Carolina Code of Laws and other applicable laws.

(a) By submitting an Offer, the Offeror certifies that-

(1) The prices in this Offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other Offeror or competitor relating to-

(i) Those prices;

(ii) The intention to submit an offer; or

(iii) The methods or factors used to calculate the prices offered.

(2) The prices in this Offer have not been and will not be knowingly disclosed by the Offeror, directly or indirectly, to any other Offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the Offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

(b) Each signature on the Offer is considered to be a certification by the signatory that the signatory-

(1) Is the person in the Offeror’s organization responsible for determining the prices being offered in this proposal, and that the signatory has not participated and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this certification; or

(2)(i) Has been authorized, in writing, to act as agent for the Offeror’s principals in certifying that those principals have not participated, and will not participate in any action contrary to paragraphs (a)(1) through (a)(3) of this certification [As used in this subdivision (b)(2)(i), the term “principals” means the person(s) in the Offeror’s organization responsible for determining the prices offered in this proposal];

(ii) As an authorized agent, does certify that the principals referenced in subdivision (b)(2)(i) of this certification have not participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this certification; and

(iii) As an agent, has not personally participated, and will not participate, in any action contrary to paragraphs (a)(1) through (a)(3) of this certification.

(c) If the Offeror deletes or modifies paragraph (a)(2) of this certification, the Offeror must furnish with its Offer a signed statement setting forth in detail the circumstances of the disclosure.

**1.9 CERTIFICATION REGARDING DEBARMENT AND OTHER RESPONSIBILITY MATTERS (JAN 2004):**

(a)(1) By submitting an Offer, Offeror certifies, to the best of its knowledge and belief, that-

(i) Offeror and/or any of its Principals-

(A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any state or federal agency

(B) Have not, within a three-year period preceding this Offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this provision.

(ii) Offeror has not, within a three-year period preceding this Offer, had one or more contracts terminated for default by any public (Federal, state, or local) entity.

(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment, and similar positions).

(b) Offeror shall provide immediate written notice to the Procurement Officer, or his designee, if, at any time prior to contract award, Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) If Offeror is unable to certify the representations stated in paragraphs (a)(1), Offeror must submit a written explanation regarding its inability to make the certification. The certification will be considered in connection with a review of the Offeror's responsibility. Failure of the Offeror to furnish additional information as requested by the Procurement Officer, or his designee, may render the Offeror nonresponsible.

(d) Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

(e) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly or in bad faith rendered an erroneous certification, in addition to other remedies available to the State, the Procurement Officer, or his designee, may terminate the contract resulting from this solicitation for default without cost to the South Carolina Public Employee Benefit Authority or the State and the Contractor will be charged for the cost of replacement goods and services.

**1.10 CODE OF LAWS AVAILABLE (JAN 2006):** The South Carolina Code of Laws, including the Consolidated Procurement Code, is available at <http://www.scstatehouse.gov/code/statmast.php>. The South Carolina Regulations are available at <http://www.scstatehouse.gov/coderegs/statmast.php>.

**1.11 COMPLETION OF FORMS/CORRECTION OF ERRORS (JAN 2006):** All prices and notations should be printed in ink or typewritten. Errors should be crossed out, corrections entered and initialed by the person signing the proposal. Do not modify the solicitation document itself.

**1.12 DEADLINE FOR SUBMISSION OF OFFER:** PEBA will receive sealed proposals until 11:00 a.m. local time on the opening date shown. To be timely filed, proposals and amendments thereto should be received by the time advertised for opening. It is the vendor's sole responsibility to ensure PEBA receives these documents. Offerors mailing proposals should allow a sufficient mail delivery period to ensure timely receipt of their proposal by PEBA. Any offer received after the Procurement Officer or his designee has declared that the time set for opening has arrived, shall be rejected unless the offer has been delivered to the designated purchasing office or PEBA's mail room prior to the opening. [R. 19-445.2070(G)]

**1.13 DISCLOSURE OF CONFLICTS OF INTEREST OR UNFAIR COMPETITIVE ADVANTAGE:** You warrant and represent that your offer identifies and explains any unfair competitive advantage you may have in competing for the proposed contract and any actual or potential conflicts of interest that may arise from your participation in this competition or your receipt of an award. The two underlying principles are (a) preventing the existence of conflicting roles that might bias a contractor's judgment, and (b) preventing an unfair competitive advantage. If you have an unfair competitive advantage or a conflict of interest, PEBA may withhold award. Before withholding award on these grounds, an Offeror will be notified of the concerns and provided a reasonable opportunity to respond. Efforts to avoid or mitigate such concerns, including restrictions on future activities, may be considered. Without limiting the foregoing, you represent that your offer identifies any services that relate to either this solicitation or the work that has already been performed by you, a proposed subcontractor, or an affiliated business of either.

**1.14 DRUG FREE WORK PLACE CERTIFICATION (JAN 2004):** By submitting an Offer, Contractor certifies that, if awarded a contract, Contractor will comply with all applicable provisions of The Drug-free Workplace Act, Title 44, Chapter 107 of the South Carolina Code of Laws, as amended.

**1.15 DUTY TO INSPECT AND INQUIRE:** Offeror, by submitting an Offer, represents that it has read and understands the Solicitation and that its Offer is made in compliance with the Solicitation and will be implemented on time and performed satisfactorily over the entire term of the contract. Offerors are expected to examine the Solicitation thoroughly and should request an explanation of any ambiguities, discrepancies, errors, omissions, or conflicting statements in the Solicitation in accordance with the terms of this Solicitation. Failure to do so will be at the Offeror's risk. All ambiguities, discrepancies, errors, omissions, or conflicting statements in the Solicitation shall be interpreted to require the better quality or greater quantity of work and/or materials, unless otherwise directed by amendment. Offeror assumes responsibility for any patent ambiguity in the Solicitation, or assumption it makes concerning the Solicitation, which Offeror does not bring to the State's attention pursuant to the terms of this Solicitation. By submission of a proposal, Offeror also certifies that its Offer has been reviewed by the appropriate individuals within the Offeror's organization and that the goods and services herein, if an award is made to that Offeror, can and will be provided on time and for the compensation proposed, subject to any negotiations that may affect the amount of compensation.

**1.16 ETHICS CERTIFICATE (MAY 2008):** By submitting an offer, the Offeror certifies that the Offeror has and will comply with, and has not, and will not, induce a person to violate Title 8, Chapter 13 of the South Carolina Code of Laws, as amended (ethics act). The following statutes require special attention: Section 8-13-700, regarding use of official position for financial gain; Section 8-13-705, regarding gifts to influence action of public official; Section 8-13-720, regarding offering money for advice or assistance of public official; Sections 8-13-755 and 8-13-760, regarding restrictions on employment of a former public official; Section 8-13-775, prohibiting public official with economic interests from acting on contracts; Section 8-13-790, regarding recovery of kickbacks; Section 8-13-1150, regarding statements to be filed by consultants; and Section 8-13-1342, regarding restrictions on contributions by Contractor to candidate who participated in awarding of contract. The State may rescind any contract and recover all amounts expended as a result of any action taken in violation of this provision. If Contractor participates, directly or indirectly, in the evaluation or award of public contracts,

including without limitation, change orders or task orders regarding a public contract, Contractor shall, if required by law to file such a statement, provide the statement required by Section 8-13-1150 to the Procurement Officer at the same time the law requires the statement to be filed.

**1.17 OMIT TAXES FROM PRICE:** Do not include any sales or use taxes in your price that PEBA may be required to pay.

**1.18 OPEN TRADE REPRESENTATION (JUN 2015):** By submitting an offer, Offeror represents that Offeror is not currently engaged in the boycott of a person or an entity based in or doing business with a jurisdiction with whom South Carolina can enjoy open trade, as defined in SC Code Section 11-35-5300.

**1.19 PROHIBITED COMMUNICATIONS AND DONATIONS:** Violation of these restrictions may result in disqualification of your offer, suspension or debarment, and may constitute a violation of law. (a) During the period between publication of the solicitation and final award, *you must not communicate, directly or indirectly, with PEBA or its employees, agents or officials regarding any aspect of this procurement activity, unless otherwise approved in writing by the Procurement Officer.* All communications must be solely with the Procurement Officer. [R. 19-445.2010] (b) You are advised to familiarize yourself with Regulation 19-445.2165, which restricts donations to a governmental entity with whom you have or seek to have a contract. *You represent that your offer discloses any gifts made, directly or through an intermediary, by you or your named subcontractors to or for the benefit of PEBA during the period beginning eighteen months prior to the Opening Date.* [R. 19-445.2165]

**1.20 PROTESTS (MAY 2019)** If you are aggrieved in connection with the solicitation or award of the contract, you may be entitled to protest, but only as provided in Section 11-35-4210. To protest a solicitation, you must submit a protest within fifteen days of the date the applicable solicitation document is issued. To protest an award, you must (i) submit notice of your intent to protest within seven business days of the date the award notice is posted, and (ii) submit your actual protest within fifteen days of the date the award notice is posted. Days are calculated as provided in Section 11-35-310(13). Both protests and notices of intent to protest must be in writing and must be received by the appropriate Chief Procurement Officer within the time provided. See clause entitled "Protest-CPO". The grounds of the protest and the relief requested must be set forth with enough particularity to give notice of the issues to be decided. [02-2A085-2]

**1.21 PUBLIC OPENING (JAN 2004):** Offers will be publicly opened at the date/time and at the location identified on the Cover Page, or last Amendment, whichever is applicable.

**1.22 QUESTIONS FROM OFFERORS:** (a) Any prospective Offeror desiring an explanation or interpretation of the solicitation, specifications, etc. (see clause # 1.15 above, "Duty to Inspect and Inquire"), must request it in writing. Oral explanations or instructions will not be binding. Any information given a prospective Offeror concerning a solicitation will be furnished promptly to all other prospective Offerors as an Amendment to the solicitation, if that information is necessary for submitting offers or if the lack of it would be prejudicial to other prospective Offerors. We will not identify you in our response to your question. (b) PEBA seeks to permit maximum practicable competition. Offerors are urged to advise the Procurement Officer as soon as possible regarding any aspect of this procurement, including any aspect of the Solicitation that unnecessarily or inappropriately limits full and open competition. Offerors should advise PEBA of any problems they perceive as a result of reviewing this solicitation document, which may bear upon their ability to comply, or submit any other questions, which might ultimately bear upon PEBA's ability to enter into the relationship described herein with a selected vendor.

**1.23 REJECTION/CANCELLATION:** PEBA may cancel this Solicitation in whole or in part and may reject any or all proposals in whole or in part. [SC Code Section 11-35-1710 & R.19-445.2065]

**1.24 RESPONSIVENESS/IMPROPER OFFERS:**

(a) Bid as Specified. Offers for supplies or services other than those specified will not be considered unless authorized by the Solicitation.

(b) Responsiveness. Any proposal deemed unacceptable pursuant to S.C. Regulation 19-445.2095 (I)(1)(c) and (J) will be rejected, such determinations to be discretionary and not disturbed unless arbitrary and capricious. PEBA may elect to conduct discussions, including the possibility of proposal revisions, but only for those proposals determined to be either acceptable or potentially acceptable pursuant to S.C. Regulation 19-445.2095 (I)(1)(a) and (b). Any such discussions shall be conducted in accordance with S.C. Regulation 19-445.2095 (I)(2), (3), and (4).

(c) Price Reasonableness: Any offer may be rejected if the Procurement Officer determines in writing that it is unreasonable as to price.

(d) Unbalanced Bidding. PEBA may reject an Offer as nonresponsive if the prices bid are materially unbalanced between line items or subline items. A bid is materially unbalanced when it is based on prices significantly less than cost for some work and prices which are significantly overstated in relation to cost for other work, and if there is a reasonable doubt that the bid will result in the lowest overall cost to the State even though it may be the low evaluated bid.

(e) Do not submit bid samples or descriptive literature unless expressly requested. Unsolicited bid samples or descriptive literature will not be examined or tested, will not be used to determine responsiveness, and will not be deemed to vary any of the provisions of the solicitation. S.C. Code Ann. Reg. 19-445.2077(D).

**1.25 SIGNING YOUR OFFER (JAN 2004):** Every Offer must be signed by an individual with actual authority to bind the Offeror. (a) If the Offeror is an individual, the Offer must be signed by that individual. If the Offeror is an individual doing business as a firm, the Offer must be submitted in the firm name, signed by the individual, and state that the individual is doing business as a firm. (b) If the Offeror is a partnership, the Offer must be submitted in the partnership name, followed by the words "by its Partner," and signed by a general partner. (c) If the Offeror is a corporation, the Offer must be submitted in the corporate name, followed by the signature and title of the person authorized to sign. (d) If an Offer is signed by an agent, other than as stated in subparagraphs (a) through (c) above, the Offer must state that it has been signed by an Agent. Upon request, Offeror must provide proof of the agent's authorization to bind the principal.

**1.26 STATE OFFICE CLOSINGS:** If an emergency or unanticipated event interrupts normal government processes so that offers cannot be received at the PEBA office by the exact time specified in the solicitation, the time specified for receipt of offers will be deemed to be extended to the same time of day specified in the solicitation on the first workday on which normal government processes resume. In lieu of an automatic extension, an Amendment may be issued to reschedule the proposal opening. If state offices are closed at the time a pre-proposal conference is scheduled, an Amendment will be issued to reschedule the conference. Useful information may be available at <https://www.scemd.org/prepare/types-of-disasters/severe-winter-weather/>.

**1.27 DISCLOSURE OF YOUR PROPOSAL and SUBMITTING CONFIDENTIAL DATA**

(a) According to Section 11-35-410, any person submitting a document in response or with regard to any solicitation or other request must "comply with instructions provided in the solicitation for marking information exempt from public disclosure. Information not marked as required by the applicable instructions may be

disclosed to the public." **IF YOU IDENTIFY YOUR ENTIRE RESPONSE AS EXEMPT FROM PUBLIC DISCLOSURE, OR IF YOU DO NOT SUBMIT A REDACTED COPY AS REQUIRED, THE STATE MAY, IN ITS SOLE DISCRETION, DETERMINE YOUR PROPOSAL NONRESPONSIVE AND INELIGIBLE FOR AWARD.** (b) By submitting a response to this solicitation or request, Offeror (1) agrees to the public disclosure of every page, or portion thereof, of every document regarding this solicitation or request that was submitted at any time prior to entering into a contract (including, but not limited to, documents contained in a response, documents submitted to clarify a response, and documents submitted during negotiations), unless the page, or portion thereof, was redacted and conspicuously marked "Trade Secret" or "Confidential" or "Protected", (2) agrees that any information not redacted and marked, as required by these bidding instructions, as a "Trade Secret" is not a trade secret as defined by the Trade Secrets Act, and (3) agrees that, notwithstanding any claims or markings otherwise, any prices, commissions, discounts, or other financial figures used to determine the award, as well as the final contract amount, are subject to public disclosure. (c) If your offer includes any information that you claim is exempt from public disclosure, you must submit one complete copy of your offer from which you have removed or concealed such information (the redacted copy). Except for the information removed or concealed, the redacted copy must be identical to your original offer. (d) Do not mark your entire response as confidential, trade secret, or protected. If only portions of a page are subject to some protection, do not redact the entire page. The redacted copy must reflect the same pagination as the original and show the empty space from which information was redacted. The Procurement Officer must be able to view, search, copy and print the redacted copy without a password. If your response, or any part thereof, is improperly marked as confidential or trade secret or protected, the State may, in its sole discretion, determine it nonresponsive. (e) On the redacted copy, you must identify the basis of your claim by marking each redaction as follows: You must separately mark with the word "CONFIDENTIAL" every page, or portion thereof, that you redacted and claim as exempt from public disclosure because it is either (1) a trade secret as defined in Section 30-4-40(a)(1) of the Freedom of Information Act, or (2) privileged and confidential, as that phrase is used in Section 11-35-410. You must separately mark with the words "TRADE SECRET" every page, or portion thereof, that you redacted and claim as exempt from public disclosure as a trade secret pursuant to Section 39-8-20 of the Trade Secrets Act. You must separately mark with the word "PROTECTED" every page, or portion thereof, that you redacted and claim as exempt from public disclosure pursuant to Section 11-35- 1810. All markings must be conspicuous; use color, bold, underlining, or some other method in order to conspicuously distinguish the mark from the other text. (f) In determining whether to release documents, the State will detrimentally rely on your redaction and marking of documents, as required by these bidding instructions, as being either "Confidential" or "Trade Secret" or "Protected". By submitting a response, you agree to defend, indemnify and hold harmless the State of South Carolina, its agencies, officers and employees, from every claim, demand, loss, expense, cost, damage or injury, including attorney's fees, arising out of or resulting from withholding information by the State of South Carolina or any of its agencies, that you have redacted or marked as "Confidential" or "Trade Secret" or "Protected". (All references to S.C. Code of Laws.) [02-2A125-3]

**1.28 SUBMITTING YOUR OFFER OR MODIFICATION:** (a) All copies of the offer or modification, and any other documents required to be submitted with the Offer should be enclosed in a sealed, opaque envelope or package – (1) Addressed to the office specified on the Cover Page; and (2) Showing the time and date specified for opening, the solicitation number, and the name and address of the Offeror. (b) Offerors using commercial carrier services shall ensure that the Offer is addressed and marked on the outermost envelope or wrapper as prescribed in paragraphs (a)(1) and (2) of this provision when delivered to the office specified on the Cover Page. (c) Facsimile or email offers, modifications, or withdrawals, will not be considered.

**1.29 TAX CREDIT FOR SUBCONTRACTING WITH DISADVANTAGED SMALL BUSINESSES (JAN 2008):** Pursuant to Section 12-6-3350, a taxpayer having a contract with this State who subcontracts with a socially and economically disadvantaged small business is eligible for an income tax credit equal to four percent of the payments to that subcontractor for work pursuant to the contract. The subcontractor must be certified as a

socially and economically disadvantaged small business as defined in Section 11-35-5010 and regulations pursuant to it. The credit is limited to a maximum of fifty thousand dollars annually. A taxpayer is eligible to claim the credit for ten consecutive taxable years beginning with the taxable year in which the first payment is made to the subcontractor that qualifies for the credit. After the above ten consecutive taxable years, the taxpayer is no longer eligible for the credit. A taxpayer claiming the credit shall maintain evidence of work performed for the contract by the subcontractor. The credit may be claimed on Form TC-2, "Minority Business Credit." A copy of the subcontractor's certificate from the Governor's Office of Small and Minority Business (OSMBA) is to be attached to the Contractor's income tax return. Questions regarding the tax credit and how to file are to be referred to: SC Department of Revenue, Research and Review, Phone: (803) 898-5786, Fax: (803) 898-5888. Questions regarding subcontractor certification are to be referred to: Governor's Office of Small and Minority Business Assistance, Phone: (803) 734-0657, Fax: (803) 734-2498.

**1.30 VENDOR REGISTRATION MANDATORY (JAN 2006):** You must have a state vendor number to be eligible to submit an offer. To obtain a state vendor number, visit [www.procurement.sc.gov](http://www.procurement.sc.gov) and select New Vendor Registration. (To determine if your business is already registered, go to "Vendor Search"). Upon registration, you will be assigned a state vendor number. Vendors must keep their vendor information current. If you are already registered, you can update your information by selecting Change Vendor Registration. (Please note that vendor registration does not substitute for any obligation to register with the S.C. Secretary of State or S.C. Department of Revenue. You can register with the agencies at <https://scbos.sc.gov>.)

**1.31 WITHDRAWAL OR CORRECTION OF OFFER (JAN 2004):** Offers may be withdrawn by written notice received at any time before the exact time set for opening. A proposal may be withdrawn in person by an Offeror or its authorized representative if, before the exact time set for opening, the identity of the person requesting withdrawal is established and the person signs a receipt for the proposal. The withdrawal and correction of Offers is governed by S.C. Code Section 11-35-1520 and Regulation 19-445.2085.

## **INSTRUCTIONS TO OFFERORS-B. SPECIAL INSTRUCTIONS**

### **1.32 PRE-PROPOSAL CONFERENCE/SUBMISSION OF QUESTIONS**

There will be a Pre-Proposal Conference at **10:30 a.m. ET on Wednesday, December 1, 2022**, at the South Carolina Public Employee Benefit Authority, 202 Arbor Lake Drive, Board Room, Columbia, South Carolina.

**NOTE:** Due to the importance of all Offerors having a clear understanding of the specifications and requirements of this RFP, attendance at the pre-proposal conference is strongly encouraged. Please bring a copy of the RFP with you. Any changes resulting from this conference will be noted in a written amendment to the solicitation. Your failure to attend will not relieve the Contractor from responsibility for estimating properly the difficulty and cost of successfully performing the work, or for proceeding to successfully perform the work without additional expense to the State.

Any questions, comments, requests for information or clarifications regarding the RFP must be submitted in writing prior to the adjournment of the pre-proposal conference. Do not wait to assert deviations, exceptions, etc. to anything in this RFP until (or in) the submission of your proposal. Anything that any Offeror would like to modify, seek clarifications on, or any other deviation however modest, must be presented during the question-and-answer phase, considered and determined by the South Carolina Public Employee Benefit Authority before the submission date for all proposals, so that all prospective Offerors will have a common and uniform basis upon which to submit its proposals. Potential Offerors are strongly encouraged to mail or email their questions on the RFP prior to the pre-proposal conference. Please put your questions in Word format and make every effort to deidentify your company in the text of the questions. The South Carolina Public Employee Authority will attempt

to provide answers to those questions submitted by **November 18, 2022**, during the pre-proposal conference. Any written questions, requests for information or request for clarifications received prior to the conference or during the conference will be responded to in the form of a written amendment to the RFP and emailed to all prospective Offerors. The amendment will also be posted at the following web address: <https://www.procurement.sc.gov/doing-biz/bid-ops/peba>. Once the pre-proposal conference is adjourned, no further questions will be accepted.

All questions, comments and requests for information or clarifications regarding this RFP must be submitted as indicated below. All questions, comments and requests for information or clarifications should, to the highest degree possible, cite the specific RFP section and paragraph number(s) to which the question refers. All questions, comments and requests for information or clarifications regarding this RFP should include the identity of the sender, firm name, mailing address, telephone number and email address. Email is the preferred method for submitting questions, with “Questions: Third Party Administration Services RFP” as the subject of the email. Submit questions in an easily copied format such as Microsoft Word.

**Mark envelopes on questions mailed: QUESTIONS**

**Title: Third Party Administration RFP -- Health**  
**Attn: Georgia Gillens, CPPO, CPPB, NIGP-CPP**

**SEND QUESTIONS TO:**

**MAIL TO:**

South Carolina Public Employee Benefit Authority  
202 Arbor Lake Drive  
Columbia, SC 29223  
Attention Georgia Gillens, CPPO, CPPB

**HAND DELIVER/EXPRESS**

South Carolina Public Employee Benefit Authority  
202 Arbor Lake Drive  
Columbia, SC 29223  
Attention Georgia Gillens, CPPO, CPPB

**EMAIL ADDRESS:**

[GGillens@peba.sc.gov](mailto:GGillens@peba.sc.gov)

**1.33 CONTENTS OF OFFER (FEB 2015):** (a) Offers should be complete and carefully worded and should convey all of the information requested. (b) Offers should be prepared simply and economically, providing a straightforward, concise description of Offeror’s capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content. (c) The contents of your offer should be divided into two parts, the technical proposal and the business proposal. Each part should be bound in a single volume. (d) If your offer includes any comment over and above the specific information requested in the solicitation, you should include this information as a separate appendix to your offer. Offers that include either modifications to any of the solicitation’s contractual requirements or an Offeror’s standard terms and conditions may be deemed non-responsive and not considered for award.

**1.34 OPENING PROPOSALS – INFORMATION NOT DIVULGED (FEB 2015):** Offers will be publicly opened at the date/time and at the location identified on the Cover Page, or last Amendment, whichever is applicable. In competitive sealed proposals, neither the number, identity of Offerors nor prices will be divulged at opening. [Section 11-35-1530 & R. 19-445.2095(C)(1)]

**1.35 PROTEST - CPO - MMO ADDRESS (JUN 2006):** Any protest must be addressed to the Chief Procurement Officer, Materials Management Office and submitted in writing (a) by email to: [protest-mmo@mmo.state.sc.us](mailto:protest-mmo@mmo.state.sc.us), or (b) by post or delivery to 1201 Main Street, Suite 600, Columbia, SC 29201.



**1.36 UNSUCCESSFUL OFFERORS:** Offerors not awarded a contract under this solicitation may request return of their proposals within thirty (30) calendar days after the notice of intent to award becomes the final statement of award. All cost of returns will be paid by the Offeror. Thirty (30) calendar days after the notice of intent to award becomes the final statement of award all materials submitted by firms not awarded a contract may be destroyed.

**1.37 RELEASE OF CLAIMS:** With the submission of a proposal, each Offeror agrees that it will not bring any claim or have any cause of action against PEBA based on any misunderstanding, failure by PEBA to properly convey the information, or failure by PEBA to provide the Offeror with pertinent information as intended by the RFP. Additionally, the Offeror, its officers, agents, or representatives waive and release PEBA and each and any entity, person, or other source providing any information concerning the Offeror, of any and all claims of any sort or variety whether in tort, contract or otherwise, whether known or unknown, regarding the Offeror's or subcontractor's past performance, products, services, personnel, reputation or its Subcontractors or any other information sought or obtained by PEBA, whether or not the information is relied on by PEBA. The Offeror agrees that it will assert no claims for proposal preparation costs arising from a protest, action or claim arising from the solicitation or award.

**1.38 DISCUSSIONS AND NEGOTIATIONS (FEB 2015):** Submit your best terms from both a price and a technical standpoint. Your proposal may be evaluated and your offer accepted without any discussions, negotiations, or prior notice. Ordinarily, nonresponsive proposals will be rejected outright without prior notice. Nevertheless, PEBA may elect to conduct discussions, including the possibility of limited proposal revisions, but only for those proposals reasonably susceptible of being selected for award. If improper revisions are submitted during discussions, PEBA may elect to consider only your unrevised initial proposal, provided your initial offer is responsive.

PEBA may also elect to conduct negotiations as provided in Section 11-35-1530.

## **PART 2**

### **SCOPE OF PROPOSAL**

It is the intent of the South Carolina Public Employee Benefit Authority (PEBA), in accordance with all requirements stated herein or attached hereto, to solicit proposals for third party administration of the self-funded Group Health Benefits Plan (hereinafter "State Health Plan") of the Employees of the State of South Carolina, the Public School Districts, and other Participating Entities and the MUSC Group Health Benefits Plan (hereinafter "MUSC Health Plan") for Employees of the Medical University of South Carolina, the Medical University Hospital Authority, and Participating Entities. The State Health Plan and MUSC Health Plan are collectively referred to herein at times as the "Plan."

PEBA will have a new benefits administration system (PEBA:Connect) implemented during the course of the contract. The Contractor is expected to work with PEBA and the PEBA:Connect contractor, on the transition to the new benefits administration system without any additional cost to PEBA.

#### **2.1 INTRODUCTION**

PEBA is the state agency responsible for the administration and management of the State's employee insurance programs and retirement systems. Entities that participate in the employee insurance programs (all state agencies, public school districts, public higher education institutions, as well as participating charter schools and those eligible optional employers who have chosen to participate) must offer to all their eligible employees the entire package of available state insurance benefits and allow individual employees to refuse all or any part of the state insurance benefits package. The group health, Basic Dental, Basic Life insurance, and Basic Long Term Disability

plans are the core benefits that participating entities must provide for each employee by paying a minimum contribution for each plan. Employees may also participate in Dental Plus, the State Vision Plan, Optional Life and Dependent Life insurance, and Supplemental Long Term Disability, but they pay the full premium for these benefits. Active employees may also participate in PEBA's cafeteria plan, called MoneyPlus, which includes flexible spending accounts. Health, dental, and vision benefits are available to retirees, survivors, COBRA participants and former spouses.

PEBA offers the State Health Plan, a self-funded group health plan for active and retired employees of approximately 820 state agencies, public school districts, public higher education institutions, as well as participating charter schools and governmental entities, as well as those participating charter schools and optional employers. The State Health Plan was initially established on July 1, 1972. Statutory authorization for the program is included in Section 1-11-710 of the South Carolina Code of Laws. PEBA also offers the MUSC Health Plan for employees and their eligible dependents of the Medical University of South Carolina (MUSC) and Medical University Hospital Authority (MUHA) and its owned hospitals. The MUSC Health Plan does not cover retirees of MUSC or MUHA or its owned hospitals. These retirees and their eligible dependents are covered under the State Health Plan.

The State Health Plan includes the Standard Plan (a PPO plan), the Savings Plan (a qualified high deductible plan) and the Medicare Supplemental Plan for retirees enrolled in Medicare. The Standard Plan is a Medicare carve-out option for Medicare primary retirees. The Standard Plan, Savings Plan, and Medicare Supplemental Plan are grandfathered plans and are also Affordable Care Act (ACA)-compliant plans. As of October 2022, there are 278,081 subscribers and 489,182 total members enrolled in the State Health Plan.

The MUSC Health Plan was established in January 2014. The MUSC Health Plan is a non-grandfathered, ACA-compliant plan, with inclusion of covered preventive pharmacy services as mandated by the ACA. It also includes the federally defined Maximum Out-of-Pocket (MOOP) for members, requiring coordination with the pharmacy benefits manager, currently Express Scripts, Inc. (ESI,) to accumulate the MOOP in near real-time. As of October 2022, there are 14,131 subscribers and 27,433 total members enrolled in the MUSC Health Plan.

The Contractor shall prepare as if the other PEBA-sponsored plans may be non-grandfathered effective at any time during the term of this Contract. The Contractor shall also be aware that PEBA may seek to offer, as a separate solicitation during the course of this contract, a fully insured group Medicare Advantage plan(s) with both medical and prescription drug coverage. The Medicare Advantage plan(s) will be offered to retirees and their eligible dependents enrolled in Medicare. The Contractor should prepare for split contracts between the State Health Plan and the Medicare Advantage plan(s) based on the Medicare and Medicare Advantage/Part D eligibility of the member. The Medicare Advantage plan(s) would be offered in addition to the current Medicare Supplement Plan and members enrolled in the Medicare Advantage plan(s) would be allowed to enroll in the State Health Plan during PEBA's open enrollment for a January 1 effective date following the annual enrollment period.

BlueCross and BlueShield of South Carolina (BlueCross) currently provides third party administration of the Plans under a contract that commenced January 1, 2017, and will expire December 31, 2023. The current administrative fee is \$15.27 per subscriber per month. The Contractor shall prepare to offer an all-inclusive per subscriber per month administrative fee for members enrolled in the State Health Plan or MUSC Health Plan.

PEBA's behavioral health manager is responsible for paying behavioral health claims rendered by behavioral health specialty providers; however, Plan deductibles, out-of-pocket maximums, and lifetime maximums will be comprehensive for behavioral health-related claims. The Contractor is responsible for behavioral health claims from non-behavioral specialty providers. Close collaboration and electronic interaction between the Contractor

and the behavioral health manager are essential requirements of both contracts. Companion Benefit Alternatives (CBA) currently serves as PEBA’s behavioral health manager under a contract expiring December 31, 2026.

**Health plan enrollment as of October 2022**

	<b>Members</b>	<b>Subscribers</b>
Standard Plan (non-Medicare)	363,783	186,220
Savings Plan	18,790	12,054
Medicare Supplemental Plan	103,863	77,492
Standard Plan Carve-out (Medicare primary)	2,746	2,315
<b>State Health Plan total</b>	<b>489,182</b>	<b>278,081</b>
MUSC Health Plan	27,433	14,131
<b>All Plans total</b>	<b>516,615</b>	<b>292,212</b>

**Medical Claims Payout (Date of Service, paid through 10/7/2022)**

	<b>State Health Plan</b>	<b>MUSC Health Plan</b>
2022	\$ 1,085,017,577	\$ 68,617,299
2021	\$ 1,655,492,762	\$ 89,352,029
2020	\$ 1,478,143,451	\$ 73,473,983
2019	\$ 1,463,909,848	\$ 67,618,997
2018	\$ 1,388,617,835	\$ 57,679,722

The following information may be found at <https://peba.sc.gov/publications> under Insurance, then Health:

- (a) 2022 State Health Plan *Plan of Benefits*
- (b) 2022 MUSC Health Plan *Plan of Benefits*
- (c) 2022 *Insurance Benefits Guide* (an abbreviated description of insurance benefits provided by PEBA)
- (d) *Summaries of Benefits and Coverage* for the Standard Plan, Savings Plan, and MUSC Health Plan.

**2.2 OBJECTIVE**

PEBA’s objective is to develop in partnership with the Contractor a quality Plan that focuses on controlling health care costs, improving health outcomes and quality of care, and meeting the health insurance needs of all members. The Contractor shall partner with PEBA to provide efficient claims processing, provider network management, utilization management, case management, disease management, population health management as well as other third party administration services. The Contractor shall be expected to drive health risk improvement for PEBA to provide quality, cost-effective health care services to all members.

While PEBA bears ultimate decision-making responsibility for the design of the Plan, including benefits to be provided, eligibility for coverage, provider reimbursement levels for its direct contract networks and the funding method to be used, it is essential that the Contractor act as a partner with PEBA in managing and administering the Plan. This partnership role involves taking a proactive approach in identifying problems in any aspect of the Plan, whether it is the written Plan of Benefits, plan utilization, provider reimbursement or any other component formulating potential solutions, and advising PEBA accordingly.

## **PART 3**

### **SCOPE OF WORK**

The Contractor shall provide all personnel, goods, and services necessary to provide third party administrative services in conformance with the Plan, all of the requirements outlined in this RFP (including all attachments), all applicable laws and regulations and the Offeror's response thereto. The Contractor shall provide at a minimum claims processing, provider network management and credentialing, utilization management, case management, disease management, population health management, cost containment, customer services, communications, and reporting.

PEBA is seeking proposals that comply with each of the material and essential requirements described in Part 3, Scope of Work, 3.1 through 3.16 below. In addition, the requirements in Part 3, Scope of Work, 3.1 through 3.16 shall be met fully, satisfactorily and performed in their entirety in a first-class manner for the per subscriber per month fixed administrative fee. PEBA considers any proposal that provides any deviations from, or caveats to, Part 3, Scope of Work, 3.1 through 3.16, as unacceptable. Anything that any Offeror would like to modify, seek clarifications on, or any other deviation, however modest, must be presented during the question-and-answer phase, considered, and determined by PEBA before the submission date for all proposals so that all prospective Offerors will have a common and uniform basis upon which to submit their proposals.

PEBA will award a contract to a single contractor to perform all the functions described in this RFP and will not award separate contracts. The Contractor may, however, use subcontractor(s) to provide some portion of the work, subject to the following conditions:

- (a) The Contractor may subcontract up to and including, but not more than, 50% of this contract, as measured by the dollar value of the services performed by the Contractor and subcontractor(s).
- (b) The Contractor shall retain responsibility for all services provided by the subcontractor(s).
- (c) The subcontractor(s) shall be available to meet with PEBA no less than annually, at PEBA's discretion, to discuss the work of the subcontractor(s). The cost of the subcontracted service shall be made available to PEBA at PEBA's request.

The Contractor shall provide, at a minimum, the following material and essential requirements, without deviation or modification, subject to any modifications that may be issued in an Amendment to the RFP by PEBA resulting from the question-and-answer phase.

#### **3.1 BUSINESS OFFICE, KEY PERSONNEL AND ACCOUNT MANAGEMENT**

The Contractor shall:

3.1.1 Establish and maintain a physical business office in either Columbia, Charleston or Greenville, South Carolina, or Charlotte, North Carolina metro areas, or within one hundred (100) miles of PEBA's offices in Columbia, South Carolina with business hours of 8 a.m. to 5 p.m. local time, Monday through Friday.

3.1.2 Provide an Account Management Team which shall include, at a minimum, the following key personnel:

- (a) A dedicated account manager who shall be assigned solely to PEBA, be knowledgeable about all aspects of the Contract and Plan and be readily available by cell phone to address any issues posed by

PEBA. The dedicated account manager shall have the authority to make decisions and resolve problems and shall serve as the primary contact to respond to PEBA's needs, questions and/or issues.

- (b) A manager(s) who shall be designated to serve as PEBA's primary contact to respond to any needs, questions and/or issues regarding claims processing and/or eligibility. The designated manager(s) shall be knowledgeable about all aspects of PEBA's eligibility and claims processing functions and readily available by phone or cell phone during PEBA's business hours.
- (c) A manager(s) who shall be designated to serve as PEBA's primary contact to respond to any needs, questions and/or issues regarding the Plan's provider networks. The designated manager(s) shall be knowledgeable about all aspects of the Plan's provider networks, to include direct and non-directly contracted networks and be readily available by phone or cell phone during PEBA's business hours.
- (d) A manager(s) who shall be designated to serve as PEBA's primary contact to respond to any needs, questions and/or issues regarding the Plan's utilization and case management programs. The designated manager(s) shall be knowledgeable about all aspects of the Plan's utilization and case management programs and readily available by phone or cell phone during PEBA's business hours.
- (e) A manager(s) who shall be designated to serve as PEBA's primary contact to respond to any needs, questions and/or issues regarding the Plan's disease management program. The designated manager(s) shall be knowledgeable about all aspects of the Plan's disease management programs, to include disease management and population health programs, and be readily available by phone or cell phone during PEBA's business hours.
- (f) A medical director, or team of medical directors and other health care professionals, designated to participate in collaborating with PEBA on innovations and health care strategic recommendations and/or best practices to deliver quality health care, to contain costs and to help members achieve better health outcomes.

3.1.3 Provide the key personnel designated in its proposal. No diversion to key personnel of the Account Management Team should be made by the Contractor during the first year of the Contract. After the first year, no diversion to key personnel shall be made without notification to PEBA. The Contractor shall provide PEBA with immediate notice of the termination or transfer of any key personnel, the reason(s) for the termination or transfer, and an action plan for replacing the terminated or transferred employee. Key personnel should be replaced with personnel of substantially equal ability, knowledge and qualifications.

3.1.4 Provide PEBA, prior to replacing any key personnel, with the name and credentials of the proposed replacement(s). At PEBA's request, a telephone interview may be scheduled with the proposed key personnel replacement. Replacement of any key personnel designated in the Contractor's proposal shall be introduced to PEBA prior to the proposed replacement(s) being assigned to this Contract.

3.1.5 Remove or reassign any Contractor personnel or subcontractor personnel assigned to this Contract found unacceptable by PEBA. Such request for removal or reassignment shall be based on grounds which are specified by PEBA to the Contractor, and which are not discriminatory.

3.1.6 Provide legal advisors, expert medical advisors including medical doctors, nurses, and other health care professionals, and medical texts, literature, medical care standards, and other materials, as needed, for

consideration and determination of claims and utilization review cases, and for review of disputed claims or appeals of denials in whole or in part.

3.1.7 Cooperate with PEBA's behavioral health manager (currently CBA, but subject to change during the course of this Contract) and the pharmacy benefits manager (currently ESI, but subject to change during the course of this Contract) to coordinate customer services, care management programs and claims processing where applicable.

3.1.8 Meet with PEBA as necessary, but not less than quarterly, in the ongoing review of the Plan. One (1) of the scheduled meetings shall include an annual review of financial and clinical issues regarding claims experience and financial performance of the Plan during the previous calendar year. During these meetings the Contractor shall at a minimum:

- (a) Advise PEBA of any legal developments including, but not limited to, regulatory, administrative, statutory and judicial developments relating to health care management and administrative services. However, the Contractor must promptly notify PEBA Health Policy and Legal staff of any changes in the law or regulations affecting the health care management and administrative services industry;
- (b) Provide PEBA with strategic recommendations and/or best practices to deliver and sustain a quality offering for the members of the Plan and to contain costs to PEBA and members moving forward;
- (c) Identify any new trends, techniques and/or programs related to the health care management and administrative services industry;
- (d) Update PEBA on the Contractor's success in driving health risk improvement and success in engaging members in disease management programs and population health management initiatives; and
- (e) Advise PEBA of any problems identified by the Contractor in any aspect of the Plan and the Contractor's proposed solutions to those identified problems.

## **3.2 PROVIDER NETWORKS**

The Contractor shall:

3.2.1 Administer and manage the Plan's provider networks, including administration of existing contracts, investigation and resolution of reimbursement disputes between PEBA and the providers in the network, and the renewal of existing provider network contracts. PEBA maintains direct contracts with hospitals, physicians, ambulatory surgical centers and other professionals in the provider networks and generally determines reimbursement rates. PEBA makes all decisions concerning the design and operation of the provider networks and has the sole right to enter into any contracts with providers.

3.2.2 Review all applicants for membership in the provider networks, including a review of provider documentation/credentialing information submitted by providers and available disciplinary information, including those current members of the provider networks, to identify providers who do not meet generally accepted standards. Advise PEBA regarding acceptance, rejection or termination of membership and report the results to PEBA. Conduct an appeals process for any provider rejected for, or terminated from, membership and indemnify and hold harmless PEBA from any and all claims and damages arising from, asserted or brought against the Contractor, PEBA hereunder, in accordance with sections 7.37, 7.38, and 7.39 of this RFP.

3.2.3 Review and make recommendations to PEBA regarding changes in the payment methodology, validation and other aspects of the provider networks, including providing de-identified applicable book-of-business data, as available, to assist in reimbursement decisions. Cooperate with PEBA in the identification, development, implementation, and support of alternative payment methodologies.

3.2.4 Make available to PEBA any proprietary networks owned and operated by the Contractor. This shall include at a minimum, networks for ambulance providers, infusion therapy, mammography, skilled nursing facilities, dialysis, hospice, home health, durable medical equipment, and independent laboratories.

3.2.5 Notify PEBA of any contracts, agreements, or other arrangements with vendors and health care providers that provide comparable goods and services to other health care payors for a lower price and make all such networks available to PEBA.

3.2.6 Provide PEBA with copies (electronic and/or physical media) of their fee schedules and other network pricing agreements for covered services, including updates. Historical data on network pricing should be retained in a manner that supports retrospective analysis of claims.

3.2.7 Provide access for Plan members to a national network of general providers and transplant providers that provide competitive prices and quality providers. PEBA currently uses BlueCross' national transplant network and accesses the Contractor's national provider network arrangements to serve as the provider network outside of South Carolina. Provide in aggregate at a state-by-state level the current effective discount off of charges and allowable unit cost for inpatient hospital admissions, outpatient hospital encounters, professional services and other services. Provide on a quarterly basis, updates of the effective discounts and allowable unit costs for services for inpatient hospital admissions, outpatient hospital encounters, professional services and other services. Provide a listing of participating providers in the national network. Disclose to PEBA the processes used to credential providers in the national network.

3.2.8 Provide PEBA, in out-of-state areas near the South Carolina border with significant patient volume, options that would allow PEBA access to preferential provider pricing, which may include narrow networks in these areas.

3.2.9 Inform network providers and the Contractor's national network of the Plan's rules, filing procedures, requirements, updates, and changes.

3.2.10 Provide a patient-centered medical home (PCMH) care delivery model whereby patient treatment is coordinated through a primary care physician and a health care team that may include nurses, a nutritionist, health educators, pharmacists, and behavioral health specialists. The Contractor shall provide a credentialing process for recognition as a PCMH and effectively communicate to members which practices are recognized as Contractor-affiliated PCMH providers. To encourage members to receive care at a PCMH, the Plan does not charge Standard Plan members for a physician office visit copayment (\$15 effective January 1, 2023). After Standard Plan and Savings Plan members meet their deductible, they pay 10% coinsurance, rather than 20%, for services at a PCMH affiliated with our current Contractor (BlueCross).

3.2.11 Provide participating PCMH providers all information necessary to assist in the coordination and management of care for State Health Plan members. In addition, the Contractor shall integrate any patient clinical information made available from the PCMH provider into the Contractor's patient management system.

3.2.12 Collaborate with PEBA and PEBA's consultant(s) in developing strategies to address utilization of low-value services as part of your PCMH care delivery model. Strategies should include establishing criteria to identify such services.

3.2.13 Provide a value-based provider network for providers who manage and care for Plan members with certain chronic, complex conditions. The value-based network(s) should include a reimbursement model with incentives for providers paid by the Plan, who meet specific criteria for high-performance and quality member health outcomes. The Plan currently has value-based provider networks for oncology care, renal disease care, and rheumatoid arthritis.

3.2.14 Provide a virtual/video telehealth platform that uses a network of appropriately licensed physicians and other health care professionals who are available 24/7, 365 days a year. Virtual visits should be accessible using a digital-based platform (smart phone, tablet or computer). Virtual visits are offered to members as a covered service subject to the physician office copayment, annual deductible, and coinsurance.

### **3.3 ELIGIBILITY DETERMINATION**

The Contractor shall:

3.3.1 Accept, process, maintain, and update eligibility information from the files provided by PEBA daily. PEBA shall determine and maintain eligibility and enrollment information and shall provide the Contractor a daily electronic file of eligibility updates including adds, terminations, and changes since the last file transmission. Verify eligibility from eligibility data provided by PEBA. Refer to PEBA for consideration and PEBA's final decision any questions with respect to a member's eligibility for benefits.

3.3.2 PEBA's eligibility database shall be considered the system of record and eligibility data stored on the Contractor's systems must mirror the eligibility data maintained by PEBA. Any modifications to the Contractor's systems needed to accommodate PEBA eligibility data shall be done at the Contractor's expense.

3.3.3 PEBA shall provide the Contractor, on a schedule determined by PEBA, a full positive enrollment file. It is anticipated that this type of file shall be provided by PEBA to the Contractor on an annual basis.

3.3.4 Comply with PEBA's 834 Medical Companion Guide (Attachment 10) that has been written to assist in implementing the ASC X12N 834 Benefit Enrollment and Maintenance Transaction Set.

3.3.5 Provide PEBA with a daily acknowledgement of files received and entered in Contractor's system.

3.3.6 Provide PEBA with a daily processing report, in a format acceptable to PEBA, of any transactions that did not update when eligibility data sent from PEBA to the Contractor was entered into the Contractor's system.

3.3.7 Provide PEBA with a monthly membership file, containing only members and their dependents in an active status, for comparison to PEBA's database. PEBA will accept the file by FTP using VPN tunnel or by SFTP.

3.3.8 Maintain in its database occurrences of subscriber history, including status changes or a change in coverage level (subscriber only, subscriber/spouse, subscriber/child, full family, child only for COBRA and survivor enrollees) sufficient to adjudicate claims and reconcile eligibility data with PEBA.

3.3.9 Provide a secured encrypted VPN tunnel for purposes of permitting selected PEBA authorized staff to make online inquiries and/or have eligibility update and entry capabilities of the Contractor's system.



3.3.10 Make their system accessible by PEBA during all business days from 7:30 a.m. to 6 p.m. Eastern Time, Monday through Friday. PEBA may require system accessibility outside the normal time frame mentioned above (e.g., enrollment periods or other unusual circumstances outside the normal scope of everyday operations, and other times required by PEBA).

3.3.11 PEBA assigns a Benefits Identification Number (BIN) that is used in lieu of the subscriber's Social Security number. The BIN is eight (8) numeric digits, randomly generated by PEBA. The Contractor shall be required to accommodate the use of BIN numbers.

3.3.12 Use PEBA's online portal to respond to any enrollment questions from subscribers and/or providers. PEBA shall provide the Contractor the ability to inquire into PEBA's enrollment eligibility through the online portal. Notify PEBA's Operations Manager when one of their employees who have previously been granted access to the online portal leaves employment so that the employee's user rights to the online portal can be deleted.

3.3.13 Provide its personnel to train PEBA staff on the Contractor's claims processing and specific eligibility systems. Training shall be conducted initially during the Implementation Phase of the Contract, and at least annually thereafter and shall include all updates and changes. The training shall take place at PEBA's offices in Columbia, South Carolina, or virtually, at PEBA's sole discretion.

3.3.14 In some cases, PEBA is required by law to provide coverage to dependents of subscribers as ordered by a National Medical Support Notice (NMSN). The Contractor shall ensure that the contact and personal information of custodial parents and dependent children are not disclosed to subscribers. This includes maintaining separate mailing addresses, separate authorized representatives for these dependents, restricting subscriber access to claims, coverage and eligibility information, and all other restrictions as deemed necessary.

### **3.4 UTILIZATION MANAGEMENT**

The Contractor shall:

3.4.1 Provide at a minimum utilization management services and utilization review in accordance with the procedures and requirements described in the Plan documents, specifically Article 15. The Contractor shall serve as PEBA's Utilization Review Agency.

3.4.2 Provide utilization management services that support medically necessary care while encouraging the appropriate use of care effective/cost effective alternatives and addresses the overall objectives of (a) encouraging the use of the most cost effective treatment setting; (b) encouraging all types of effective alternate treatment options; and (c) using best efforts to revise obsolete and inefficient treatment patterns.

3.4.3 Establish criteria and utilization review procedures that are in accordance and consistent with the Plan and generally recognized utilization management and medical standards and procedures.

3.4.4 Provide an advanced radiology authorization program. Perform prior authorizations for all outpatient, non-emergency CT, MRI, MRA, and PET scans. Perform retrospective reviews for certain CT, PET, MRI, and MRA scans, and increase communications and coordination with radiology providers.

3.4.5 Provide a physician-administered specialty medication prior authorization review program. Perform prior authorization for all physician-administered specialty medications administered in a medical setting. A

component of this prior authorization program should include approval for specialty medications to be administered in an equally appropriate but less costly site of service, such as an infusion center or patient home.

3.4.6 Provide a laboratory management service that uses evidence-based medicine to develop and deploy appropriate policies and protocols for lab services. This program should ensure that evidence-based guidelines are used around appropriate testing. A component of this program should include a network of laboratories and other testing facilities in South Carolina and nationally, and that network providers are reimbursed using best-practice rates.

3.4.7 Apprise PEBA, if applicable, as to the Contractor's determination as to pre-certification, extended care benefits, concurrent review of hospitalization and other medical utilization review activities as may affect the amounts and timing of the payment of benefits under the Plan.

3.4.8 Identify investigational and experimental procedures, as defined in Article 9 of the Plan documents, requested by providers or members, and inform providers and members of those procedures that may not be covered by the Plan.

3.4.9 Notify PEBA of all hospitalizations, of which the Contractor has knowledge, that are likely to become special medical situations requiring extensive treatment and monitoring and implementing alternative methods of health care delivery in such identified situations.

3.4.10 Proactively identify treatment areas which, in its judgment, represent excessive service utilization, advise PEBA accordingly, make recommendations to address the excessive utilization and work collaboratively with PEBA to address the issue.

3.4.11 Maintain records relating to pre-certification, extended care benefits, concurrent review of hospitalization, and other medical utilization review activities required by the Plan.

3.4.12 Perform Diagnosis Related Groups validation audits.

### **3.5 CASE MANAGEMENT**

The Contractor shall:

3.5.1 Provide at a minimum, case management services in accordance with the procedures and requirements described in the Plan documents.

3.5.2 Provide a holistic case management program for members who have specific catastrophic or chronic disorders, acute illnesses or serious injuries. The case management program should facilitate continuity of care, to include discharge planning and any necessary follow-up care, and support for the member while managing Plan benefits in a way that promotes high-quality, cost-effective outcomes. This holistic approach should assist members in their entire process of care from planning, delivery, and any rehabilitative services and should work to alleviate readmission rates for members.

3.5.3 Provide a complex care management program to assist seriously ill members. Seriously ill members include those with complex medical conditions who may have more than one illness or injury, who have critical barriers to their care, or who are frequently hospitalized.

3.5.4 Provide a renal disease case management program that provides renal disease management care for select Plan members receiving renal dialysis or who may be on path to receive renal dialysis.

3.5.5 Administer the Plan's comprehensive maternity management program, Coming Attractions. The Contractor shall manage mothers throughout their pregnancy and postpartum care and also manage Neonatal Intensive Care Unit (NICU) infants and other babies with special needs until they are one year old.

3.5.6 Provide a transplant case management program.

3.5.7 Maintain records relating to case management activities required by the Plan.

3.5.8 Apprise PEBA, if applicable, as to the Contractor's determination related to case management, maternity management and other medical utilization review activities that may affect the amounts and timing of the payment of benefits under the Plan.

### **3.6 DISEASE MANAGEMENT**

The Contractor shall:

3.6.1 Provide a comprehensive disease management program for non-Medicare primary members and advise and support PEBA in its health and disease management efforts. Collaborate with PEBA's behavioral health management contractor to identify members in need of programming either medical or behavioral health in nature.

3.6.2 Collaborate with PEBA to seek participation in disease management programs of a nature in which the demographics of participants in these programs are reflective of the Plan's diversity. Develop strategies to promote and encourage these members to enroll and participate in disease management. Report outcomes of strategies for engagement in and effectiveness of disease management.

3.6.3 Provide PEBA and its Data Warehouse Contractor, in a secure manner, a detailed monthly disease management participation file with member participation in disease management programming. The monthly file should include at a minimum the following information for each disease state/condition a member is identified for program participation:

- (a) Member ID (program participant identifier)
- (b) Subscriber ID (Subscriber SSN)
- (c) Participant first name
- (d) Participant last name
- (e) Participant date of birth
- (f) Disease state/condition
- (g) Episode start date (date member is identified for participation in disease management program)
- (h) Episode end date (date member is no longer identified for participation in disease management program)
- (i) Program participation (opt in/opt out indicator) indicator (Y/N)
- (j) Program start date
- (k) Program end date
- (l) Status (phase member is classified as participating in a disease management program)
- (m) Patient risk level (e.g., high/medium/low)
- (n) Risk score assigned by Contractor. The Contractor shall provide documentation as to its method of assigning risk score.

## **3.7 POPULATION HEALTH MANAGEMENT**

The Contractor shall:

3.7.1 Provide a comprehensive and strategic suite of population health management programs and services that meet the needs of members with the goal of improving the overall health and wellbeing of members. Population health programming for members should focus on wellness, prevention and early detection, and lifestyle management. Programs should align with the Plan's current and future value-based health benefits. Implement, communicate and manage population health management programs and collaborate with other PEBA contractors when appropriate to develop and promote population health programming. Programming should be made available using a digital population health engagement platform for members to access and have the ability to track and monitor activities to improve health and wellness (diet, exercise, etc.). Platform should be compatible with other digital devices members use and allow competitions/challenges with other deidentified platform users. Desired programs and services should also include, but are not limited to, a health survey tool that may help members identify the need for a particular program and assess their health status and offer population health coaching in both telephonic and digital format.

3.7.2 Collaborate with PEBA to seek participation in population health programs of a nature in which the demographics of participants in these programs are reflective of the Plan's diversity. Develop strategies to promote and encourage these members to enroll and participate in population health management. Report on outcomes of strategies for engagement in population health management.

3.7.3 Measure the effectiveness of the Contractor's population health management program and determine improvements to member health outcomes. The Contractor shall provide reporting on programming results and reports shall also be made available to PEBA with aggregate data on member health status, health behaviors, use of preventive health services, and self-reported health outcomes.

3.7.4 Develop and provide digital self-administered, turnkey health education programs and promotional material for participating employer groups to implement in their workplace. Employer programming materials should be made available electronically for their use in the workplace and should be updated as necessary for each program based on PEBA's most current population health initiatives and value-based health benefits. Programming can also include health management programming seminars made available for members at the worksite. Track and report to PEBA utilization of employer based programming materials and seminars.

3.7.5 Provide PEBA and its Data Warehouse Contractor with a monthly file with member participation in population health programming in a secure manner. The monthly file should include information at a minimum by member, program participation, components of program the member is participating in and effective dates (start/end dates) of participation.

3.7.6 Make available to eligible members other vendor offered, population health programs that enhance PEBA's efforts to bring high-value programs and that are paid as a claim. These high-value programs are meant to improve member outcomes and the Contractor shall collaborate with PEBA and PEBA's consultant(s) in identifying such programs and in evaluating for effectiveness and measure ongoing outcomes. Currently, PEBA offers a colorectal cancer take-at-home test screening program for eligible members who are not current with their recommended routine colonoscopy as well as a digital, science-based behavioral health approach to weight management.

3.7.7 Establish the necessary data links with PEBA's contracted preventive screening providers for transmission of biometric screening results. Be prepared to accept multiple data exchange formats from contracted screening providers. Accept biometric screening results from PEBA's current and future contracted preventive screening

providers for members who have given written consent. Coordinate, implement, and maintain the process of transmitting and collecting biometric results with PEBA's contracted screening providers. Screening results should be used to enhance the Contractor's population health management programming as well as prepopulate a Plan member's digital health survey as described in Section 3.7.1.

3.7.8 Administer in collaboration with PEBA's pharmacy benefit manager the No-Pay Copay program, an incentive based generic prescription drug copay waiver program available only to members whose primary coverage is the State Health Plan or the MUSC Health Plan. In the program, members designated by the Contractor shall receive generic prescription drugs for selected disease states without the payment of a copayment. Disease states currently covered by the program include coronary heart disease, hypertension, hyperlipidemia, congestive heart disease and diabetes. Test strips and other diabetic supplies are also included in the copay waiver program. Members are eligible for the generic copay waiver based on successful completion of certain activities both specific to the eligible condition and more general value-based health care such as a flu shot or dental exam. Members must complete program requirements throughout the calendar year to qualify for the next calendar year. Participants in the No-Pay Copay program need to requalify each calendar year to continue receiving the waiver. For members enrolled in the Savings Plan, there will be no patient liability at the point of sale. The copay waiver will apply at both retail and mail order pharmacies. Enrollment data for the generic copay waiver program shall be transmitted by the Contractor to the pharmacy benefit manager on a weekly basis. The Contractor shall cooperate with PEBA and the pharmacy benefit manager in the ongoing development, marketing, enhancement and operation of this program and any new health or wellness initiatives that affect prescription drug benefits offered by PEBA. As of September 2022, there are 13,667 participants in the generic copay waiver program.

3.7.9 Provide PEBA and its Data Warehouse Contractor, in a secure manner, a quarterly file with member participation in the No-Pay Copay program. The quarterly file should include information at a minimum by member, program eligible condition(s), program qualification activities and qualification activity completion date.

3.7.10 Cooperate with PEBA and PEBA's evidence-based medicine contractor, currently Active Health Management (Active Health), by making both Plan eligibility data and claims and, to the extent it is available, lab data available to Active Health in mutually agreeable, secure, electronic formats. Available lab data, shall also be transmitted to PEBA's designee(s) in same format and on the same schedule. Data should be shared no less frequently than weekly. PEBA contracts with an evidence-based medicine contractor to apply evidence-based clinical rules to member's claims data with the purpose of communicating specific and timely treatment improvement recommendations to health care providers.

### **3.8 SOCIAL DETERMINANTS OF HEALTH PROGRAM**

3.8.1 The Contractor shall use best-practice methods to implement a program to address Social Determinants of Health (SDOH) for PEBA's non-Medicare primary members.

3.8.2 The SDOH program should have the capability to use predictive analytics and social determinants (non-medical) data to identify beneficiaries whose health could be improved by addressing SDOH.

3.8.3 SDOH should be addressed through a referral management process to a broad statewide network of service providers/helping agencies.

3.8.4 The program should seek to create connections into health system Electronic Medical Records to act on SDOH screening and report on SDOH screening that occurs in the health systems.

3.8.5 The program should create a framework to offer incentives to providers to do SDOH screening for high-risk patients and be able to act on and report screening. Any incentives would be paid with Plan funds.

3.8.6 The program should create a framework for reimbursement or payments to local community-based organizations with SDOH solutions. Such payments would be made with Plan funds.

### **3.9 CLAIMS PROCESSING AND PAYMENT**

The Contractor shall:

3.9.1 Process all health claims incurred on and after January 1, 2024, and up to and including December 31, 2030, in accordance with this RFP, statutory provisions, and Plan Document provisions. Contractor shall continue to process all claims for PEBA that were incurred during the term of the Contract at no additional charge for a period of twelve (12) months following termination of this Contract.

3.9.2 Receive, date and control claims within twenty-four (24) hours of receipt.

3.9.3 Confirm the claimant's eligibility against the eligibility files provided electronically by PEBA before authorizing benefits or processing the claim.

3.9.4 Determine whether a claim is payable as a medically necessary and covered service.

3.9.5 Apply any applicable exclusion.

3.9.6 Check claims history and prevent duplicate payments or payments that exceed contract limits.

3.9.7 Identify any claim that is unusual, in amount or service rendered, and review the claim.

3.9.8 Identify any instance where coordination of benefits, Workers' Compensation, or subrogation applies and take appropriate action to recover claims payments or other costs (pay and chase methodology is acceptable). For Medicare coordination of benefits, the Contractor shall determine the Medicare benefit for individuals who are eligible for, but not enrolled in, Parts A and B to establish the payment by PEBA. PEBA calculates benefits for retirees by assuming that those eligible are enrolled in Medicare Parts A and B.

3.9.9 Be the contact for members in the Plan and for the behavioral health manager for information concerning accumulation of applicable deductibles, out-of-pocket maximums and lifetime maximums. The behavioral health manager applies the applicable individual and family deductible, coinsurance, individual and family out-of-pocket accumulators, and lifetime maximum accumulators, determines the allowed amount and pays behavioral health claims. The Contractor shall be responsible for electronic transmission to and receipt from the behavioral health manager on a near real-time basis of the information required to coordinate the applicable individual and family deductibles, coinsurance, individual and family out-of-pocket accumulators, and lifetime maximum accumulators. The behavioral health manager will in turn inform the Contractor of the application of deductibles and accumulators.

3.9.10 PEBA currently contracts with a pharmacy benefits manager to process all retail prescription drug claims. Except in isolated instances, the pharmacy benefits manager processes all drug claims. The Contractor shall coordinate with the pharmacy benefits manager in the application of payments for outpatient fertility drug claims to Plan lifetime limits on infertility benefits, and with any other benefit with inside limits that include medical and pharmacy benefits. In the Savings Plan, the pharmacy benefits manager adjudicates prescription claims and

transmits them in near real-time to the Contractor, which in turn either applies deductible credit or issues a check to the patient.

Aside from the Savings Plan, the Contractor shall not be responsible for processing outpatient pharmacy claims.

Track and supply MUSC Health Plan member's Maximum Out of Pocket (MOOP) to all drugs obtained by the member, including Part D and wrap drugs.

3.9.11 In addition to applying Plan deductibles, out-of-pocket maximums and lifetime maximums, the Contractor shall apply any inside limits in place, or any future inside limits established and in accordance with Plan Document provisions.

3.9.12 Administer the Plan such that the terms and conditions of the Plan Documents are interpreted in a consistent manner and ensure that the utilization review and claims processing personnel apply the same medical standards.

3.9.13 Apply the deductible penalty for failure to obtain Utilization Management certification, if applicable, and determine the amount payable under the Plan.

3.9.14 Establish the necessary data links with PEBA's pharmacy benefits manager to allow for the integration of prescription drug allowances (determined by the pharmacy benefits manager) with allowances determined by the Contractor for persons enrolled in the Savings Plan. The Contractor shall accept and apply prescription drug allowances from the pharmacy benefits manager on a real-time basis.

3.9.15 Establish the necessary data links with PEBA's evidence-based medicine contractor to allow for the exchange of both eligibility and claims data for the Plan. The Contractor shall transmit data monthly, at a minimum.

3.9.16 Establish the necessary data links with PEBA's flexible benefits plan manager (currently ASIFlex, but subject to change during the course of this Contract) so the flexible benefits plan manager can process stored value card (debit card) transactions or substantiate other claims submitted by the flexible benefits plan participant for reimbursement.

3.9.17 Maintain a history of all medical claims paid. No less than thirty-six (36) months of claims history shall be maintained in the claims processing system used to process claims.

3.9.18 Generate and transmit claims payments to providers and Explanation of Benefits or denial notices to providers and members when claims are processed. The Contractor shall accommodate the Plan's policy regarding assignment of benefits to providers. Network providers must receive assignment of benefits. Providers who have declined Network membership are not eligible for assignment, and benefits are paid to the member. Providers who have not been offered Network membership may either accept assignment or refuse assignment.

3.9.19 Adjudicate and pay claims according to a variety of payment methodologies, including, but not limited to, those payment methodologies outlined in Attachment 8.

3.9.20 Provide an internal appeals process for all claim and prior authorization denials in accordance with the Plan documents, specifically Article 12. If any part of a claim or request for prior authorization is denied by the Contractor and the member requests a review within six months after receiving notice of the decision from the Contractor, the Contractor must provide a first and second review of the decision. If the Contractor continues to

deny any part of the claim or request, the member may appeal the Contractor's decision to PEBA. The Contractor will cooperate with PEBA's appeals process for disputed claims, providing personnel to supply complete, accurate, timely and legible documentation as necessary to support the Contractor's decisions and assist PEBA in its review. The documentation shall include at a minimum:

- (a) The determination that should reflect sufficient understanding of the information relevant to the claim; reference to the information submitted by the member; analysis of why the claim is denied; and reference to the applicable Plan language, standards and determinations of the U.S. Food and Drug Administration, and utilization review and management standards established by the Contractor for the Plan;
- (b) All documentation submitted by the member regarding the claim;
- (c) A copy of the Plan language, standards and determinations of the U.S. Food and Drug Administration, utilization review and management standards, and any other standards relied upon by the Contractor; and
- (d) Documentation of contacts with the member, whether via email, telephone or letter regarding the claim.

3.9.21 At all times provide access to pharmacy and medical advisors for further review of disputed claims or appeals as needed by PEBA. PEBA may, from time to time, send appeals back to the Contractor for further review of existing information, to have specific questions answered, for review of newly submitted information, or for other reasons necessary to fully adjudicate the claim and issues before PEBA. Contractor will respond to these additional inquiries timely and as requested, including providing access to independent medical reviewers if necessary.

If PEBA denies any part of a claim or request and the member appeals to the South Carolina Administrative Law Court (SCALC), the Contractor will be responsible for providing independent legal counsel to represent PEBA and defend the denial at the SCALC and in any subsequent appeals to the South Carolina Court of Appeals or South Carolina Supreme Court. The legal counsel is subject to PEBA's approval, and PEBA may at any time during the Contract, in its sole discretion, reject the offered counsel and require new counsel to be retained on its behalf. The course of the legal representation will be exclusively under PEBA's control and direction as the client in the attorney-client relationship. Such legal representation must include attorneys experienced in employee benefits defense or appearance before the South Carolina Administrative Law Court.

3.9.22 Provide to PEBA and/or its Data Warehouse Contractor, a detailed paid claims transaction file that is transmitted weekly in a secure manner to PEBA or its designee(s), within seventy-two (72) hours following request for payment to PEBA. The Contractor may be required to modify the contents of this paid claims file to reflect any changes made by PEBA to the Plan. The Contractor shall be required to supply all digits of an ICD classification captured during the claims adjudication process.

- (a) Subscriber identifier (SSN, HIC number, PEBA determined identifier)
- (b) Enrolled plan code (i.e., Savings Plan, Standard Plan, Medicare Supplemental Plan)
- (c) Accounting structure (i.e., PEBA group code, division, internal accounting)
- (d) Employee identifier (SSN, HIC number, PEBA determined identifier)
- (e) Employee first name
- (f) Employee last name
- (g) Employee middle initial
- (h) Patient identifier (SSN, HIC number, PEBA determined identifier)
- (i) Patient first name
- (j) Patient last name
- (k) Patient middle initial
- (l) Patient date of birth
- (m) Patient relationship to the insured



- (n) Patient gender
- (o) Employee or dependent identification code
- (p) Pay to provider identifier
- (q) Pay to provider NPI
- (r) Pay to provider name
- (s) Pay to provider specialty
- (t) Pay to provider participating in network indicator
- (u) Pay to provider address
- (v) Pay to provider city
- (w) Pay to provider state
- (x) Pay to provider ZIP code
- (y) Rendering provider identifier
- (z) Rendering provider NPI
- (aa) Rendering provider name
- (bb) Rendering provider specialty
- (cc) Rendering provider participating in network indicator
- (dd) Rendering provider address
- (ee) Rendering provider city
- (ff) Rendering provider state
- (gg) Rendering provider ZIP code
- (hh) In Network/Out of Network code
- (ii) CPT4/HCPCS code (if applicable)
- (jj) CPT4/HCPCS code modifier 1 (if applicable)
- (kk) CPT4/HCPCS code modifier 2 (if applicable/available)
- (ll) NDC code (if available and required for all physician administered medications including “dump” codes)
- (mm) NDC description
- (nn) Revenue code (if applicable)
- (oo) UB bill type (if applicable)
- (pp) DRG code (if applicable)
- (qq) Discharge status (if applicable)
- (rr) APC code (if applicable)
- (ss) APC payment status code (if applicable)
- (tt) Claim identification
- (uu) Claim status (i.e., original submission, positive adjustment, negative adjustment, denied)
- (vv) Claim adjustment number
- (ww) Claim adjustment reason
- (xx) Claim line number
- (yy) Payment methodology (i.e., DRG, APC, Fee Schedule)
- (zz) Incurred date of service
- (aaa) Beginning date of service
- (bbb) Ending date of service
- (ccc) Admission date (if applicable)
- (ddd) Discharge date (if applicable)
- (eee) Claim processed date
- (fff) Claim paid date
- (ggg) Claim received date
- (hhh) Admission ICD diagnosis (if available)
- (iii) Admission ICD POA indicator (if available)
- (jjj) Primary ICD diagnosis

(kkk) Primary ICD POA indicator (if available)  
(lll) Second ICD diagnosis (if available)  
(mmm) Second ICD POA indicator (if available)  
(nnn) Third ICD diagnosis (if available)  
(ooo) Third ICD POA indicator (if available)  
(ppp) Fourth ICD diagnosis (if available)  
(qqq) Fourth ICD POA indicator (if available)  
(rrr) Fifth ICD diagnosis (if available)  
(sss) Fifth ICD POA indicator (if available)  
(ttt) Sixth ICD diagnosis (if available)  
(uuu) Sixth ICD POA indicator (if available)  
(vvv) Seventh ICD diagnosis (if available)  
(www) Seventh ICD POA indicator (if available)  
(xxx) Eighth ICD diagnosis (if available)  
(yyy) Eighth ICD POA indicator (if available)  
(zzz) Ninth ICD diagnosis (if available)  
(aaaa) Ninth ICD POA indicator (if available)  
(bbbb) Primary ICD procedure (if applicable)  
(cccc) Primary ICD procedure date (if applicable)  
(dddd) Second ICD procedure (if applicable / available)  
(eeee) Second ICD procedure date (if applicable)  
(ffff) Third ICD procedure (if applicable / available)  
(gggg) Third ICD procedure date (if applicable)  
(hhhh) Fourth ICD procedure (if applicable / available)  
(iiii) Fourth ICD procedure date (if applicable)  
(jjjj) Fifth ICD procedure (if applicable / available)  
(kkkk) Fifth ICD procedure date (if applicable)  
(llll) Sixth ICD procedure (if applicable / available)  
(mmmm) Sixth ICD procedure date (if applicable)  
(nnnn) Seventh ICD procedure (if applicable / available)  
(oooo) Seventh ICD procedure date (if applicable)  
(pppp) Eighth ICD procedure (if applicable)  
(qqqq) Eighth ICD procedure date (if applicable)  
(rrrr) Ninth ICD procedure (if applicable)  
(ssss) Ninth ICD procedure date (if applicable)  
(tttt) Place of service  
(uuuu) Type of service  
(vvvv) Behavioral health indicator  
(wwww) Units of service  
(xxxx) Metric quantity (if physician administered medication)  
(yyyy) Submitted charge  
(zzzz) Not covered amount  
(aaaaa) Not covered reason  
(bbbbb) Discount amount  
(ccccc) Medicare/COB indicator  
(ddddd) COB Savings  
(eeee) Medicare covered  
(fffff) Medicare paid  
(ggggg) Medicaid paid

- (hhhhh) Other insurance paid
- (iiii) State covered amount
- (jjjj) Deductible
- (kkkkk) Coinsurance
- (llll) Copayment
- (mmmmm) Per occurrence deductible (if applicable)
- (nnnnn) Plan payments
- (ooooo) Precertification type
- (ppppp) Precertification days
- (qqqqq) Network cutback reason
- (rrrrr) Network cutback amount
- (sssss) Network cutback reason 2
- (ttttt) Network cutback amount 2
- (uuuuu) Network cutback reason 3
- (vvvvv) Network cutback amount 3
- (wwwww) Network cutback reason 4
- (xxxxx) Network cutback amount 4
- (yyyyy) Network cutback reason 5
- (zzzzz) Network cutback amount 5
- (aaaaa) PEBA employer group number
- (bbbbbb) Care Coordination Fee (CCF) indicator (any applicable CCF indicator used to pay a CCF to a contractor-identified provider)
  
- (ccccc) Care Coordination Fee (CCF) program identifier (identifier for which program a CCF is paid to a contractor-identified provider)

3.9.23 Supply a full provider file in a secure manner to PEBA and its Data Warehouse Contractor by the tenth (10<sup>th</sup>) business day of the month following the end of each quarter. The Contractor may be required to modify the contents of this provider file to reflect any changes made by PEBA to the Plan.

- (a) Provider ID (internal format)
- (b) Previous Provider ID (if applicable)
- (c) Previous ID Termination Date
- (d) Effective date (for the information contained in this record)
- (e) Ending date (for the information contained in this record)
- (f) Provider Status
- (g) Provider Closed Indicator
- (h) Provider FEIN/TIN
- (i) Provider Owner FEIN (if applicable)
- (j) Provider NPI
- (k) Provider Name
- (l) Provider Address (Line 1)
- (m) Provider Address (Line 2)
- (n) Provider City
- (o) Provider State
- (p) Provider Zip
- (q) Provider County
- (r) Provider Area Code
- (s) Provider Phone Number

- (t) Provider Specialty
- (u) Provider Secondary Specialty
- (v) Provider Tertiary Specialty
- (w) Par/Non-par Indicator
- (x) PCMH Participation Indicator
- (y) PCMH Effective Date
- (z) PCMH End Date
- (aa) New PCMH Participation Indicator
- (bb) New PCMH Effective Date
- (cc) New PCMH End Date
- (dd) PCMH at Risk Participation Indicator
- (ee) PCMH at Risk Effective Date
- (ff) PCMH at Risk End Date
- (gg) Pediatric Wellness Participation Indicator
- (hh) Pediatric Wellness Effective Date
- (ii) Pediatric Wellness End Date
- (jj) CHF Participation Indicator
- (kk) CHF Effective Date
- (ll) CHF End Date
- (mm) Asthma Participation Indicator
- (nn) Asthma Effective Date
- (oo) Asthma End Date
- (pp) Diabetes Participation Indicator
- (qq) Diabetes Effective Date
- (rr) Diabetes End Date
- (ss) Hypertension Participation Indicator
- (tt) Hypertension Effective Date
- (uu) Hypertension End Date
- (vv) Telehealth Participation Indicator
- (ww) Telehealth Effective Date
- (xx) Telehealth End Date
- (yy) Practitioner Number
- (zz) Practitioner's First Name
- (aaa) Practitioner's Middle Initial
- (bbb) Practitioner's Last Name
- (cc) Practitioner Generation
- (ddd) Practitioner's Degree
- (eee) Practitioner's Status
- (fff) Practitioner's Primary Specialty
- (ggg) Practitioner Secondary Specialty
- (hhh) Practitioner Tertiary Specialty
- (iii) Practitioner Participating in Network Indicator
- (jjj) Practitioner Network Start Date
- (kkk) Practitioner Network End Date
- (lll) Practitioner NPI

### **3.10 COST CONTAINMENT**

The Contractor shall:

3.10.1 Implement procedures, practices, personnel, methodologies and services necessary to achieve PEBA's objective of achieving the lowest benefit cost available consistent with adequate medical care in the administration and implementation of the Plan.

3.10.2 Monitor claims processing for accurate and appropriate payment in accordance with Plan provisions and payment allowances, and in compliance with the Contractor's proposed claims processing policies and procedures. Payment errors should be addressed immediately. Payment errors due to system error or processor error shall be reported to PEBA and addressed immediately. The standard for resolving overpayments shall be within ninety (90) days of being identified. Payment errors unresolved after ninety (90) days shall be addressed to PEBA for resolution. PEBA shall determine final resolution, which may include withholding of overpaid amounts from subsequent claims reimbursements to Contractor. The Contractor is ultimately responsible for payment errors.

3.10.3 Identify and review areas of potential claims payment discrepancies and take corrective actions.

3.10.4 Perform reviews to identify and report to PEBA improper provider billing practices, such as verification of services billed and DRG classification verification, and take appropriate action.

3.10.5 Review claims for service bundling and consolidation opportunities as well as apply logical edits to submitted claims for issues related to, but not limited to: age/gender and diagnosis relationship, age/gender and procedure relationship, temporal relationships between services, and excessive units of service.

3.10.6 Profile providers to identify physicians and other providers with unusual practice and or billing patterns that drive Plan expenditure growth by a disproportionate amount and cooperate with PEBA provider profiling initiatives and take remedial actions at the direction of PEBA.

3.10.7 Coordinate all cost containment initiatives with PEBA, and report on a quarterly basis all findings and corrective action taken.

3.10.8 Identify strategic measures to address cost containment effectively and in accordance with maintaining value of the plan of benefits.

3.10.9 Collaborate with PEBA and PEBA's consultant(s) in developing strategies to address utilization of physician-administered specialty medication covered under the medical benefit.

### **3.11 CUSTOMER SERVICE**

The Contractor shall:

3.11.1 Provide customer service representatives, with training on the specific features of the benefits of the Plan, to respond promptly and correctly to all written and telephone inquiries from subscribers, providers and agencies, to answer questions, assist with accessing benefits and resolve claims payment and utilization management problems.

3.11.2 Assist subscribers, providers and agencies via dedicated toll-free customer service telephone line(s), staffed with knowledgeable customer service representatives (not a recording), available during the hours of 8 a.m. to 5:30 p.m. (Eastern Time) and on the same business days as PEBA.

3.11.3 Provide representatives available during the hours of 8 a.m. to 5:30 p.m. (Eastern Time) and on the same business days as PEBA to take calls from PEBA customer service representatives and managers. The Contractor's representatives shall be capable of responding to all inquiries and be able to resolve issues of eligibility, enrollment, claims and any other administrative matter presented to them. The Contractor shall provide an escalation process of problem resolution. This process must involve Contractor management representatives who have authority to resolve more complex issues.

3.11.4 Provide members with a direct toll-free telephone line maintained by a live person, available during the hours of 8 a.m. to 5:30 p.m. (Eastern Time) in search of services related to behavioral health and to assist in finding the appropriate provider for such services. This telephone line should not be a part of the toll-free customer service line(s) as described in 3.11.2.

3.11.5 Provide members with a direct toll-free telephone line and maintained by a live person, available during the hours of 8 a.m. to 5:30 p.m. (Eastern Time) in search of population health programs made available to them as part of the health plan. This telephone line should not be a part of the toll-free customer service line(s) as described in 3.11.2.

3.11.6 Provide callers with a survey instrument to gauge customer satisfaction with the Contractor. Measures should include, but are not limited to wait time, courtesy of staff, knowledge of product, willingness to assist and problem resolved/question answered. Satisfaction survey results shall be submitted to PEBA quarterly with a minimum 95% overall satisfaction rate with key components identified. An assessment of \$5,000 per quarter shall be levied against the Contractor for each quarter the Contractor fails to obtain a 95% overall satisfaction rate as liquidated damages for the Contractor's failure to meet this performance standard. The survey instrument shall be subject to review and approval by PEBA.

3.11.7 Annually conduct and submit the results to PEBA of a Satisfaction Survey for members to gauge satisfaction with the State Health Plan. Coordinate with PEBA on the development of the satisfaction survey. The results of the Satisfaction Survey shall be submitted to PEBA's Procurement Officer.

3.11.8 Ensure the confidentiality of subscriber information in responding to all inquiries.

## **3.12 COMMUNICATIONS AND TRAINING**

The Contractor shall:

3.12.1 Furnish communication information on Plan benefits to members, employers, providers and PEBA. The Contractor shall provide communication information that describes the features, operation and any changes of the Plan benefit. Communications with PEBA, members, employers and providers will be undertaken to ensure that electronic data transfer, fax, telephone and hard copy transfer of information are accurate, secure and efficient, as determined by PEBA.

3.12.2 Develop, print, and distribute forms and informational materials to members and benefits administrators. Provide timelines for their development and updates. All collateral the Contractor produces is subject to approval by PEBA's Communications Department prior to actual use. Collateral includes, but is not limited to:

- (a) Identification cards;

- (b) Claim forms;
- (c) Explanations of Benefits (EOB);
- (d) All letters and other documents sent to Plan members;
- (e) Articles describing features of the Plan;
- (f) Flyers, posters and other materials to promote features of the Plan; and
- (g) An online directory of all network providers that is updated at least monthly (A paper directory shall be provided upon request).

3.12.3 Work collaboratively with PEBA staff to develop a comprehensive communications plan to: (1) promote and encourage members who are not participating in but who would benefit most, to enroll and participate in disease management; and (2) promote and encourage members who are not participating in but who would benefit most, to enroll and participate in population health management. PEBA maintains final authority for approving the marketing plans; however, PEBA expects the Contractor to play a proactive role in managing the communications of the Plan. All collateral the Contractor produces is subject to approval by PEBA's Communications Department prior to actual use. The Contractor should develop, store and distribute electronically a form for collateral as necessary and provide upon request. Both PEBA and the Contractor will house the form in interactive, fillable format online in a PDF or similar format. Materials to members and employers, include but are not limited to content for multiple, targeted, digital campaigns to promote Plan benefits, services and initiatives; and targeted campaigns for the Plan's value-based health initiatives, disease management and population health management.

3.12.4 Provide at least one staff member with experience in marketing and communications. Provide personnel for bi-weekly communications conference calls in which initiatives, campaigns and progress will be discussed. The Contractor should recommend specific communications plans and goals in accordance with the overall management of the Plan during these calls. Reporting of general and targeted metrics and status updates, as well as operational updates, will be required. Other calls may be scheduled in addition to bi-weekly calls to meet deadlines for campaigns.

3.12.5 Ensure that all informational materials, letters, notices and collateral are cobranded with PEBA's logo and the Contractor's logo according to PEBA's brand guidelines for vendors. The Contractor's logo shall be labeled as "Administered by:" to reflect the relationship between PEBA and the Contractor. The Contractor should follow other guidelines including size of logo, colors, typography and other styles as identified in the identity guidelines and shall also adhere to Associated Press style guidelines. All materials must be reviewed and approved by PEBA's Communications Department prior to use.

3.12.6 Not conduct any mass paper or electronic mailings to members or employers without the prior express permission of PEBA.

3.12.7 Maintain at a minimum a secure, password-protected, two factor authentication enabled, transaction-enabled website specific to the Plans for members. The website shall include forms, enrollment and coverage data, EOBs/claims data and retrieval, and claims history. All forms shall be available in electronic format.

3.12.8 Maintain at a minimum a secure, password-protected, two factor authentication enabled, transaction-enabled website specific to the Plans for providers. The website shall include forms, enrollment and coverage data, claims payment remittances/claims data and retrieval, and claims history. All forms shall be available in electronic format.

3.12.9 Provide a mobile app that allows members to access forms, enrollment and coverage data, EOBs/claims data and retrieval, and claims history.

3.12.10 Provide a customized website that is accessible without entering a password that includes information specific to the Plan's benefits and features. The website shall also include access to marketing initiative and informational deliverables and content once approved by PEBA. The Contractor will work with PEBA staff to enhance the website to include additional resources and information that align with the goals established in collaboration with PEBA for PEBA Perks and other value-based health initiatives, and health and disease management programs. Website content must be reviewed and approved by PEBA's Communications Department prior to use.

3.12.11 Provide materials and an adequate number of its personnel as needed to inform members, employers and providers of rules, updates, changes and other features and initiatives of the Plan, especially during the October open enrollment period. Provide training and education sessions upon PEBA or employer request via webinars. All materials and training items distributed to benefits administrators by the Contractor are subject to prior approval by PEBA's Communications Department.

3.12.12 Research and compile data requested by PEBA's Communications Department for the creation of PEBA developed communication materials.

3.12.13 If requested, provide personnel at PEBA's Benefits at Work conference should PEBA host a conference.

3.12.14 Not, during the term of this contract, or for a period of two (2) years after termination of the contract or any extension thereof, solicit any business, engage in enrolling employees, offer products or services, or contact any employer group participating in the Plan except as necessary to carry out the requirements of this contract.

3.12.15 Provide representatives to make positive and constructive personal contact with the provider community to communicate Plan rules, benefits or changes and claims filing procedures, and health care issues. Ensure that representatives are aware of all information and materials related to targeted marketing campaigns, such as PEBA Perks and other value-based health initiatives and include discussion and sharing of this information with providers. All materials must be reviewed and approved by PEBA's Communications Department prior to use.

### **3.13 REPORTING**

The Contractor shall:

3.13.1 Provide standardized reports and an online reporting system capable of generating such reports in a format and time schedule acceptable to PEBA that includes at a minimum:

- (a) Actuarial and underwriting analyses including, but not limited to: paid claims, incurred claims, lag reports, incurred but not reported claims, claims by type of service, claims by place of service, claims by subscriber status (active vs. retiree, employer group, age and gender, relationship to the insured, etc.), pended claims, plan design effectiveness, provider summaries, and claims inventory.
- (b) Network administration and performance including usage, discount and effective cost for each of PEBA provider networks (inpatient, outpatient, ambulatory surgical center), as well as services performed out of network. Reporting for the inpatient facility, outpatient facility and ambulatory surgical center networks shall include at a minimum breakdowns at the provider, APC, Payment Group, Payment Methodology and DRG level, while physician reporting shall be completed at a minimum at the provider and CPT4 code and modifier level.



- (c) Utilization management reports that quantify the results of utilization management programs and illustrate trends in service utilization. Reports topics in this section shall include, but not be limited to: admissions and days for inpatient services by diagnosis and DRG, encounters for outpatient hospital services by diagnosis and APC, other ambulatory services by diagnosis. Reports shall also be provided that quantify services requested and approved by setting of care. Reporting shall be provided at a minimum for each of the utilization management programs contained in Article 15 of the Plan Documents.
- (d) Case management reports that quantify the results of case management programs to include, but not be limited to: member participation, the impact on promoting high quality of care and the cost-effectiveness of outcomes.
- (e) Disease management reports that quantify the results of disease management programs, member participation, and illustrate trends in the impact of disease management on the Plan and member outcomes.
- (f) Population health management reports that quantify the results of all the health and wellness programs for members and employer groups. Reports should include information on participation rates and the impact that these programs have on reducing plan cost and improving health outcomes of program members.

All reporting, either hard copy or generated in the online reporting system shall be available at the PEBA, State Health Plan and MUSC Health Plan levels.

3.13.2 Provide on a quarterly basis reports that confirm compliance or non-compliance with each of the proposed performance standards outlined in Part 5, Information for Offerors to Submit, 5.1.4.15 Performance Measurements/Standards/Performance Guarantees (Liquidated Damages).

3.13.3 Provide reports at least quarterly on cost containment efforts provided by the Contractor.

3.13.4 Provide a limited number of ad-hoc or customized reports as are reasonably necessary to estimate cost impact of benefit modifications and to monitor performance of the contract at no additional cost to PEBA.

3.13.5 Provide any other reports necessary to satisfy local, state or federal laws and/or regulations. Provide book of business benchmarking.

### **3.14 INFORMATION SECURITY**

The Contractor shall:

3.14.1 Comply with HIPAA provisions related to Electronic Transaction Standards.

3.14.2 PEBA conforms to the standard X12 834 data transmission. PEBA shall provide the Contractor with file transfers of eligibility through electronic data interchange. Data transfer shall be performed by FTP using VPN tunnel or by SFTP. The Contractor shall accept and deliver eligibility data through this method.

3.14.3 Be responsible for transmitting and maintaining data security and confidentiality as required by state and federal law, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

3.14.4 Maintain database backups in a manner that will eliminate disruption of service or loss of data due to system or program failures.

3.14.5 Maintain a disaster preparedness plan that will limit service interruption in case of emergency (force majeure) and will ensure compliance with all requirements under the contract.

3.14.6 Maintain a security breach plan.

### **3.15 PERFORMANCE MEASUREMENTS/STANDARDS/GUARANTEES (LIQUIDATED DAMAGES)**

The Contractor shall:

3.15.1 Strictly adhere to its quarterly performance standards and performance guarantees and related liquidated damages for deviation from those performance standards as agreed to between PEBA and the Contractor. Report to PEBA on the achievement of performance standards for the previous quarter and identify all performance standards that were not met and the related liquidated damages. Achievement of performance guarantees is subject to independent verification by PEBA.

3.15.2 PEBA plans to use a Contractor performance monitoring instrument to document Contractor performance to facilitate communication and foster improvements during the term of the contract. The Contractor will have the opportunity to respond in writing to the instrument prior to its finalization.

### **3.16 FINANCIAL ARRANGEMENTS**

3.16.1 The administrative fee(s) payable to the Contractor shall be considered full and complete compensation for all goods, services and requirements to provide third party administration of PEBA's Health Benefits Plan.

3.16.2 The total administrative fee remittance shall be determined exclusively by PEBA based upon PEBA enrollment files. Administrative fees shall be based upon a snapshot enrollment count as of a specific calendar date prior to the upcoming month due. Administrative fees shall be paid on a per subscriber (contract) per month basis and remitted to the Contractor monthly by the 15<sup>th</sup> working day of the current month per the state's working schedule. All disbursements of administrative fees shall be processed via ACH (Automated Clearing House) transaction to the financial institution provided by the Contractor. ACH transactions will be initiated by the S.C. State Treasurer.

3.16.3 The Contractor should not provide invoices for administrative fees to PEBA. PEBA shall provide documentation to the Contractor validating the administrative fee remittance.

3.16.4 The Contractor shall accept claims reimbursements weekly for claims payments. Reimbursements from PEBA should not be held in an account resulting in accrual of earnings to the Contractor.

3.16.5 The Contractor shall provide viable claims invoices to PEBA via secured web-based access to assigned PEBA personnel and/or to a unique electronic address as specified by PEBA. Claims invoices must clearly identify the claims period and provide itemization of claims, credits, refunds, and offsets for each medical plan identified by PEBA as available to subscribers. Separate and distinct claims invoices and/or clearly defined itemization shall be provided by the Contractor for each medical plan identified by PEBA. The layout of claims invoices must be in an acceptable format approved by PEBA.

3.16.6 PEBA shall remit reimbursement to the Contractor within three to five business days following receipt of viable claims invoices subject to completion of the payment process by the S.C. State Treasurer (typical

processing is two to three business days). All claims reimbursements shall be processed via ACH transaction to the financial institution provided by the Contractor. ACH transactions will be initiated by the S.C. State Treasurer.

3.16.7 All disbursements and remittances to the Contractor for administrative fees and claims reimbursements, as well as any additional disbursements occurring during the contract term, shall be forwarded to one financial institution account held in the Contractor's name as provided by the Contractor. PEBA will not issue payments related to the contract to third parties or subcontractors. The Contractor shall process all PEBA transactions with a financial institution and accounts identifiable as separate from all other of the Contractor's business processes. PEBA shall require a minimum of 60 days' notification of a change in the financial institution provided by the Contractor for receipt of PEBA remittances.

3.16.8 The Contractor shall assist PEBA in meeting any federal compliance requirements occurring during the contract period that are associated with self-insured medical plans. Federal compliance requirements shall be defined and resolved upon each occurrence during the contract period.

3.16.9 The Contractor shall provide a Statements on Standards for Attestation Engagements #16 (SSAE 16) Report to PEBA by August 15 each year. The report should cover no less than 50% of the period in which the Contractor provided services to PEBA through June 30 of the same year.

### **3.17 IMPLEMENTATION PLAN**

The Contractor shall:

3.17.1 Prepare, implement and execute a Final Implementation Plan. The Final Implementation Plan shall be based upon the proposed implementation plan and shall outline, in detail, all the tasks necessary to begin full operations on January 1, 2024. The Final Implementation Plan shall specify expected dates of completion of all tasks, how the tasks will be accomplished, the identity of the person(s) responsible for each task, and any resources to be made available to PEBA to ensure a successful implementation.

3.17.2 Coordinate a kick-off meeting with PEBA within five (5) business days of the effective date of the contract as set forth in the statement of Intent to Award. The kick-off meeting shall consist at a minimum of the following:

- (a) Reviewing and revising the proposed implementation plan, as necessary;
- (b) Determining the format for project status reports;
- (c) Defining lines of communication and reporting relationships; and
- (d) Identifying and planning resolution of high-risk or problem areas.

3.17.3 Submit the Final Implementation Plan to PEBA for review and approval within ten (10) business days of the kick-off meeting. Implementation activities shall not commence prior to PEBA approval of the Final Implementation Plan.

3.17.4 Submit a written report of progress to PEBA each week during the implementation phase. The progress report shall specify accomplishments during the report period in a task-by-task format, whether the implementation tasks are being performed on schedule and any administrative problems encountered. The report shall be due by the close of business each Friday.

3.17.5 Accomplish the Final Implementation Plan in a manner to minimize interference with normal operations and services for both PEBA and the current contractor.

3.17.6 Pay PEBA the amount of \$1,000 per business day, up to a maximum of five per cent (5%) of the annual administrative fee under the contract (Contractor's quoted per subscriber per month administrative fee times 292,212 subscribers) in the event of any failure by the Contractor to strictly adhere to the Final Implementation Plan, as agreed upon between the Contractor and PEBA (and without the express written waiver of PEBA before the date of the agreed upon time for completion). If, after 15 days' notice, the Contractor has failed to pay any amount due hereunder, the amount shall be withdrawn from the security.

3.17.7 Complete no later than 45 days prior to contract performance a live test demonstration of the processing of test claim scenarios with 100% accuracy. The claim scenarios (approximately 30 for both the State Health Plan and the MUSC Health Plan) shall be provided by PEBA to the Contractor with sufficient detail to support the adjudication process. Production PEBA enrollment will be used for member data and the Contractor shall assume the State Health Plan provider network. The demonstration must be performed in the presence of PEBA staff and/or designated representatives or using a mutually agreed upon electronic presentation method.

### **3.18 TRANSITION PLAN**

The Contractor shall:

3.18.1 Upon expiration or termination of the contract for any reason, provide full cooperation to PEBA and any subsequent contractor so that the transition to a subsequent contractor will be efficiently accomplished without any disruption in claims processing, claims payments, services to members and providers, or other services described in this RFP and resulting contract.

3.18.2 Commence the transition process immediately upon notification from PEBA to proceed with the transition and must, at no additional cost to PEBA, continue past the date of contract expiration or termination if, due to the actions or inactions of the Contractor, the transition process is not completed before that date. The Contractor shall provide any continuing support and/or information to PEBA and the subsequent contractor necessary to complete the transition.

3.18.3 Develop upon notification from PEBA a comprehensive transition plan detailing the proposed schedule, activities, and resource requirements associated with the transition. A transition meeting will be held among PEBA, the Contractor and any subsequent Contractor. The Contractor must provide personnel to attend the transition meeting who are proficient in and knowledgeable about the Contract and all relevant materials, databases, records, software or any other pertinent information necessary to assume the operational activities successfully.

3.18.4 Provide all materials, data, records, databases, clinical notes, approved and denied service authorizations, and all other things in the Contractor's possession related to services provided under this Contract to PEBA or the subsequent Contractor at no additional cost to PEBA, including:

- (a) All member information received during the term of the contract;
- (b) Medical claims processed during the preceding twenty-four (24) months; and
- (c) Sufficient information and technical assistance on current operations to assure that the transition can be achieved with disruption of ongoing operations.

3.18.5 Agree to continue to perform hereunder at the then applicable prices and terms in the event that PEBA has not secured alternate sources for the supplies and/or services under this contract at the expiration of, or following termination of the contract for any reason, and perform until such alternate source is obtained and any transition period required to maintain continuity has been successfully completed.

3.18.6 Pay \$5,000 per day for each day data is delinquent beyond the time period specified in the transition plan for failure to supply such data within the time periods provided herein for damages being levied against the Contractor of as liquidated damages for Contractor's failure to meet this performance standard, and PEBA shall be permitted to withdraw funds pursuant to Part 7, Section 7.47 (Performance Bond Required).

3.18.7 Not limit or restrict PEBA in the ability to require additional information from the Contractor or to modify the transition schedule as necessary. At the expiration or termination of this contract, or if at any time PEBA desires a transition of all or any part of the duties and obligations of the Contractor to PEBA or to another Contractor, PEBA shall notify the Contractor of the need for transition. Such notice shall be provided at least ninety (90) calendar days prior to the date the contract will expire, or at the time PEBA provides notice of termination to the Contractor, as the case may be.

## PART 4

### QUALIFICATIONS

**4.1 QUALIFICATIONS OF OFFEROR:** (1) To be eligible for award, you must have the capability in all respects to fully perform the Contract requirements and the integrity and reliability that will assure good faith performance. We may also consider a documented commitment from a satisfactory source that will provide you with a capability. We may consider information from any source at any time prior to award. We may elect to consider key personnel, any predecessor business, and any key personnel of any predecessor business, including any facts arising prior to the date a business was established. (2) You must promptly furnish satisfactory evidence of responsibility upon request. Unreasonable failure to supply requested information is grounds for rejection. (3) **Corporate subsidiaries are cautioned that the financial capability of an affiliated or parent company will not be considered in determining financial capability;** however, we may elect to consider any security (e.g., letter of credit, performance bond, parent-company corporate guaranty) that you offer to provide. Instructions and forms to help assure acceptability are posted at <https://procurement.sc.gov> under "Legal," "Standard Clauses & Provisions."

Offeror must provide the following information or documentation. This information and other information at PEBA's discretion will be used to determine your responsibility.

- (a) Your most current financial statement, financial statements for your last two fiscal years, and information reflecting your current financial position. If you have audited financial statements meeting these requirements, you must provide those statements.
- (b) A list of failed projects, suspensions, debarments and significant litigation.

### **4.2 MANDATORY MINIMUM QUALIFICATIONS**

PEBA believes that a Contractor does not have the capability of successfully and fully performing the contract unless it meets the mandatory minimum qualifications outlined below. For purposes of meeting these minimum qualifications, the Offeror may take into consideration the contribution of a subcontractor(s) so long as the Offeror and subcontractor(s) being relied upon have all worked together before to provide similar services jointly to the same customer. In those instances where applicable in response to the items (a) through (e) below, the Offeror shall list the accounts/customers where the Offeror and all subcontractors have worked together, describe the services provided by each subcontractor, and the dates and length of time of such joint efforts. Thus, to be qualified to receive an award, offerors must meet the following mandatory minimum qualifications:

**For an Offeror to be considered for an award, it must demonstrate that it possesses, as of the date of proposal submission, all of the following minimum qualifications:**

- (a) Currently processes claims for at least one million covered persons.
- (b) Currently processes medical claims volume of at least \$2.5 billion annually.
- (c) Currently performs utilization management for at least one million covered persons.
- (d) Has administered a plan with the features described in this Request for Proposal for at least one group of at least 250,000 subscribers (not covered persons).
- (e) Has been in the business of providing claims processing and utilization management services to large employers, including public sector employers that maintain self-funded health plans, for at least five (5) years.

While PEBA believes that an Offeror (or, if applicable, a Subcontractor) who does not meet these minimum qualifications cannot successfully and fully perform the contract, Offerors are cautioned that the existence of these factors does not constitute a finding that an Offeror is responsible. In evaluating an Offeror's responsibility, the State Standards of Responsibility [R.19-445.2125] and information from any other source may be considered. An Offeror must, upon request of PEBA, furnish satisfactory evidence of its ability to meet all contractual requirements. Unreasonable failure to supply information promptly in connection with a responsibility inquiry may be grounds for determining that you are ineligible to receive an award. S.C. Code Section 11-35-1810.

**Any Offeror not meeting these requirements will not be considered for award, and therefore will not be evaluated. In its proposal, each Offeror shall respond to this section and declare whether it meets the requirements and, if so, provide detailed specifics that satisfy each individual requirement.**

**PART 5**

**INFORMATION FOR OFFERORS TO SUBMIT**

Proposals will be accepted only from the entity that will be providing the services hereunder. **Offerors shall submit a signed transmittal sheet indicating that it has submitted the following:**

- (a) Include Offeror's name, the solicitation number, and the appropriate title on the label for hard copies and for USBs submitted in response to this RFP. (i.e.: Acme Corp., PEBA0372022, Technical Proposal Original; Acme Corporation, PEBA0372022, Business Proposal Original; Acme Corporation, PEBA0372022, Copy 1 of 5, etc.) **Each USB should be labeled as above with the Offeror's name on each label.**
- (b) One (1) original and five (5) identical spiral bound paper copies of the Offeror's Technical Proposal. Label copies, 1 of 5, 2 of 5, etc. **(No GBC coil binding and no three ring binders.)**
- (c) One (1) original marked and five (5) labeled USB flash drives containing a copy of the Offeror's Technical Proposal Response (in Microsoft Word, Microsoft Excel and/or PDF format where appropriate). Label copies, 1 of 5, 2 of 5, etc.
- (d) One (1) original and one (1) spiral bound paper copy of the Offeror's Business Proposal. **(No GBC coil binding and no three ring binders.)**
- (e) One (1) labeled USB flash drives containing a copy of the Offeror's Business Proposal.
- (f) One (1) USB flash drive containing a redacted version of the Offeror's original Technical Proposal.
- (g) One (1) USB flash drive containing a redacted version of the Offeror's original Business Proposal.

**Both the Technical Proposal and the Business Proposal should be submitted separately and each marked respectively with: “Section 5.1: Technical Proposal” and “Section 5.2: Business Proposal.” No information from the Business Proposal should be included in the Technical Proposal.**

Offerors are required to mark the original copy of their offer to identify any information that is exempt from public disclosure. Offerors must do so in accordance with the clause entitled “Submitting Confidential Information.” In addition, Offerors should also submit one USB flash drive of their offer from which they have removed any information that they marked as exempt (i.e., a redacted copy). The information redacted should mirror in every detail the information marked as exempt from public disclosure. The redacted copy should (i) reflect the same pagination as the original, (ii) show the empty space from which information was redacted, and (iii) be submitted on a USB flash drive. File format shall be Microsoft Word 2007 or later. Except for the redacted information, the USB flash drive must be identical to the original hard copy and accessible for reproduction by PEBA.

Offerors should submit the following information for purposes of evaluation. PEBA desires a detailed written submission so that it can make an accurate comparison of all proposals received. Please be specific in your answers.

## **5.1 TECHNICAL PROPOSAL**

The Technical Proposal shall include the following sections and shall be presented in the listed order.

### **5.1.1 COVER PAGE**

Offerors must submit a signed copy of the cover page (Pages one and two) with their offer. By submitting a Proposal, Offeror agrees to be bound by all the terms of the RFP. Offerors agree to hold their offer open for a minimum of one hundred twenty (120) calendar days after the Opening Date.

### **5.1.2 EXECUTIVE SUMMARY**

An Executive Summary shall be provided with the Offeror’s Proposal. The Executive Summary should include a brief description of the Offeror’s understanding of the scope of services and their ability to provide the required services. The Executive Summary should be brief and signed by an individual who is authorized to commit the Offeror to the services and requirements as stated in this RFP. The Executive Summary shall be provided with the Offeror’s Proposal. The Executive Summary should bear the name and address of the Offeror, the title of this Request for Proposal, and acknowledgement of the receipt of any amendments.

**Statement of Acceptance:** Offerors shall reply to Part 1 Instructions to Offerors-A. General Instruction, Part 1 Instructions to Offerors-B. Special Instructions, Part 2 Scope of Proposal, Part 3 Scope of Work, Part 4 Mandatory Minimum Qualifications, Part 7 Terms and Conditions-A. General, and Part 7 Terms and Conditions-B. Special and Part 8 Attachments to Solicitation by declaring that the Offeror fully understands, agrees to, and will comply with all of the provisions/requirements/terms in each of these Parts. Offerors shall include this Statement of Acceptance in their Executive Summary. Please note that PEBA considers unacceptable any proposal containing deviations, exceptions, or caveats to the RFP that have not been submitted for consideration during the question-and-answer phase and adopted by PEBA.

**Qualifications and Mandatory Minimum Qualification:** Offerors shall certify in writing that they meet all the Qualifications and Mandatory Minimum Qualifications outlined in Part 4, Mandatory Minimum Qualifications. Any Offeror not meeting the Mandatory Minimum Qualifications will not be considered for award, and therefore will not be evaluated.

### 5.1.3 TABLE OF CONTENTS

The Proposal should include a Table of Contents that lists page number references. The Table of Contents should be in sufficient detail to facilitate easy reference to the sections of the Proposal and separate attachments (which shall be included in the main Table of Contents). If supplemental materials are included with the Proposal, each copy of the Proposal should include such supplemental materials. Supplemental information (i.e., information not required) and attachments included by the Offeror should be clearly identified in the Table of Contents and provided as a separate section.

### 5.1.4 OFFEROR'S APPROACH/TECHNICAL PROPOSAL RESPONSE

Offerors should describe their approach to providing third party administration of PEBA's Health Benefits Plan under this contract. Offerors, in describing their approach, should, at a minimum, restate each of the items below and provide their response (approach) to that item immediately thereafter.

#### *5.1.4.1 Business Office, Key Personnel and Account Management*

(a) Describe the facilities and location(s) of facilities that you will use to deliver services and manage PEBA's account under this contract.

(b) Describe in detail your approach to PEBA's account. Provide a detailed staffing plan (organizational chart) that includes a list of all proposed staff, their roles and responsibilities, identification of all key personnel by name/qualifications (include resumes), how the staff will be supervised, and where staff will be located.

(c) Describe the staff of the utilization management team, including qualifications, experience, and resumes for:

- (1) Physician/Medical Director
- (2) Registered Nurses
- (3) Managers
- (4) Intake Specialist
- (5) Other

(d) Provide the names and the qualifications of the principal staff who will be responsible for implementation and describe their background and experience.

(e) Describe your work force and its capability to process the claims volume required by this contract and the various types and volume of utilization management services required by the Plan along with any specific skills or personal information that might assist PEBA in becoming acquainted with your proposed work force.

#### *5.1.4.2 Provider Networks*

(a) Describe in detail how you will administer and manage PEBA's provider networks, including administration of current contracts, investigation and resolution of reimbursement disputes between PEBA and the provider networks, and the renewal of existing network contracts.



(b) Describe in detail your approach to marketing, establishing, implementing, operating, and maintaining a network of participating health care providers. Describe your process to recruit and credential network providers. Describe in detail how you would establish a network that includes credentialed providers in various locations throughout the state.

(c) Describe how you would ensure that all network providers of service are informed of the Plan's medical benefit design. Describe how you would maintain communications with all those who have entered the provider networks to provide them with all the necessary instructions, support, and assistance to ensure that each will be operational on January 1, 2024.

(d) Describe how and how often you would advise PEBA on your progress to obtain network participation of the largest number of health care providers covering the greatest geographical area of South Carolina.

(e) Describe in detail all the proprietary networks that you will make available to PEBA. This should include at a minimum networks for ambulance providers, infusion therapy, mammography, skilled nursing facilities, dialysis, hospice, home health, durable medical equipment, and laboratories. Provide a geo-access analysis of provider availability for each of the proprietary networks based upon the enrollment data provided by PEBA.

(f) Describe provider availability for each of national general and transplant networks based upon the enrollment data provided by PEBA.

(g) Describe your approach to strategizing and presenting to PEBA options for preferential provider pricing and/or narrow network in out-of-state boarder areas. Details should include your methodology of identifying appropriate out-of-state boarder areas.

(h) Describe in detail your Patient-Centered Medical Home (PCMH) model/program and your strategy to establish, implement, and maintain a PCMH program for members under this contract to include any cost sharing arrangements based on value-based outcome metrics. Details should include what credentialing process you use to certify providers as a PCMH and on how you plan to recognize and communicate these providers to members.

(i) Describe in detail how you will collaborate with PEBA and PEBA consultant(s) in developing strategies to minimize use of low-value services. Details should include a:

- (1) Description of methodologies used to identify low-value services (e.g. Choosing Wisely, third party software, internally developed software, etc.);
- (2) Description of programs used to effect provider and/or member behavior with respect to utilization of low-value services;
- (3) Specific results of such management efforts expressed in terms of both rates (per person per year) of specific low-value service utilization and as multiplier effects (utilization generated as a result of low-value services; and a
- (4) Description of risk or shared savings arrangements, if any, that have been entered into.

(j) Describe in detail your approach to a value-based provider network for providers who manage and care for Plan members with certain chronic conditions. Details should include a methodology for reimbursement model with incentives for providers who meet specific criteria for high-performance and quality member health outcomes. Contractor should also include details on what criteria and metrics will be used to award incentives. Contractor should provide which chronic conditions it will include in its value-based provider network.

(k) Describe in detail your approach to a virtual/video telehealth platform and what type of appropriately licensed network of physicians and other health care professionals are included. Details should include your approach to provide access to virtual/video telehealth to members outside of South Carolina.

#### *5.1.4.3 Eligibility Determination*

(a) Describe and provide information that you currently have an operational data processing system capable of efficiently and accurately:

- (1) Providing an online claims adjudication system, including providing PEBA personnel access to the claims adjudication system, and exchanging data with PEBA's behavioral health manager, pharmacy benefits manager, and flexible benefits plan manager); and
- (2) Maintaining records and tracking each patient file; providing preadmission approval, medical necessity determination, comparing proposed treatment plans with generally recognized medical standards, assigning a DRG upon admission and comparing such DRG with that reported upon discharge, generating letters to patients, providers, and insurers regarding case management decisions, and generating reports for PEBA.

(b) Describe the software proposed to be used in response to this RFP, the hardware on which it runs, when each system was developed, when each system was last updated, and the telecommunications configurations for claims administration and utilization management.

(c) Describe your proposed method and frequency of enrollment reconciliation and how you will provide PEBA with verification of the reconciliations.

(d) Describe how you will notify PEBA of enrollment discrepancies and how you will coordinate resolution.

(e) Describe your process for making modifications to your system and how long it would typically take for system modification.

(f) Describe your ability to handle multiple addresses for dependents and multiple transactions for a subscriber on the same file.

(g) Describe your backup schedule and how often will PEBA's eligibility and claims data be backed up.

(h) Describe your procedure for providing access to PEBA eligibility and claims data in the event of a disaster.

#### *5.1.4.4 Utilization Management*

(a) Describe in detail your approach to utilization management and the structure or system that will be used to conduct utilization management activities.

(b) Describe in detail your utilization management program including procedures and criteria followed in performing at a minimum the following:

- (1) Determination of medical necessity;
- (2) Appropriate type and setting of care;
- (3) Continuing review of care;
- (4) Case management;
- (5) Discharge coordination and planning;

- (6) Out-of-area and emergency care;
- (7) Provider profiling; and
- (8) Retrospective review of claims.

(c) Describe your methods for internally monitoring and evaluating the performance of utilization management activities.

(d) Describe how you will identify service utilization problems and the corrective actions you will implement.

(e) Describe your approach to educating and informing members and providers on receiving authorization of health benefits prior to treatment.

(f) State the average time to respond to a request for preadmission review or precertification of medical services.

(g) Describe the system of standards and practices proposed to be used in utilization management to evaluate whether the proposed treatment is consistent with generally recognized medical standards.

(h) State when your medical system of standards and practices was developed, by whom, and when it was last updated.

(i) Describe your approach to an advanced radiology authorization program to include prior authorization and retrospective reviews of advanced radiology services.

(j) Describe your approach to a physician-administered specialty medication prior authorization review program. Details should include the process for prior authorization and steps to approve care in an equally appropriate but less costly site of service.

(k) Describe your approach to a laboratory management program that is evidence-based and includes a network or laboratories or other testing facilities in South Carolina and nationally. Details should include approach to best practice-based provider reimbursement.

#### *5.1.4.5 Case Management*

(a) Describe in detail your approach to case management. Describe in detail your proposed case management program and how your program will facilitate continuity of care, including discharge planning and follow-up, and support for members while managing Plan benefits in a way that promotes high-quality, cost-effective outcomes.

(b) Describe in detail your proposed complex care, renal disease, and transplant case management programs.

(c) Describe in detail how you will administer the Plan's comprehensive maternity management program, Coming Attractions.

#### *5.1.4.6 Disease Management*

(a) Describe in detail your approach to disease management. Describe in detail your proposed disease management program(s) and specify which disease conditions will be included in your program.

(b) Describe in detail your approach to provide a disease management program of a nature in which the demographics of participants in the programs are reflective of the Plan's diversity. Details should include your strategies to identify, promote to, and encourage members to enroll and participate in disease management. Describe reporting you will provide to demonstrate the effectiveness of engagement efforts in disease management.

(c) Describe the information that will be included on the detailed monthly disease management participation file to be provided to PEBA and its Data Warehouse Contractor, including at a minimum the information required in Section. 3.6.3.

#### *5.1.4.7 Population Health Management*

(a) Describe in detail your approach to a comprehensive, outcomes-based population health management program in which the demographics of participants in the programs are reflective of the Plan's diversity. Describe how you will implement, communicate and manage your proposed population health management program and how you will coordinate with other vendors, when appropriate, to develop and promote programming.

(b) Describe in detail your digital health engagement platform and how you will strategize and work collaboratively with PEBA to identify members not participating in but who would benefit most from population health management. Describe your strategies to promote, encourage, and track member participation on this platform. Describe reporting you will provide to demonstrate the effectiveness of engagement efforts in population health management.

(c) Describe in detail how you will measure the effectiveness of and report on improvements to member health outcomes based on participation in your population health management program.

(d) Describe in detail your digital self-administered, turnkey health education programs and promotional material for participating employer groups to implement in their workplace and how you will make these available to employers. Describe how you will track and report utilization of programming material.

(e) Describe in detail the monthly file sent to PEBA in a secure manner with information on member participation in population health management as required by Section 3.7.5.

(f) Describe in detail your approach to working with PEBA to make available to eligible members other vendor offered population health programs that enhance PEBA's efforts to bring high-value programs. Describe in detail how you will work with these vendors to align programming with other PEBA value-based benefits and ensure claims are adjudicated according to established plan provisions. Details should include how you will collaborate with PEBA and PEBA's consultant(s) in identifying and evaluating for effectiveness and on measuring outcome results.

(g) Describe in detail any population health management programming for PEBA members at the worksite. Describe how you will efficiently and effectively offer seminars across a decentralized population of employer groups and membership either in-person or virtually at the worksite.

(h) Describe in detail how you will accept biometric screening results from PEBA's current and future contracted preventive screening providers for members who have given written consent. Describe how you will coordinate, implement and maintain the process of transmitting and collecting biometric results with PEBA's contracted screening providers. Describe how you will use screening results to enhance your population health management programming as well as prepopulate a Plan member's digital health survey. Describe in detail how you will

measure the effectiveness of capturing biometric screening results and the impact they will have on improving health outcomes. Describe how you will track and report on capturing biometric results for consenting members.

(i) Describe in detail how you will administer PEBA's No-Pay Copay program. Describe how you will communicate with members regarding their qualification and eligibility in the No-Pay Copay program. Describe how you will coordinate with PEBA's pharmacy benefit manager on member qualification and effective dates for receiving the generic copay waiver. Describe how you will track and report on member participation in your programming and the effectiveness of member participation in the No-Pay Copay program on the member's overall well-being.

(j) Describe in detail, how you will provide PEBA and its Data Warehouse Contractor in a secure manner a quarterly file with member participation in the No-Pay Copay program. Details should include the information included in this quarterly file and include at a minimum the information required in Section 3.7.9.

(k) Describe in detail how you will cooperate with PEBA and PEBA's evidence-based medicine contractor to make claims data and Plan eligibility data available to PEBA's evidence-based medicine contractor.

#### 5.1.4.8. *Social Determinants of Health Program*

(a) Describe in detail your approach to offering a program to address SDOH. Details should include how you identify members using both medical and other Contractor data such as prescription drug and behavioral health claims experience. Details should demonstrate your capability to use predictive analytics and non-medical social determinants data to identify members whose health could be improved by addressing SHOH.

(b) Describe in detail your network of resources for addressing SDOH for members identified as being at risk. Describe how you will outreach to members identified as at risk from SDOH and your referral process for your care management programs and any appropriate public and community-based organizations or entities.

(c) Describe in detail how your approach would create connections into health system Electronic Medical Records to act on SDOH screening.

(d) Describe in detail your approach to measuring and reporting on your SDOH program. Details should include reporting on any action resulting from SDOH screening that occurs in the health systems.

(e) Describe in detail your approach to create a framework to offer incentives to providers to do SDOH screening for high-risk patients. Details should include how you will track providers who act on and report on SDOH screening. Details should include how you will report on such incentive payments to PEBA to be paid with Plan funds.

(f) Describe in detail your approach to create a framework for reimbursement or payments to local community-based organizations with SDOH solutions. Details should include how you will report on such reimbursements to PEBA to be paid with Plan funds.

#### 5.1.4.9 *Claims Processing and Payment*

(a) Describe in detail your approach to health claims processing and adjudication. Provide a detailed description of the procedures used to review, verify and pay a claim. State the average turn-around time for a:

- (1) Clean claim;
- (2) Request for precertification of health services;
- (3) Response to subscriber inquiry; and
- (4) Response to provider inquiry.

(b) Do you own the adjudication platforms (hardware, software and communications) used to perform claim processing?

(c) Do you own the code that is used to build all system platforms that govern the claim adjudication function? These platforms include, but are not limited to: adjudication, eligibility systems, plan design systems and reporting systems.

(d) State the percentage of all claims processed without error. Describe error prevention procedures used, as well as procedures used to classify and correct claims processing errors.

(e) Describe the claims processing policies and procedures you will use in this contract. Describe how you will notify PEBA if member fraud, provider fraud, or improper provider billing practices were discovered.

(f) Provide copies of the last two (2) audits performed on your claims processing operations.

(g) Provide a detailed description of your understanding and approach to identifying any instance where coordination of benefits, Workers' Compensation, or subrogation applies and what actions are taken to recover claims payments or other costs. Provide information on cost containment procedures used including, but not limited to: subrogation, coordination of benefits, pre- and post-claim review and identification of duplicate claims and high-cost procedures or providers.

(h) Describe how you will comply with PEBA's requirements for the Contractor's internal appeals of claim and prior authorization denials. Describe how you will cooperate with the operation of PEBA's appeals process for disputed claims and requests at PEBA and the South Carolina Administrative Law Court.

(i) Describe your paid claims history elements that will be contained on the detailed weekly paid claims file, including at a minimum the information required in Section 3.9.22, to be provided to PEBA and its Data Warehouse Contractor.

(j) Describe your provider database to include at a minimum the information required in Section 3.9.23 for the monthly provider file extract.

(k) State if you currently own any health care providers who will be filing claims under the Plan. Include the name and address of the provider(s). Describe how you address any potential conflicts of interest.

#### 5.1.4.10 *Cost Containment*

(a) Describe in detail the procedures, methodologies, and services you will implement to achieve PEBA's objective of achieving the lowest benefit cost available consistent with adequate medical care in the administration and implementation of the Plan.

(b) Describe your approach to “super-utilizers” (patients who accumulate large numbers of emergency room visits, hospital admissions, and generally utilize the health care system far more frequently than the norm).

(c) Describe how you address cost escalation associated with hospital owned and acquired practices and health care systems.

(d) Describe how you will collaborate with PEBA and PEBA’s consultant(s) in developing strategies to manage utilization of physician-administered specialty medications covered under the medical benefit. Details should include a:

- (1) Description of processes that are in place to validate medication medical necessity, identification of clinical alternatives, and to ensure appropriate levels of utilization;
- (2) Description of programs that have been implemented to optimize delivery channel (medical or prescription drug benefit) of physician-administered specialty medications;
- (3) Description of any supplemental rebate programs that have been implemented for physician-administered specialty medications that are covered under the provisions of a medical plan; and a
- (4) Description of value-based, risk or shared savings arrangements (if any) that have been entered into.

#### 5.1.4.11 *Customer Service*

(a) Describe in detail your approach to customer service. Describe the number of customer service representatives, with training on the specific features of the benefits of the Plan, you will make available to PEBA to respond to written and telephone inquiries from subscribers, providers, agencies, and PEBA administrative staff.

(b) Describe the assistance available to subscribers, providers and employers via a toll-free telephone line(s), including the average time that a caller must wait to speak to a customer service representative, or other measure of the efficiency of the customer services rendered over the dedicated telephone lines.

(c) Describe the assistance available to members via a toll-free telephone line searching for assistance with behavioral health services, including the average time that a call must wait to speak to a customer service representative, of other measure of efficiency of the customer service rendered over the dedicated telephone line.

(d) Describe the assistance available to members via a toll-free telephone line searching for assistance with population health programs, including the average time that a call must wait to speak to a customer service representative, of other measure of efficiency of the customer service rendered over the dedicated telephone line.

(e) Provide details of your experience in conducting annual satisfactions surveys. Provide a sample of your proposed annual Participant Satisfaction Survey and include any samples of a survey that has been conducted for a client and the results of that survey.

#### 5.1.4.12 *Communications and Training*

(a) Describe in detail how you will collaborate with PEBA staff to develop and implement a comprehensive communications plan to promote and encourage members to enroll and participate in disease management and population health management. Provide examples of materials, such as flyers, posters, websites, email messages, text messages, etc., that may be used.

(b) Describe your ability to customize communications for PEBA. Provide examples that illustrate cobranding.

- (c) Provide sample member-facing letters and/or emails and describe in detail the capability for customization.
- (d) Provide a detailed description and screenshots of the secure, password-protected, transaction-enabled website you will use for access to claims data. Detail the capability for customization.
- (e) Provide a detailed description of the website you will use that will be accessible without entering a password that explains the features and benefits of the Plan. Detail the capability for customization.
- (f) Provide a detailed description and screenshots of the mobile app you will use for access to claims data. Detail the capability for customization.

5.1.4.13 *Reporting*

- (a) Describe in detail your online reporting. Describe the standard customized and ad hoc reports that will be provided, the frequency of those reports, and a detailed description of all the information that will be provided in each of these reports. Describe the frequency of updating data maintained in the on-line reporting tool.
- (b) Describe your typical turn-around time for custom report requests.

5.1.4.14 *Information Security*

- (a) Describe your backup schedule and how often will PEBA’s eligibility and claims data be backed up.
- (b) Describe your procedure for providing access to PEBA eligibility and claims data in the event of a disaster.

5.1.4.15 *Performance Measurements/Standards/Performance Guarantees (Liquidated Damages)*

- (a) Provide your quarterly performance standards and performance guarantees (liquidated damages) in the following performance measurement areas as outlined in the table below. Describe how performance standards will be measured and reported on a quarterly basis.

Performance measurements†	Standards	Performance guarantees (Liquidated Damages)
<p><b><u>Example Only:</u></b></p> <p><b>Communications with members and PEBA (including but not limited to)</b></p> <p>First call resolution</p>	<p><b><u>Example Only:</u></b></p> <p>“Vendor name” will resolve 90% of all member and PEBA calls upon first contact with call center staff.</p>	<p><b><u>Example Only:</u></b></p> <p>Pay PEBA \$1,000 for each percentage point or fraction thereof that falls below this standard.</p>
<p><b>Network administration (including but not limited to)</b></p> <p>1. Accuracy of provider information</p> <p>2. Accuracy of fee schedules</p>		
<p><b>Utilization management (including but not limited to)</b></p>		



1. Accuracy and appropriateness of authorization determinations		
2. Timeliness of determinations		
<b>Claims processing (including but not limited to)</b>		
1. Payment accuracy of claims transactions		
2. Procedural accuracy of claims transactions		
3. Turnaround time on claims transactions		
4. Timeliness and accuracy of receipt of claims data and transfer of accumulator data to behavioral health manager for processing of behavioral health claims		
5. Timeliness and accuracy of the receipt and posting of prescription drug allowances from the pharmacy benefit manager for members in the Savings Plan and members receiving fertility drugs under the infertility benefit under the State Health Plan		
<b>Eligibility processing (including but not limited to)</b>		
1. Timeliness of file updates		
2. Accuracy		
<b>Communications with members and PEBA (including but not limited to)</b>		
1. Telephone service standards		
2. Average speed to answer		
3. Call Abandonment		
4. 1 <sup>st</sup> Call Resolution		
5. Written Inquiries		
<b>Reporting (including but not limited to)</b>		
1. Timeliness of reporting		
2. Accuracy of reports		

† Achievement of Performance Guarantees is subject to independent verification by PEBA.

**Example from table above: In the first quarter of calendar year 2024 if 87% of all member and PEBA calls are resolved upon first contact with the Contractor's call center staff the Contractor would pay PEBA liquidated damages in the amount of \$3,000 for the quarter.**

(b) In addition to the proposed guarantees, Offerors must provide the following guarantees:

- (1) The Final Implementation Plan, as described in Section 3.17, Item 6 (3.17.6).
- (2) A communication sent in violation of Sections 7.21 Advertising Use and Representation: Contact with State Entities. Amount at risk: \$1,000 per person up to a maximum of \$1 million for each violation.
- (3) Contractor shall provide written notification of plan changes to impacted members at least 60 days in advance of the effective date of the change. The Contractor will provide draft letters notifying members of the changes to PEBA at least 90 days in advance of the changes and such letters must be approved by PEBA without unreasonable delays but in no case less than 75 days in advance of such change. Amount at risk: \$5,000 per plan design change for which notification letters are not postmarked at least 60 days in advance of the change provided PEBA has complied with its notification and approval deadlines.

#### 5.1.4.16 *Financial Arrangements*

(a) Describe in detail your process of releasing health payments, including the timeline between requesting claims reimbursement from PEBA and releasing payments to health providers.

#### 5.1.4.17 *Implementation Plan (Not an Evaluated Item)*

(a) Submit a proposed implementation plan. The proposed implementation plan should outline in detail all the tasks necessary to begin full operations and performance on January 1, 2024. At a minimum, the proposed implementation plan should specify expected dates of completion of all tasks, how the tasks will be accomplished, the identity of the person(s) responsible for each task, and the resources to be made available to PEBA to ensure a successful implementation. Specific tasks and schedules that should be included in the Offeror's proposed implementation plan include:

- (1) Review content for the *Insurance Benefits Guide* (June 2023)
- (2) Open enrollment materials (flyers/guides) (August 31, 2023)
- (3) Review content for the *Benefits Administrator Manual* (October 2023)
- (4) Forms to be used beginning January 1, 2024 (December 1, 2023)
- (5) Letters to be used beginning January 1, 2024 (December 1, 2023)
- (6) Reports to be used beginning February 1, 2024 (December 1, 2023)

The Final Implementation Plan shall be based upon the proposed implementation plan and will be strictly enforced.

## 5.1.5 OFFEROR'S BACKGROUND AND EXPERIENCE

### 5.1.5.1 *Background and Experience*

Offerors should describe in detail their background and experience providing third party administrative services including at a minimum claims processing, provider network management, utilization management, case management, health and wellness management, cost containment, customer services, communications, and reporting. Offerors, in describing their background and experience, should restate each of the items below and provide their response to that item immediately thereafter.

- (a) Provide a detailed description of your present organization, including a description of size and assets, main business activities, and the length of time you have been in the business of providing medical claims administration, utilization management, case management and provider network management services.
- (b) Provide your last two (2) audited financial statements and/or annual reports.
- (c) Identify, using the format below, the five (5) largest group medical plans in decreasing order of size of calendar year paid claim dollar volume for which you currently provide claim adjudication services. Include both insured and self-insured plans and identify each contract for which you are using a Subcontractor.

<b>Group Name</b>	<b>Group Size (Subscribers)</b>	<b>2020 Paid Claim Dollar Value</b>	<b>2021 Paid Claim Dollar Value</b>
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- (d) Provide at least three (3) reference accounts (excluding the state of South Carolina), including the name of a contact person, their title, address, telephone number, and email address from the list in (c) above.
- (e) Of your ten (10) largest claims processing contracts for the past three (3) years, identify those that have been terminated during that period and the reason for termination.
- (f) Identify, using the format below, the five (5) largest group medical plans in decreasing order of size of subscribers for which you currently provide utilization management services. Also, identify each contract for which you are using a Subcontractor.

<b>Group Name</b>	<b>Group Size (Subscribers)</b>
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- (g) Provide at least three (3) reference accounts for utilization management (excluding the state of South Carolina) including the name of a contact person, their title, address, telephone number and email address.
- (h) Identify the ten (10) largest utilization management contracts in the past three (3) years and state whether any have been terminated during that period and the reason for termination.
- (i) Provide a certified copy of your authorization (license) to provide utilization management administration services in any state in which the administrator will provide services under this contract.
- (j) Provide a detailed description of your background and experience in providing disease management and health and wellness management, and the length of time you have been in the business of providing disease management and health and wellness management.

## 5.2 BUSINESS PROPOSAL

### 5.2.1 FIXED ADMINISTRATIVE FEE

Offerors are to quote a single fixed administrative fee per subscriber per month for all services rendered under this contract. Offerors who submit more than a single, fixed, all-inclusive per subscriber per month fee may be deemed non-responsive. The fixed administrative fee is to be guaranteed for the first three (3) years of the contract.

**Fixed Administrative Fee (per subscriber per month):** \$ \_\_\_\_\_ × 292,212 = \$ \_\_\_\_\_ **(Evaluated Amount)**

PEBA is currently evaluating the addition of a Medicare Advantage Plan. If, during the term of this contract, PEBA contracts for a Medicare Advantage Plan, the number of subscribers used to calculate the Contractor's monthly payment shall no longer include those Medicare-primary retirees enrolled in the Medicare Advantage Plan. Should the number of Medicare Primary subscribers drop by 50%, the Contractor may revisit the administrative fee at that time.

Regardless of if there is a reduction in the number of subscribers, payment shall continue to be solely based on the Contractor's fixed, all-inclusive per subscriber per month administrative fee, calculated by PEBA based on subscriber enrollment, and paid to the Contractor by the 15<sup>th</sup> working day of each month.

Additionally, during the term of this contract, PEBA may add other plan options to PEBA's Health Benefits Plan. PEBA will issue a change order to this contract to include the addition of any other plan options. Any request by the Contractor for a change to their Per Subscriber Per Month fee because of the addition of other plan options shall be supported by sufficient detail for PEBA to evaluate the fairness of the fee, that shall include a comparison to the Contractor's original fee. Following a determination that the change order is proper, the parties shall negotiate in good faith to agree on the fee and schedule for proposed changes. In no event will the Contractor withhold or delay services under this contract as the result of any dispute between the parties regarding a change order or any other matter.

## PART 6

### AWARD CRITERIA

Award will be made to the highest ranked, responsive, and responsible Offeror whose offer is determined to be the most advantageous to PEBA. Award will be made to one Offeror.

Offers will be evaluated using the three evaluation criteria below. Evaluation criteria is listed in the relative order of importance, with the first criteria being the most important. Once evaluation is complete, all responsive Offerors will be ranked from most advantageous to least advantageous.

- (a) **Approach/Technical Proposal Response:** Offeror's approach to providing third party administration of PEBA's Health Benefits Plan under this contract. The evaluation panel will use the information submitted in response to Part 5, Information for Offerors to Submit, 5.1.4 Offeror's Approach/Technical Proposal Response, 5.1.4.1 through 5.1.4.16 to evaluate this criteria. Each evaluation panel member will assign points to the sections listed below. The total points assigned to Approach will be the sum of the points assigned to each individual section. Sections below are listed in order of importance, with the first section, 5.1.4.9 Claims

Processing and Payment, being the most important. However, weightings assigned to some sections may be identical. Each evaluation panel member will assign points subjectively.

- 5.1.4.9 Claims Processing and Payment
- 5.1.4.10 Cost Containment
- 5.1.4.4 Utilization Management
- 5.1.4.2 Provider Networks
- 5.1.4.1 Business Office, Key Personnel and Account Management
- 5.1.4.5 Case Management
- 5.1.4.11 Customer Service
- 5.1.4.8 Social Determinants of Health
- 5.1.4.7 Population Health Management
- 5.1.4.6 Disease Management
- 5.1.4.3 Eligibility Determination
- 5.1.4.12 Communications and Training
- 5.1.4.13 Reporting
- 5.1.4.14 Information Security
- 5.1.4.15 Performance Measurements/Standards/Guarantees (Liquidated Damages)
- 5.1.4.16 Financial Arrangements

(b) **Background and Experience:** Offeror’s background and experience. The evaluation panel will use the information submitted in response to Part 5, Information for Offerors to Submit, 5.1.5 Offeror’s Background and Experience, 5.1.5.1 Background and Experience, (a) through (j) to evaluate this criteria. Each evaluation panel member will assign points to this criterion subjectively.

(c) **Business Proposal:** Offeror’s Fixed Administrative Fee Per Subscriber Per Month as quoted under 5.2 Business Proposal, 5.2.1 Fixed Administrative Fee. Points will be provided to the evaluation panel by the Procurement Officer once the evaluation panel has completed and finalized their scoring for Award Criteria 1 and 2 above. Points will be based on calculations as outlined below.

The method of determining the points assigned for the fixed administrative fee in the evaluation process will be as follows: The first step will be to determine the lowest fixed administrative fee. This offeror will receive the maximum number of points assigned to the criteria. The next step will be to divide each of the other offeror’s fixed administrative fee into the lowest fixed administrative fee to arrive with the percentage the low is to each of the other offeror’s fixed administrative fees. These percentages will then be multiplied by the number of points available for the assignment of points for the fixed administrative fee.

In the example below we assume 100 points are available for the Administrative Fee.

	<b>Administrative fee</b>	<b>Points</b>
Company A	\$7.00	100 points
Company B	\$8.00	87.5 points
Company C	\$9.15	76.5 points

## **PART 7**

### **TERMS AND CONDITIONS -- A. GENERAL**

**7.1 ASSIGNMENT, NOVATION, AND CHANGE OF NAME, IDENTITY, OR STRUCTURE (FEB 2015):** (a) Contractor shall not assign this contract, or its rights, obligations, or any other interest arising from this contract, or delegate any of its performance obligations, without the express written consent of the Procurement Officer. The foregoing restriction does not apply to a transfer that occurs by operation of law (e.g., bankruptcy; corporate reorganizations and consolidations, but not including partial asset sales). Notwithstanding the foregoing, Contractor may assign monies receivable under the contract provided that the state shall have no obligation to make payment to an assignee until thirty (30) days after Contractor (not the assignee) has provided the Procurement Officer with (1) proof of the assignment, (2) the identity (by contract number) of the specific state contract to which the assignment applies, and (3) the name of the assignee and the exact address or account information to which assigned payments should be made. (b) If Contractor amends, modifies, or otherwise changes its name, its identity (including its trade name), or its corporate, partnership or other structure, or its FEIN, Contractor shall provide the Procurement Officer prompt written notice of such change. (c) Any name change, transfer, assignment, or novation is subject to the conditions and approval required by Regulation 19-445.2180, which does not restrict transfers by operation of law.

**7.2 BANKRUPTCY – GENERAL (FEB 2015):** (a) Notice. In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish written notification of the bankruptcy to PEBA. This notification shall be furnished within two (2) business days of the initiation of the proceedings relating to the bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of all PEBA contracts against which final payment has not been made. This notification obligation remains in effect through the twelve (12) month post-termination transition period under this Contract. (b) Termination. This Contract is voidable and subject to immediate termination by PEBA upon the Contractor’s insolvency, including the filing of proceedings in bankruptcy.

**7.3 CHOICE-OF-LAW (JAN 2006):** The Agreement, any dispute, claim, or controversy relating to the Agreement, and all the rights and obligations of the parties shall, in all respects, be interpreted, construed, enforced and governed by and under the laws of the State of South Carolina, except its choice of law rules. As used in this paragraph, the term “Agreement” means any transaction or agreement arising out of, relating to, or contemplated by this solicitation.

**7.4 CONTRACT DOCUMENTS & ORDER OF PRECEDENCE:** (a) Any contract resulting from this solicitation shall consist of the following documents: (1) a Record of Negotiations, if any, executed by you and the Procurement Officer, (2) the solicitation, as amended, (3) documentation of clarifications or discussions of an offer, if applicable, (4) your offer, (5) any statement reflecting the state’s final acceptance (the “award”), and (6) purchase orders. These documents shall be read to be consistent and complimentary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above. (b) The terms and conditions of documents (1) through (5) above shall apply notwithstanding any additional or different terms and conditions in any other document, including without limitation, (i) a purchase order or other instrument submitted by PEBA, (ii) any invoice or other document submitted by Contractor, or (iii) any privacy policy, terms of use, or end user agreement. Except as otherwise allowed herein, the terms and conditions of all such documents shall be void and of no effect. (c) No contract, license, or other agreement containing contractual terms and conditions will be signed by PEBA. Any document signed or otherwise agreed to by persons other than the Procurement Officer shall be void and of no effect.

**7.5 DISCOUNT FOR PROMPT PAYMENT:** (a) Discounts for prompt payment will not be considered in the evaluation of offers. However, any offered discount will form a part of the award and will be taken if payment is made within the discount period indicated in the offer by the offeror. As an alternative to offering a discount for prompt payment in conjunction with the offer, offerors awarded contracts may include discounts for prompt payment on individual invoices. (b) In connection with any discount offered for prompt payment, time shall be computed from the date of the invoice. If the Contractor has not placed a date on the invoice, the due date shall be calculated from the date the designated billing office receives a proper invoice, provided PEBA annotates such invoice with the date of receipt at the time of receipt. For the purpose of computing the discount earned, payment shall be considered to have been made on the date that appears on the payment check or, for an electronic funds transfer, the specified payment date. When the discount date falls on a Saturday, Sunday, or legal holiday when Federal Government offices are closed and Government business is not expected to be conducted, payment may be made on the following business day.

**7.6 DISPUTES:** (1) Choice-of-Forum. All disputes, claims, or controversies relating to the Agreement shall be resolved exclusively by the appropriate Chief Procurement Officer in accordance with Title 11, Chapter 35, Article 17 of the South Carolina Code of Laws, or in the absence of jurisdiction, only in the Court of Common Pleas for, or a federal court located in, Richland County, State of South Carolina. Contractor agrees that any act by PEBA regarding the Agreement is not a waiver of either PEBA's or the State of South Carolina's sovereign immunity or immunity under the Eleventh Amendment of the United States' Constitution. As used in this paragraph, the term "Agreement" means any transaction or agreement arising out of, relating to, or contemplated by this solicitation. (2) Service of Process. Contractor consents that any papers, notices, or process necessary for the initiation or continuation of any disputes, claims, or controversies relating to the Agreement; for any court action in connection therewith; or for the entry of judgment on any award made, may be served on Contractor by certified mail (return receipt requested) addressed to Contractor at the address provided as the Notice Address on Page Two or by personal service or by any other manner permitted by law, in or outside South Carolina. Notice by certified mail is deemed duly given upon deposit in the United States mail.

**7.7 EQUAL OPPORTUNITY (JAN 2006):** Contractor is referred to and shall comply with all applicable provisions, if any, of Title 41, Part 60 of the Code of Federal Regulations, including but not limited to Sections 60-1.4, 60-4.2, 60-4.3, 60-250.5(a), and 60-741.5(a), which are hereby incorporated by reference.

**7.8 FALSE CLAIMS (JAN 2006):** According to the S.C. Code of Laws Section 16-13-240, "a person who by false pretense or representation obtains the signature of a person to a written instrument or obtains from another person any chattel, money, valuable security, or other property, real or personal, with intent to cheat and defraud a person of that property is guilty" of a crime.

**7.9 FIXED PRICING REQUIRED (JAN 2006):** Any pricing provided by Contractor shall include all costs for performing the work associated with that price. Except as otherwise provided in this solicitation, Contractor's price shall be fixed for the duration of this contract, including option terms. This clause does not prohibit Contractor from offering lower pricing after award.

**7.10 NO INDEMNITY OR DEFENSE:** Any term or condition is void to the extent it requires PEBA to indemnify, defend, or pay attorney's fees to anyone for any reason.

**7.11 NOTICE (JAN 2006):** (A) After award, any notices shall be in writing and shall be deemed duly given (1) upon actual delivery, if delivery is by hand, (2) upon receipt by the transmitting party of automated confirmation or answer back from the recipient's device if delivery is by telex, telegram, facsimile, or electronic mail, or (3) upon deposit into the United States mail, if postage is prepaid, a return receipt is requested, and either

registered or certified mail is used. (B) Notice to Contractor shall be to the address identified as the Notice Address on Page Two. Notice to PEBA shall be to the Procurement Officer's address on the Cover Page. Either party may designate a different address for notice by giving notice in accordance with this paragraph.

**7.12 OPEN TRADE (JUN 2015):** During the contract term, including any renewals or extensions, Contractor will not engage in the boycott of a person or an entity based in or doing business with a jurisdiction with whom South Carolina can enjoy open trade, as defined in S.C. Code Section 11-35-5300.

**7.13 PAYMENT & INTEREST:** (a) PEBA shall pay the Contractor, after the submission of proper invoices or vouchers, the prices stipulated in this contract for supplies delivered and accepted or services rendered and accepted, less any deductions provided in this contract. Unless otherwise specified herein, including the purchase order, payment shall not be made on partial deliveries accepted by PEBA. (b) Unless otherwise provided herein, including the purchase order, payment will be made by check mailed to the payment address on "Page Two." (c) Notwithstanding any other provision, payment shall be made in accordance with S.C. Code Section 11-35-45, or Chapter 6 of Title 29 (real property improvements) when applicable, which provides the Contractor's exclusive means of recovering any type of interest from the Owner. Contractor waives imposition of an interest penalty unless the invoice submitted specifies that the late penalty is applicable. Except as set forth in this paragraph, PEBA shall not be liable for the payment of interest on any debt or claim arising out of or related to this contract for any reason. (d) Amounts due to PEBA shall bear interest at the rate of interest established by the South Carolina Comptroller General pursuant to Section 11-35-45 ("an amount not to exceed fifteen percent each year"), as amended, unless otherwise required by Section 29-6-30. (e) Any other basis for interest, including but not limited to general (pre- and post-judgment) or specific interest statutes, including S.C. Code Ann. Section 34-31-20, are expressly waived by both parties. If a court, despite this agreement and waiver, requires that interest be paid on any debt by either party other than as provided by items (c) and (d) above, the parties further agree that the applicable interest rate for any given calendar year shall be the lowest prime rate as listed in the first edition of the Wall Street Journal published for each year, applied as simple interest without compounding. (f) PEBA shall have all of its common law, equitable, and statutory rights of set-off.

**7.14 PUBLICITY:** Contractor shall not publish any comments or quotes by PEBA or State of South Carolina employees or include PEBA or the State of South Carolina in either news releases or a published list of customers without the prior written approval of the Procurement Officer.

**7.15 PURCHASE ORDERS (JAN 2006):** Contractor shall not perform any work prior to the receipt of a purchase order from PEBA. Purchase orders may be used to elect options available under this contract, e.g., quantity, delivery date, payment method, but are subject to all terms and conditions of this contract. Purchase orders may be electronic. No particular form is required. An order placed pursuant to the purchasing card provision qualifies as a purchase order.

**7.16 SURVIVAL OF OBLIGATIONS (JAN 2006):** The Parties' rights and obligations which, by their nature, would continue beyond the termination, cancellation, rejection, or expiration of this contract shall survive such termination, cancellation, rejection, or expiration, including, but not limited to, the rights and obligations created by the following clauses: Indemnification - Third Party Claims, Indemnification - Intellectual Property, Contract Documents and Order of Precedence, HIPAA Compliance/Confidentiality, and any provisions regarding warranty or audit.

**7.17 TAXES (JAN 2006):** Any tax the Contractor may be required to collect or pay upon the sale, use, or delivery of the products shall be paid by PEBA, and such sums shall be due and payable to the Contractor upon acceptance. Any personal property taxes levied after delivery shall be paid by PEBA. It shall be solely PEBA's obligation, after payment to Contractor, to challenge the applicability of any tax by negotiation with, or action



against, the taxing authority. Contractor agrees to refund any tax collected, which is subsequently determined not to be proper and for which a refund has been paid to Contractor by the taxing authority. In the event that the Contractor fails to pay, or delays in paying, to any taxing authorities, sums paid by PEBA to the Contractor, Contractor shall be liable to PEBA for any loss (such as the assessment of additional interest) caused by virtue of this failure or delay. Taxes based on the Contractor's net income or assets shall be the sole responsibility of the Contractor.

**7.18 TERMINATION DUE TO UNAVAILABILITY OF FUNDS (JAN 2006):** Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefore. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the Contract shall be canceled. In the event of a cancellation pursuant to this paragraph, Contractor will be reimbursed the resulting unamortized, reasonably incurred, nonrecurring costs. Contractor will not be reimbursed any costs amortized beyond the initial contract term.

**7.19 THIRD PARTY BENEFICIARY (JAN 2006):** This Contract is made solely and specifically among and for the benefit of the parties hereto, and their respective successors and assigns, and no other person will have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of this Contract as a third party beneficiary or otherwise.

**7.20 WAIVER (JAN 2006):** PEBA does not waive any prior or subsequent breach of the terms of the Contract by making payments on the Contract, by failing to terminate the Contract for lack of performance, or by failing to strictly or promptly insist upon any term of the Contract. Only the Procurement Officer has actual authority to waive any of PEBA's rights under this Contract. Any waiver must be in writing.

## **PART 7**

### **TERMS AND CONDITIONS -- B. SPECIAL**

**7.21 ADVERTISING USE AND REPRESENTATION: CONTACT WITH STATE ENTITIES:** The Contractor agrees not to refer to the award of this contract in commercial advertising in such a manner as to state or imply that the product or service provided is endorsed or preferred by PEBA or the State of South Carolina or is considered by PEBA or the State of South Carolina to be superior to other products or services. PEBA reserves the right to review and approve any commercial advertising to which PEBA's use of Contractor's services and/or supplies under this Contract is referred. Such review shall be timely and approval shall not be unreasonably withheld. The Contractor shall not perform any mass mailings to participants without the permission of PEBA. At no time during the term of the Contract or otherwise, shall any employee of the Contractor use any data, name, address or other information received by the Contractor or Subcontractor pursuant to this Contract for any purpose other than performance of the contract. Any violation of this clause is a material breach of contract. The parties acknowledge the difficulties inherent in determining the damage from any breach of these restrictions. Contractor shall pay PEBA liquidated damages per Section 3.15 of this Contract.

**7.22 ATTORNEY'S FEES:** In the event that PEBA brings suit or action to compel performance of or recover for any breach of any stipulation, covenant, term, or condition of this Contract, PEBA may seek attorneys' fees from the Contractor and the Contractor will pay to PEBA such attorneys' fees as the court may award. Contractor will, in all instances, bear its own attorneys' fees and expenses.

**7.23 BANKRUPTCY – GOVERNMENT INFORMATION (FEB 2015):** (a) All government information (as defined in the clause herein entitled "Information Security - Definitions") shall belong exclusively to PEBA, and Contractor has no legal or equitable interest in, or claim to, such information. Contractor acknowledges and agrees that in the event Contractor enters into proceedings relating to bankruptcy, whether voluntary or

involuntary, government information in its possession and/or under its control will not be considered property of its bankruptcy estate. (b) Contractor agrees to notify PEBA within two (2) business days of any determination that it makes to file for bankruptcy protection, and Contractor further agrees to turn over to PEBA, before such filing, all government information that is in Contractor's possession in a format that can be readily utilized by PEBA. (c) In order to protect the integrity and availability of government information, Contractor shall take reasonable measures to evaluate and monitor the financial circumstances of any subcontractor that will process, store, transmit or access government information.

**7.24 CHANGES (JAN 2006):** (1) Contract Modification. By a written order, at any time, and without notice to any surety, the Procurement Officer may, subject to all appropriate adjustments, make changes to the term of the Contract or within the general scope of this Contract in any one or more of the following:

(a) drawings, designs, or specifications, if the supplies to be furnished are to be specially manufactured for PEBA in accordance therewith;

(b) method of shipment or packing;

(c) place of delivery;

(d) description of services to be performed;

(e) time of performance (i.e., hours of the day, days of the week, etc.); or,

(f) place of performance of the services.

Subparagraphs (a) to (c) apply only if supplies are furnished under this contract. Subparagraphs (d) to (f) apply only if services are performed under this contract. (2) Adjustments of Price or Time for Performance. If any such change increases or decreases the Contractor's cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, an adjustment shall be made in the Contract price, the delivery schedule, or both, and the Contract modified in writing accordingly. Failure of the parties to agree to an adjustment shall not excuse the Contractor from proceeding with the Contract as changed, provided that PEBA promptly and duly makes such provisional adjustments in payment or time for performance as may be reasonable. By proceeding with the work, the Contractor shall not be deemed to have prejudiced any claim for additional compensation, or an extension of time for completion. (3) Time Period for Claim. Within 30 days after receipt of a written Contract Modification under Paragraph (1) of this clause, unless such period is extended by the Procurement Officer in writing, the Contractor shall file notice of intent to assert a claim for an adjustment. Later notification shall not bar the Contractor's claim unless PEBA is prejudiced by the delay in notification. (4) Claim Barred After Final Payment. No claim by the Contractor for an adjustment hereunder shall be allowed if notice is not given prior to final payment under this contract.

**7.25 COMPLIANCE WITH LAWS (JAN 2006):** During the term of the Contract, Contractor shall comply with all applicable provisions of laws, codes, ordinances, rules, regulations, and tariffs.

**7.26 CONFERENCE – PRE-PERFORMANCE (JAN 2006):** Unless waived by the Procurement Officer, a pre-performance conference between the Contractor, PEBA, and Procurement Officer shall be held at a location selected by PEBA within five (5) days after final award, and prior to commencement of work under the Contract. The responsibilities of all parties involved will be discussed to assure a meeting of the minds of all concerned. The Contractor or its duly authorized representative shall be required to attend at Contractor's expense.

**7.27 CONTRACT INTERPRETATION:** In the event there are any disagreements between the parties with regards to the application of this Contract or the requirements of PEBA arising from any interpretation of the Request for Proposals, this Contract, or otherwise, Contractor agrees to defer to the reasonable interpretations of PEBA as from time to time may be made by PEBA. This provision applies to all matters including those arising from disputes concerning whether Contractor is required to provide some service or item, including scope of work issues, and whether particular items or services were included in the scope of work agreed to by the parties in this

Contract or otherwise. In summary, if both parties have a reasonable interpretation regarding application of the contract, Contractor agrees to defer to PEBA's interpretation.

The above requirements shall apply to any change orders, contract modifications, or other deviations to this agreement. Failure to receive the prior written and express approval of PEBA prior to implementing any changes to the requirements provided for hereunder, for which requests for extra or additional compensation are thereafter submitted by the Contractor to PEBA, shall impose no liability for payment upon PEBA and may be rejected by PEBA without recourse.

**7.28 CONTRACT LIMITATIONS (JAN 2006):** No sales may be made pursuant to this Contract for any item or service that is not expressly listed. No sales may be made pursuant to this Contract after expiration of this Contract. Violation of this provision may result in termination of this Contract and may subject contractor to suspension or debarment. [07-7B045-1]

**7.29 CONTRACTOR PERSONNEL (JAN 2006):** The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. [07-7B060-1]

**7.30 CONTRACTOR'S LIABILITY INSURANCE-GENERAL (FEB 2015):** (a) Without limiting any of the obligations or liabilities of Contractor, Contractor shall procure from a company or companies lawfully authorized to do business in South Carolina and with a current A.M. Best rating of no less than A: VII, and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work and the results of that work by the Contractor, his agents, representatives, employees or subcontractors. (b) Coverage shall be at least as broad as: (1) Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 00 01 04/13 covering CGL on an "occurrence" basis, including products-completed operations, personal and advertising injury, with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, the general aggregate limit shall be twice the required occurrence limit. This contract shall be considered to be an "insured contract" as defined in the policy.

(2) Worker's Compensation: As required by the State of South Carolina, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.

(b) PEBA, its officers, officials, employees, and volunteers must be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided through the addition of both CG 20 10 and CG 20 37 if a later edition is used.

(c) For any claims related to this contract, the Contractor's insurance coverage in which PEBA is included as an additional insured shall be primary insurance as respects the State, PEBA, and its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the State, PEBA, or its officers, officials, employees, and volunteers shall be excess of the Contractor's insurance and shall not contribute with it. Policy should be endorsed with Primary and Non-Contributory-Other Insurance Condition CG 20 01.

(d) Prior to commencement of the work, the Contractor shall furnish PEBA with original industry standard Acord certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this section. All certificates are to be received and approved by PEBA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. PEBA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by this section, at any time.

(e) Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. In addition, the Contractor shall notify PEBA immediately upon receiving any information that any of the coverages required by this section are or will be changed,

cancelled, or replaced.

(f) Contractor hereby grants to the State and PEBA a waiver of any right to subrogation which any insurer of said Contractor may acquire against the State or PEBA by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the State or PEBA has received a waiver of subrogation endorsement from the insurer.

(g) Any deductibles or self-insured retentions must be declared to and approved by PEBA. PEBA may require the Contractor to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

(h) PEBA reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

### **7.31 CONTRACTOR'S LIABILITY INSURANCE – INFORMATION SECURITY AND PRIVACY (FEB 2015):**

(a) Without limiting any other obligations or liabilities of Contractor, Contractor shall procure from a company or companies lawfully authorized to do business in South Carolina and with a current A.M. Best rating of no less than A-: VII, and maintain for the duration of the contract, a policy or policies of insurance against claims which may arise from or in connection with the performance of the work and the results of that work by the contractor, his agents, representatives, employees, subcontractors or any other entity for which the contractor is legally responsible.

(b) Coverage must include claims for:

(i) information security risks, including without limitation, failure to prevent unauthorized access to, tampering with or unauthorized use of a computer system; introduction of malicious codes, computer viruses, worms, logic bombs, etc., into data or systems; or theft, damage, unauthorized disclosure, destruction, or corruption of information in whatever form;

(ii) privacy risks, including (A) failure to properly handle, manage, store, destroy, or otherwise control non-public personally identifiable information in any format; (B) loss or disclosure of confidential information; and (C) any form of invasion, infringement or interference with rights of privacy, including breach of security/privacy laws or regulations;

(iii) contractual liability for the contractor's obligations described in the clauses titled "Indemnification - Third Party Claims – Disclosure Of Information" and "Information Use And Disclosure;" and

(iv) errors, omissions, or negligent acts in the performance, by the contractor or by any entity for which the contractor is legally responsible, of professional services included in the work.

(c) If the work includes content for internet web sites or any publications or media advertisements, coverage must also include claims for actual or alleged infringement of intellectual property rights, invasion of privacy, as well as advertising, media and content offenses.

(d) If the work includes software, coverage must also include claims for intellectual property infringement arising out of software and/or content (with the exception of patent infringement and misappropriation of trade secrets)

(e) Coverage shall have limits no less than five million (\$5,000,000.00) dollars per occurrence and ten million (\$10,000,000.00) dollars aggregate.

(f) If the insurance required by this clause is procured on a form affording "claims-made" coverage, then (i) all limits stated above as "per occurrence" shall be understood to mean "per claim" or "per occurrence," as is consistent with the terms of the "claims-made" policy; and (ii) such claims-made insurance shall provide for a retroactive date no later than the date the contract is awarded.

(g) All terms of this clause shall survive termination of the contract and shall continue until thirty (30) days past the final completion of the work, including the performance of any warranty work. In addition, contractor shall maintain in force and effect any "claims- made" coverage for a minimum of two (2) years after final completion of all work or services to be provided hereunder. Contractor shall purchase an extended reporting period, or "tail coverage," if necessary to comply with the latter requirement.

(h) PEBA and its officers, officials, employees, and volunteers of any of them, must be covered as additional insureds on the policy or policies of insurance required by this clause.

(i) For any claims related to this Contract, the insurance coverage required by this clause shall be primary insurance as respects PEBA and its officers, officials, employees, and volunteers of any of them. Any insurance or self-insurance maintained by PEBA and its officers, officials, employees, and volunteers of any of them, shall be excess of the Contractor's insurance and shall not contribute with it.

(j) Prior to commencement of the work, the Contractor shall furnish PEBA with original certificates of insurance for every applicable policy effecting the coverage required by this clause. All certificates are to be received and approved by the Procurement Officer before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. PEBA reserves the right to require complete, certified copies of all required insurance policies, including policy declarations and any endorsements required by this section, at any time.

(k) Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. In addition, the Contractor shall notify PEBA immediately upon receiving any information that any of the coverages required by this clause are or will be changed, cancelled, or replaced.

(l) Contractor hereby grants to PEBA a waiver of any right to subrogation which any insurer of said Contractor may acquire against PEBA by virtue of the payment of any loss under such insurance as is required by this clause. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not PEBA has received a waiver of subrogation endorsement from the insurer.

(m) Any deductibles or self-insured retentions must be declared to and approved by PEBA. PEBA may require the Contractor to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

**7.32 CONTRACTOR'S OBLIGATION - GENERAL (JAN 2006):** The Contractor shall provide and pay for all materials, tools, equipment, labor, and professional and non-professional services, and shall perform all other acts and supply all other things necessary, to fully and properly perform and complete the work. The Contractor must act as the prime contractor and assume full responsibility for any Subcontractor's performance. The Contractor will be considered the sole point of contact with regard to all situations, including payment of all charges and the meeting of all other requirements.

**7.33 DEFAULT (JAN 2006):** (a) (1) PEBA may, subject to paragraphs (c) and (d) of this clause, by written notice of default to the Contractor, terminate this Contract in whole or in part if the Contractor fails to:

(i) Deliver the supplies or to perform the services within the time specified in this Contract or any extension;

(ii) Make progress, so as to endanger performance of this Contract (but see paragraph (a)(2) of this clause); or

(iii) Perform any of the other material provisions of this Contract (but see paragraph (a)(2) of this clause).

(2) PEBA's right to terminate this Contract under subdivisions (a)(1)(ii) and (1)(iii) of this clause may be exercised if the Contractor does not cure such failure within ten (10) days (or more if authorized in writing by the Procurement Officer) after receipt of the notice from the Procurement Officer specifying the failure.

(b) If PEBA terminates this Contract in whole or in part, it may acquire, under the terms and in the manner the Procurement Officer considers appropriate, supplies or services similar to those terminated, and the Contractor will be liable to PEBA for any excess costs for those supplies or services. However, the Contractor shall continue the work not terminated.

(c) Except for defaults of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the State in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance the failure to perform must be beyond

the control and without the fault or negligence of the Contractor.

(d) If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform, unless the subcontracted supplies or services were obtainable from other sources in sufficient time for the Contractor to meet the required delivery schedule.

(e) If this Contract is terminated for default, PEBA may require the Contractor to transfer title and deliver to PEBA, as directed by the Procurement Officer, any (1) completed supplies, and (2) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "manufacturing materials" in this clause) that the Contractor has specifically produced or acquired for the terminated portion of this contract. Upon direction of the Procurement Officer, the Contractor shall also protect and preserve property in its possession in which PEBA has an interest.

(f) PEBA shall pay contract price for completed supplies delivered and accepted. The Contractor and Procurement Officer shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property; if the parties fail to agree, the Procurement Officer shall set an amount subject to the Contractor's rights under the Disputes clause. Failure to agree will be a dispute under the Disputes clause. PEBA may withhold from these amounts any sum the Procurement Officer determines to be necessary to protect PEBA against loss because of outstanding liens or claims of former lien holders.

(g) If, after termination, it is determined that the Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall, if the Contract contains a clause providing for termination for convenience of the State, be the same as if the termination had been issued for the convenience of the State. If, in the foregoing circumstances, this contract does not contain a clause providing for termination for convenience of the State, the contract shall be adjusted to compensate for such termination and the contract modified accordingly subject to the contractor's rights under the Disputes clause.

(h) The rights and remedies of PEBA in this clause are in addition to any other rights and remedies provided by law or under this contract.

**7.34 DUTIES UPON TERMINATION:** Upon expiration or termination of the Contract for any reason, the Contractor shall provide full cooperation to PEBA and any successor Contractor so that the transition to PEBA or a subsequent Contractor will be efficiently accomplished without any disruption in claims processing, claims payments, or services to participants and providers.

Within ten (10) working days following notice of termination of the Contract, the Contractor shall deliver to PEBA a detailed transition plan, including all information regarding current operations requested by PEBA, that PEBA, in its sole discretion, feels is necessary to effectuate a smooth transition to a successor contractor.

No later than sixty (60) days before the end of the term of the Contract, the Contractor shall provide any and all materials, data, records, databases, software, and all other things in the Contractor's possession to PEBA or the successor Contractor at no additional cost to PEBA, including:

- (1) all participant information received during the term of the contract,
- (2) claims processed during the preceding twenty-four (24) months;
- (3) sufficient information and technical assistance on current operations to assure that the transition can be achieved without disruption of ongoing operations.

For a year following the termination of the Contract, the Contractor shall provide any continuing support and/or information to PEBA and the successor contractor necessary to complete the transition and resolve outstanding claims, accounting, and customer service issues. Performance Guarantees will continue to apply during this period of transition.

In the event that PEBA has not secured alternate sources for the supplies and/or services under this Contract at the expiration of, or following termination of the Contract for any reason, the Contractor agrees to continue to perform hereunder at the then-applicable prices and terms until such alternate source is obtained and any transition period required to maintain continuity has been successfully completed.

**7.35 HIPAA COMPLIANCE/CONFIDENTIALITY:** The Contractor shall keep confidential all information and material which has or will come into its possession or knowledge in connection with the performance of services under this contract; and will not release, use or disclose any such information without prior written consent of PEBA. In addition, the Contractor shall comply with all State and federal laws and regulations concerning the confidentiality of medical records, including, but not limited to, the Privacy Act of 1974, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and any federal regulations concerning the confidentiality of alcohol and drug abuse patient records. Furthermore, the Contractor shall adhere to the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and sign PEBA's Business Associate Agreement (Attachment 5), prior to award of the contract, which has been constructed in accordance with the requirements of the HIPAA Privacy and Security Rules and the requirements of the HITECH Act.

**7.36 ILLEGAL IMMIGRATION (NOV. 2008):** (An overview is available at [www.procurement.sc.gov](http://www.procurement.sc.gov)) By signing your offer, you certify that you will comply with the applicable requirements of Title 8, Chapter 14 of the South Carolina Code of Laws and agree to provide to the State upon request any documentation required to establish either: (a) that Title 8, Chapter 14 is inapplicable to you and your subcontractors or sub-subcontractors; or (b) that you and your subcontractors or sub-subcontractors are in compliance with Title 8, Chapter 14. Pursuant to Section 8-14-60, "A person who knowingly makes or files any false, fictitious, or fraudulent document, statement, or report pursuant to this chapter is guilty of a felony, and, upon conviction, must be fined within the discretion of the court or imprisoned for not more than five years, or both." You agree to include in any contracts with your subcontractors language requiring your subcontractors to (a) comply with the applicable requirements of Title 8, Chapter 14, and (b) include in their contracts with the sub-subcontractors language requiring the sub-subcontractors to comply with the applicable requirements of Title 8, Chapter 14.

**7.37 LAWSUIT NOTIFICATION AND COOPERATION.** The Contractor shall notify PEBA of any lawsuit or legal claim asserted, brought, filed, or served against the Contractor arising out of or in connection with the goods or services acquired hereunder. Notification shall be made within two (2) business days after the date Contractor first learns, by any means, of the legal claim or lawsuit. The Contractor will keep PEBA apprised of all documents filed in the lawsuit, and, to the extent possible, allow PEBA the opportunity to review and provide input on the Contractor's draft documents before they are filed. PEBA will, at all times, retain the right to choose its own counsel and control its own defense. The Contractor also agrees to cooperate with PEBA and provide data, information, and documentation necessary to pursue litigation filed by or on behalf of PEBA against any party.

**7.38 INDEMNIFICATION – THIRD PARTY CLAIMS - GENERAL.**

(a) Notwithstanding any limitation in this Contract, and to the fullest extent permitted by law, Contractor will indemnify PEBA for any and all costs, expenses, settlement payments, attorney's fees, losses, liabilities, and damages from all suits or claims of any character brought by a third party, when the third party's claims arise out of or are in connection with the goods or services acquired under this Contract, whether caused in whole or in part by any act or omission of Contractor, its subcontractors, their employees, workmen, servants, agents, or anyone directly or indirectly employed by them or anyone for whose acts any of them may be liable, and regardless of whether or not caused in part by PEBA. The Contractor shall be required to indemnify under this section regardless of its own fault, but if PEBA's negligence is determined by the appropriate court to be the sole

proximate cause of the suit or claim, the Contractor will not be required to indemnify PEBA under this paragraph. PEBA will, at all times, retain the right to choose its own counsel and control its own defense.

(b) PEBA may, at its sole discretion, request Contractor to provide defense of the third party claim or suit. If PEBA elects defense, Contractor will bear full responsibility for any and all costs, expenses, settlement payments, attorney's fees, losses, liabilities, and damages resulting from the suit or claim. PEBA will give Contractor timely notice of the suit or claim. PEBA's failure to provide or delay in providing such notice will relieve Contractor of its obligations under this subparagraph only if and to the extent that such delay or failure materially prejudices Contractor's ability to defend such action. Contractor must provide counsel acceptable to PEBA. Contractor will keep PEBA apprised of all documents filed or sent to the third party in the claim or suit and allow PEBA the opportunity to review and provide input on the Contractor's draft documents before they are filed or sent. PEBA reserves the right to revoke its request for defense at any point and to undertake responsibility for its own defense, in which case Contractor will be required to indemnify PEBA under subparagraph (a) of this paragraph. Contractor may not, without PEBA's prior written consent, settle, compromise, or consent to the entry of any judgment in any such commenced or threatened action, suit, or claim.

(c) Contractor's obligations hereunder are in no way limited by any protection afforded under workers' compensation acts, disability benefits acts, or other employee benefit acts. This clause will not negate, abridge, or reduce any other rights or obligations of indemnity which would otherwise exist at law or in equity. The obligations of this paragraph will survive termination, cancellation, or expiration of this Contract. This provision will be construed fairly and reasonably, neither strongly for nor against either party, and without regard to any clause regarding insurance.

### **7.39 INDEMNIFICATION - THIRD PARTY CLAIMS – DISCLOSURE OF INFORMATION:**

(a) Notwithstanding any limitation in this Contract, and to the fullest extent permitted by law, Contractor will indemnify PEBA for any and all costs, expenses, settlement payments, attorney's fees, losses, liabilities, and damages from all suits or claims by a third party which arise out of or in connection with a disclosure of government information (as defined in the clause titled Information Security - Definitions) caused in whole or in part by any act or omission of Contractor, its subcontractors at any tier, their employees, workmen, servants, agents, or anyone directly or indirectly employed by them or anyone for whose acts any of them may be liable, regardless of whether or not caused in part by PEBA. The Contractor shall be required to indemnify under this section regardless of its own fault, but if PEBA's negligence is determined by the appropriate court to be the sole proximate cause of the suit or claim, the Contractor will not be required to indemnify PEBA under this section. PEBA will, at all times, retain the right to choose its own counsel and control its own defense.

(b) PEBA may, at its sole discretion, request Contractor to provide defense of the third party claim or suit. If PEBA elects defense, Contractor will bear full responsibility for any and all costs, expenses, settlement payments, attorney's fees, losses, liabilities, and damages resulting from the suit or claim. PEBA will give Contractor timely notice of the suit or claim. PEBA's failure to provide or delay in providing such notice will relieve Contractor of its obligations under this subparagraph only if and to the extent that such delay or failure materially prejudices Contractor's ability to defend such action. Contractor must provide counsel acceptable to PEBA. The Contractor will keep PEBA apprised of all documents filed or sent to the third party in the claim or suit and, to the extent practicable, allow PEBA the opportunity to review and provide input on the Contractor's draft documents before they are filed or sent. Contractor may not, without PEBA's prior written consent, settle, compromise, or consent to the entry of any judgment in any such commenced or threatened action unless such settlement, compromise, or consent (i) includes an unconditional release of PEBA from all liability related to such commenced or threatened action, and (ii) is solely monetary in nature and does not include a statement as to, or an admission of fault, culpability, or failure to act by or on behalf of PEBA or otherwise adversely affect PEBA. PEBA's consent is necessary for any settlement that requires PEBA to part with any right or make any payment or subjects PEBA



to any injunction. PEBA reserves the right to revoke its request for defense at any point and to undertake responsibility for its own defense, in which case Contractor will be required to indemnify PEBA under subparagraph (a) of this paragraph.

(c) Notwithstanding any other provision, Contractor's obligations pursuant to this clause are without any limitation whatsoever. Contractor's obligations under this clause shall survive the termination, cancellation, rejection, or expiration of the contract. This provision shall be construed fairly and reasonably, neither strongly for nor against either party, and without regard to any clause regarding insurance.

**7.40 INFORMATION SECURITY - DEFINITIONS (FEB 2015):** The following definitions are used in those clauses that cross reference this clause.

**Compromise** means disclosure of information to unauthorized persons, or a violation of the security policy of a system in which unauthorized intentional or unintentional disclosure, modification, destruction, or loss of an object may have occurred. Without limitation, the term "compromise" includes copying the data through covert network channels, or copying the data to unauthorized media, or disclosure of information in violation of any obligation imposed by this contract.

**Data** means a subset of information in an electronic format that allows it to be retrieved or transmitted.

**Government information** means information (i) provided to Contractor by, or generated by Contractor for, PEBA, or (ii) acquired or accessed by Contractor as a result of performing the Work. Without limiting the foregoing, government information includes any information that Contractor acquires or accesses by software or web-based services, which includes, without limitation, any metadata or location data. Government information excludes unrestricted information.

**Information** means any communication or representation of knowledge such as facts, statistics, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual.

**Information system** means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

**Public information** means any specific information, regardless of form or format, that the State has actively and intentionally disclosed, disseminated, or made available to the public. Information is not public information solely because it may be subject to inspection pursuant to an unfulfilled public records request.

**Software** means any computer program accessed or used by PEBA or a third party pursuant to or as a result of this contract.

**Third party** means any person or entity other than PEBA, the Contractor, or any subcontractors at any tier.

**Unrestricted information** means (1) public information acquired other than through performance of the work, (2) information acquired by Contractor prior to contract formation, (3) information incidental to your contract administration, such as financial, administrative, cost or pricing, or management information, and (4) any ideas, concepts, know-how, methodologies, processes, technologies, techniques which Contractor develops or learns in connection with Contractor's performance of the work.

**Web-based service** means a service accessed over the Internet and acquired, accessed, or used by the using governmental unit or a third party pursuant to or as a result of this contract, including without limitation, cloud services, software-as-a-service, and hosted computer services.

**7.41 INFORMATION SECURITY - SAFEGUARDING REQUIREMENTS (FEB 2015)**

(a) *Definitions.* The terms used in this clause shall have the same meaning as the terms defined in the clause titled Information Security – Definitions. In addition, as used in this clause—

**Clearing** means removal of data from an information system, its storage devices, and other peripheral devices with storage capacity, in such a way that the data may not be reconstructed using common system capabilities (i.e., through the keyboard); however, the data may be reconstructed using laboratory methods.

**Intrusion** means an unauthorized act of bypassing the security mechanisms of a system.

**Media** means physical devices or writing surfaces including but not limited to magnetic tapes, optical disks, magnetic disks, large scale integration memory chips, and printouts (but not including display media, e.g., a computer monitor, cathode ray tube (CRT) or other (transient) visual output) onto which information is recorded, stored, or printed within an information system.

**Safeguarding** means measures or controls that are prescribed to protect information.

**Voice** means all oral information regardless of transmission protocol.

(b) *Safeguarding Information.* Without limiting any other legal or contractual obligations, Contractor shall implement and maintain reasonable and appropriate administrative, physical, and technical safeguards (including without limitation written policies and procedures) for protection of the security, confidentiality and integrity of the government information in its possession. In addition, Contractor shall apply security controls when the Contractor reasonably determines that safeguarding requirements, in addition to those identified in paragraph (c) of this clause, may be required to provide adequate security, confidentiality and integrity in a dynamic environment based on an assessed risk or vulnerability. Contractor shall comply fully with all current and future updates of the information security requirements of PEBA, as outlined in this Contract and as provided during the term of the Contract.

(c) *Safeguarding requirements and procedures.* Contractor shall apply the following basic safeguarding requirements to protect government information from unauthorized access and disclosure:

(1) Protecting information on public computers or Web sites. Do not process government information on public computers (e.g., those available for use by the general public in kiosks, hotel business centers) or computers that do not have access control. Government information shall not be posted on Web sites that are publicly available or have access limited only by domain/Internet Protocol restriction. Such information may be posted to web pages that control access by user ID/password, user certificates, or other technical means, and that provide protection via use of security technologies. Access control may be provided by the intranet (versus the Web site itself or the application it hosts).

(2) Transmitting electronic information. Transmit email, text messages, blogs, and similar communications that contain government information using technology and processes that provide the best level of security and privacy available, given facilities, conditions, and environment.

(3) Transmitting voice and fax information. Transmit government information via voice and fax only when the sender has a reasonable assurance that access is limited to authorized recipients.

(4) Physical and electronic barriers. Protect government information by at least one physical and one electronic barrier (e.g., locked container or room, login and password) when not under direct individual control.

(5) Sanitization. At a minimum, clear information on media that have been used to process government information before external release or disposal. Overwriting is an acceptable means of clearing media in accordance with National Institute of Standards and Technology 800-88, Guidelines for Media Sanitization, at [http://csrc.nist.gov/publications/nistpubs/800-88/NISTSP800-88\\_with-errata.pdf](http://csrc.nist.gov/publications/nistpubs/800-88/NISTSP800-88_with-errata.pdf).

(6) Intrusion protection. Provide at a minimum the following protections against intrusions and compromise:

(i) Current and regularly updated malware protection services, e.g., anti-virus, antispyware.

(ii) Prompt application of security-relevant software upgrades, e.g., patches, service packs, and hot fixes.

(7) Transfer limitations. Transfer government information only to those subcontractors that both require the information for purposes of contract performance and provide at least the same level of security as specified in this clause.

(d) *Subcontracts.* Any reference in this clause to Contractor also includes any subcontractor at any tier. Contractor is responsible for, and shall impose by agreement requirements at least as secure as those imposed by this clause on, any other person or entity that contractor authorizes to take action related to government information.

(e) *Due Diligence.* Contractor shall complete a due diligence process annually or as otherwise requested by PEBA or a PEBA designated third party. This process may include a written questionnaire and in some cases could require an onsite visit from PEBA or a PEBA designated third party.

(f) *Background Checks.* Contractor shall ensure its staff shall have a criminal background check completed prior to accessing systems and/or applications that contain PEBA data. The background check shall be nationwide and,

at a minimum, include federal, state, and county records where the Contractor's staff member has resided for the past seven years. PEBA maintains the right to request a third party vendor or an individual who is involved with PEBA data and/or systems be removed from the further interaction with PEBA's data and/or systems.

(g) *Training.* Contractor shall provide security and privacy training, at least annually, for all staff members who have access to systems and/or applications that contain PEBA data.

(h) *Other contractual requirements regarding the safeguarding of information.* This clause addresses basic requirements and is subordinate to any other contract clauses or requirements to the extent that it specifically provides for enhanced safeguarding of information or information systems.

**7.42 INFORMATION SECURITY – DATA LOCATION (FEB 2015):** Contractor is prohibited from accessing, processing, transmitting, or storing government information, as defined in the clause titled Information Security, outside the United States. This obligation is a material requirement of this contract.

**7.43 INFORMATION USE AND DISCLOSURE (FEB 2015):** Except to the extent necessary for performance of the work, citizens should not be required to share information with those engaged by the government in order to access services provided by the government and such information should be used by those engaged by the government only to the extent necessary to perform the work acquired; accordingly, this clause addresses basic requirements for the Contractor's use and disclosure of government information, which expressly includes, but is not limited to, information provided by or obtained from the citizens. Anonymizing information does not resolve the foregoing concern. This clause should be broadly interpreted to effectuate this intent. Every obligation in this clause is material. Absent express reference to this clause, this clause supersedes any other clause to the extent of any inconsistency unless and to the extent the other clause provides greater protection for government information.

(a) *Definitions.* The terms used in this clause shall have the same meaning as the terms defined in the clause titled Information Security – Definitions.

(b) *Legal mandates.* Contractor shall be permitted to use, disclose, or retain government information to the limited extent necessary to comply with any requirement imposed on Contractor by law. If it is necessary for Contractor to use, disclose, or retain government information in order to comply with a law, Contractor shall provide using governmental unit with written notice, including a description of the circumstances and applicable law, in advance of such use, disclosure or retention except to the extent expressly prohibited by law.

(c) *Flow down.* Any reference in this clause to Contractor also includes any subcontractor at any tier. Contractor is responsible for, and shall impose by agreement the requirements of this clause on, any other person or entity that contractor authorizes to take action related to government information.

(d) *Collecting Information.* Contractor must gather and maintain government information only to the minimum extent necessary to accomplish the work.

(e) *Rights, Disclosure and Use.* Except as otherwise expressly provided in this solicitation, Contractor agrees NOT to either (1) use or disclose government information, or (2) retain government information after termination or expiration of this contract. Contractor acquires no rights in any government information except the limited rights to use, disclose and retain the government information in accordance with the terms of this solicitation. To the extent reasonably necessary to perform the work, Contractor may: (i) use (including access, process, transmit, and store) and maintain the government information itself; and (ii) disclose government information to persons having a need-to-know (e.g., subcontractors). Before disclosing government information to a subcontractor or third party, Contractor shall give PEBA detailed written notice of both the reason for disclosure and the identity and location of the recipient. The notice shall be provided no later than fifteen (15) business days in advance of the disclosure.

(f) *Return.* Notwithstanding PEBA's failure to perform or the pendency of a dispute, Contractor agrees to promptly deliver to PEBA (or destroy, at PEBA's option) all government information in its possession as and upon written request of PEBA (provided that, if the contract has not expired or been terminated, Contractor shall

be excused from the performance of any work reasonably dependent on Contractor's further access to such government information).

(g) *Privacy Policy & Applicable Laws.* Without limiting any other legal or contractual obligations imposed by this contract or the law, Contractor shall (a) comply with its own privacy policies and written privacy statements relevant to the work, and (b) comply with (1) all laws applicable to Contractor regarding government information, and (2) all laws and standards identified in the clause, if included, entitled Information Use and Disclosure – Standards.

(h) *Actions Following Unintended Disclosure.* Immediately upon discovery of a compromise or improper use of government information, Contractor shall take such action as may be necessary to preserve forensic evidence and eliminate the cause of the compromise or improper use. As soon as practicable, but no later than two business days after discovery, Contractor shall notify PEBA of the compromise or improper use, including a description of the circumstances of the use or compromise. As soon as practicable after discovery, Contractor shall undertake a thorough forensic investigation of any compromise or improper use and provide PEBA all information necessary to enable PEBA to fully understand the nature and extent of the compromise or improper use. With regard to any compromise or improper use of government information, Contractor shall: (1) provide any notification to third parties legally required to be provided such notice by Contractor, and if not (e.g., if legally required of PEBA), Contractor shall reimburse PEBA for the cost of providing such notifications; (2) pay all costs and expenses for at least two years of identity theft monitoring services (including without limitation, credit monitoring) and identity theft restoration services for any such affected individuals receiving notice where such services are appropriate given the circumstances of the incident and the nature of the information compromised; (3) undertake any other measures that are customary and reasonable for an entity to take when experiencing a similar disclosure, (4) pay any related fines or penalties imposed on PEBA, and (5) reimburse PEBA all costs reasonably incurred for communications and public relations services involved in responding to the compromise or improper use. Notwithstanding any other provision, contractor's obligations pursuant to this item (h) are without limitation.

(i) *Survival & Remedy.* All the obligations imposed by this paragraph are material. The obligations of this section shall survive termination or expiration of the contract. Without limiting any rights PEBA may have, and notwithstanding any other term of this contract, Contractor agrees that PEBA may have no adequate remedy at law for a breach of Contractor's obligations under this clause and therefore PEBA shall be entitled to pursue equitable remedies in the event of a breach of this clause.

**7.44 INFORMATION USE AND DISCLOSURE – STANDARDS (FEB 2015):** To the extent applicable:

(a) Breach of security of state agency data; notification; rights and remedies of injured parties; penalties; notification of Consumer Protection Division, S.C. Code Ann. § 1-11-490.

(b) South Carolina Financial Identity Fraud and Identity Theft Protection Act (FIFITPA), 2008 Act 190, as amended. Solely for purposes of Section 39-1-90 of the South Carolina Code of Laws, as amended, Contractor is deemed to be the owner of government information, as defined herein, and Contractor agrees that PEBA is not a licensee.

(c) The South Carolina Family Privacy Protection Act of 2002, S.C. Code Ann. §§ 30-2-10, *et seq.*

(d) Personal Identifying Information Privacy Protection, S.C. Code Ann. §§ 30-2-310 *et seq.*

(e) Data Breach Notification, Proviso 117.110 of the 2015-2016 Appropriations Act. H.R. 3701 § 117.110. 121st Cong. (S.C. 2015) (Act 91), as revised in any future annual appropriations act.

**7.45 LICENSES AND PERMITS (JAN 2006):** During the term of the Contract, the Contractor shall be responsible for obtaining, and maintaining in good standing, all licenses (including professional licenses, if any), permits, inspections and related fees for each or any such licenses, permits and /or inspections required by the State, county, city or other government entity or unit to accomplish the work specified in this solicitation and the contract.

**7.46 OFFSHORE CONTRACTING PROHIBITED (FEB 2015):** No part of the resulting contract from this solicitation may be performed offshore of the United States by persons located offshore of the United State or by means, methods, or communications that, in whole or in part, take place offshore of the United States. [07-7B122-1]

**7.47 PERFORMANCE BOND REQUIRED:** As a condition of the execution of the Contract, the Contractor shall supply security in the form of cash; cash equivalent; or an unconditional, irrevocable, standby letter of credit on deposit in or issued by, respectively, a federal or state chartered bank with offices physically located in the State of South Carolina in the amount of one million dollars US (\$1,000,000.00) whereby funds are (1) pledged to the benefit of PEBA; (2) are not under the control of the Contractor; and (3) are payable to PEBA upon written demand to the holder.

This security is for the faithful performance of this Contract between PEBA and Contractor and will further protect, indemnify, and save harmless PEBA from all costs and damages by reason of the Contractor's default, breach, or failure to satisfactorily perform the obligations outlined in this Request For Proposal (including Performance Guarantees), the Contractor's response thereto, and any amendments, modifications, or change orders.

In the event of any condition of breach or other circumstance, such as those set forth above, attributable to the Contractor, PEBA shall have the right to draw against the security such sums as are necessary to make PEBA whole, to secure and compensate PEBA for substituted services, to collect damages under a Performance Guarantee, or other forms of relief made necessary. Nothing herein shall be construed to mean that the security provided for herein is exclusive or constitutes any limitation or restriction on any remedies to which PEBA may be entitled.

The Contractor shall establish the security not later than ten (10) days after execution of the contract, and failure to satisfy this requirement will void the Contract. Any interest or other income resulting from the security shall become and remain the property and possession of the Contractor and shall be payable to the Contractor. The Contractor may request a reduction in the security on an annual basis, no earlier than twelve (12) months after the first anniversary date of acceptance of the service, and PEBA's consideration of such request shall take into account performance and likelihood of the need for future protection provided by the security to PEBA. The security required under this section must extend through the initial Contract term, any renewal terms, and the period of transition described in section 7.34, Duties Upon Termination.

**7.48 PRICE ADJUSTMENTS (JAN 2006):** (1) Method of Adjustment. Any adjustment in the Contract price made pursuant to a clause in this contract shall be consistent with this Contract and shall be arrived at through whichever one of the following ways is the most valid approximation of the actual cost to the Contractor (including profit, if otherwise allowed):

- (a) by agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
- (b) by unit prices specified in the Contract or subsequently agreed upon;
- (c) by the costs attributable to the event or situation covered by the relevant clause, including profit if otherwise allowed, all as specified in the Contract; or subsequently agreed upon;
- (d) in such other manner as the parties may mutually agree; or,
- (e) in the absence of agreement by the parties, through a unilateral initial written determination by the Procurement Officer of the costs attributable to the event or situation covered by the clause, including profit if otherwise allowed, all as computed by the Procurement Officer in accordance with generally accepted accounting principles, subject to the provisions of Title 11, Chapter 35, Article 17 of the S.C. Code of Laws.

(2) Submission of Price or Cost Data. Upon request of the Procurement Officer, the contractor shall provide reasonably available factual information to substantiate that the price or cost offered, for any price adjustments is reasonable, consistent with the provisions of Section 11-35-1830.

**7.49 PRICE ADJUSTMENT - LIMITED:** Prices shall not be increased during the first three (3) years of the term of the contract (2024, 2025 and 2026). Upon approval of the Procurement Officer, prices may be adjusted for years four/five (1/1/2027-12/31/2028) and/or years six/seven (1/1/2029-12/31/2030) of the term of the contract. Any request for a price increase must be received by the Procurement Officer by January 15, 2026 for years four/five and by January 15, 2028 for years six/seven and must be accompanied by sufficient documentation to justify the increase. A price increase must be executed as a change order.

**7.50 PRICE ADJUSTMENTS—LIMITED BY CPI “OTHER GOODS & SERVICES” (JAN 2006):** Upon request and adequate justification, the Procurement Officer may grant a price increase up to, but not to exceed, the unadjusted percent change for the most recent 12 months for which data is available, that is not subject to revision, in the Consumer Price Index (CPI) for all urban consumers (CPI-U), “Other Goods & Services” for services, as determined by the Procurement Officer. The Bureau of Labor and Statistics publishes this information on the web at [www.bls.gov](http://www.bls.gov)

**7.51 PRICING DATA -- AUDIT -- INSPECTION (JAN 2006)**

(a) Cost or Pricing Data. Upon Procurement Officer’s request, you shall submit cost or pricing data, as defined by 48 C.F.R. Section 2.101 (2004), prior to either (1) any award to contractor pursuant to 11-35-1530 or 11-35-1560, if the total contract price exceeds \$500,000, or (2) execution of a change order or contract modification with Contractor which exceeds \$100,000. Your price, including profit or fee, shall be adjusted to exclude any significant sums by which the State or PEBA finds that such price was increased because you furnished cost or pricing data that was inaccurate, incomplete, or not current as of the date agreed upon between parties. (b) Records Retention. You shall maintain your records for three years from the date of final payment, or longer if requested by the Chief Procurement Officer. The State or PEBA may audit your records at reasonable times and places. As used in this subparagraph (b), the term “records” means any books or records that relate to cost or pricing data submitted pursuant to this clause. In addition to the obligation stated in this subparagraph (b), you shall retain all records and allow any audits provided for by 11-35-2220(2). (c) Inspection. At reasonable times, the State or PEBA may inspect any part of your place of business which is related to performance of the work. (d) Instructions Certification.

When you submit data pursuant to subparagraph (a), you shall (1) do so in accordance with the instructions appearing in Table 15-2 of 48 C.F.R. Section 15.408 (2004) (adapted as necessary for the state context), and (2) submit a Certificate of Current Cost or Pricing Data, as prescribed by 48 CFR Section 15.406-2(a) (adapted as necessary for the State context). (e) Subcontracts. You shall include the above text of this clause in all of your subcontracts. (f) Nothing in this clause limits any other rights of the State or PEBA.

**7.52 RELATIONSHIP OF THE PARTIES (JAN 2006):** Neither party is an employee, agent, partner, or joint venturer of the other. Neither party has the right or ability to bind the other to any agreement with a third party or to incur any obligation or liability on behalf of the other party.

**7.53 RESTRICTIONS ON PRESENTING TERMS OF USE OR OFFERING ADDITIONAL SERVICES:**

(a) Citizens, as well as public employees (acting in their individual capacity), should not be unnecessarily required to agree to or provide consent to policies or contractual terms in order to access services acquired by the government pursuant to this contract (hereinafter “applicable services”) or, in the case of public employees, to perform their job duties; accordingly, in performing the work, contractor shall not require or invite any citizen or

public employee to agree to or provide consent to any end user contract, privacy policy, or other terms of use (hereinafter “terms of use”) not previously approved in writing by the procurement officer. Contractor agrees that any terms of use regarding applicable services are void and of no effect.

(b) Unless expressly provided in the solicitation, public contracts are not intended to provide contractors an opportunity to market additional products and services; accordingly, in performing the work, contractor shall not – for itself or on behalf of any third party – offer citizens or public employees (other than the procurement officer) any additional products or services not required by the contract.

(c) Any reference to contractor in items (a) or (b) also includes any subcontractor at any tier. Contractor is responsible for compliance with these obligations by any person or entity that contractor authorizes to take any action related to the work.

(d) Any violation of this clause is a material breach of contract. The parties acknowledge the difficulties inherent in determining the damage from any breach of these restrictions. Contractor shall pay PEBA liquidated damages of \$1,000 for each contact with a citizen or end user that violates this restriction.

#### **7.54 SERVICE PROVIDER SECURITY ASSESSMENT QUESTIONNAIRE – REQUIRED:**

The Contractor must demonstrate that programs, policies, and procedures are in place to adequately provide for the confidentiality, integrity, and availability of the information systems used by Contractor to process, store, transmit, and access all government information. In order for PEBA to accurately evaluate the strength and viability of the Contractor’s security policies, procedures and practices related to confidentiality, integrity and availability, Offerors must submit with their offers a thorough and complete written response to the Service Provider Security Assessment Questionnaire (“Response to SPSAQ”) attached to this Solicitation (Attachment 3), which must address all applicable organizations and applicable information systems. The terms used in this clause shall have the same meaning as the terms defined in the clause titled Information Security – Definitions.

**7.55 SERVICE PROVIDER SECURITY REPRESENTATION (FEB 2015):** The following obligations are subordinate to any other contract clause to the extent the other clause specifically provides for enhanced safeguarding of government information, applicable information systems, or applicable organizations. Offeror (i) warrants that the work will be performed, and any applicable information system (as defined in the clause titled “Information Security - Definitions”) will be established and maintained in substantial conformity with the information provided in Offeror’s Response to SPSAQ; (ii) agrees to provide PEBA with prompt notice of any material variation in operations from that reflected in the Response to SPSAQ; and (iii) agrees to comply with all other obligations involving either information security or information use and disclosure imposed by the contract, notwithstanding any inconsistent statement in Offeror’s Response to SPSAQ. To the extent Offeror’s Response to SPSAQ does not conform to any other contractual requirements, PEBA’s lack of objection does not constitute a waiver.

#### **7.56 TERM OF CONTRACT - EFFECTIVE DATE:**

Contract Term: January 1, 2024, through December 31, 2030.

These dates are estimates only. The effective date of this Contract is the first day of the Contract Term as specified on the final statement of award. Regardless, this Contract expires no later than the last date stated on the final statement of award.

**7.57 TERMINATION FOR CONVENIENCE:** (1) Termination. The Procurement Officer may terminate this Contract in whole or in part, for the convenience of the State. The Procurement Officer shall give written notice of the termination to the Contractor specifying the part of the Contract terminated and when termination becomes effective.

(2) Contractor’s Obligations. The Contractor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the Contractor will stop work to the extent specified. The

Contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The Contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The Procurement Officer may direct the Contractor to assign the Contractor's right, title, and interest under terminated orders or subcontracts to PEBA. The Contractor must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

(3) Right to Supplies. The Procurement Officer may require the Contractor to transfer title and deliver to PEBA in the manner and to the extent directed by the Procurement Officer: (a) any completed supplies; and (b) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the Contractor has specifically produced or specially acquired for the performance of the terminated part of this contract. The Contractor shall, upon direction of the Procurement Officer, protect and preserve property in the possession of the Contractor in which PEBA has an interest. If the Procurement Officer does not exercise this right, the Contractor shall use best efforts to sell such supplies and manufacturing materials in accordance with the standards of Uniform Commercial Code Section 2-706. Utilization of this Section in no way implies that PEBA has breached the Contract by exercise of the Termination for Convenience Clause.

(4) Compensation. (a) The Contractor shall submit a termination claim specifying the amounts due because of the termination for convenience together with cost or pricing data required by Section 11-35-1830 bearing on such claim. If the Contractor fails to file a termination claim within one year from the effective date of termination, the Procurement Officer may pay the Contractor, if at all, an amount set in accordance with Subparagraph (c) of this Paragraph.

(b) The Procurement Officer and the Contractor may agree to a settlement and that the settlement does not exceed the total contract price plus settlement costs reduced by payments previously made by PEBA, the proceeds of any sales of supplies and manufacturing materials under Paragraph (3) of this clause, and the contract price of the work not terminated;

(c) Absent complete agreement under Subparagraph (b) of this Paragraph, the Procurement Officer shall pay the Contractor the following amounts, provided payments agreed to under Subparagraph (b) shall not duplicate payments under this Subparagraph:

(i) contract prices for supplies or services accepted under the contract;

(ii) costs reasonably incurred in performing the terminated portion of the work less amounts paid or to be paid for accepted supplies or services;

(iii) reasonable costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to Paragraph (2) of this clause. These costs must not include costs paid in accordance with Subparagraph (c)(ii) of this paragraph;

(iv) any other reasonable costs that have resulted from the termination. The total sum to be paid the Contractor under this Subparagraph shall not exceed the total contract price plus the reasonable settlement costs of the Contractor reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under Subparagraph (b) of this Paragraph, and the contract price of work not terminated.

(d) Contractor must demonstrate any costs claimed, agreed to, or established under Subparagraphs (b) and (c) of this Paragraph using its standard record keeping system, provided such system is consistent with any applicable Generally Accepted Accounting Principles.

(5) Contractor's failure to include an appropriate termination for convenience clause in any subcontract shall not (i) affect PEBA's right to require the termination of a subcontract, or (ii) increase the obligation of PEBA beyond what it would have been if the subcontract had contained an appropriate clause.



## **PART 8**

### **ATTACHMENTS TO SOLICITATION**

- Attachment 1 — Important Tax Notice – Nonresidents Only
- Attachment 2 — Offeror’s Checklist
- Attachment 3 — Service Provider Security Assessment Questionnaire
- Attachment 4 — Minority Participation Form
- Attachment 5 — Business Associate Agreement
- Attachment 6 — Non-Disclosure Agreement
- Attachment 7 — Description of Current Care Management Programs
- Attachment 8 — Provider Reimbursement Methodologies
- Attachment 9 — List of Datasets
- Attachment 10 — 834 Medical Companion Guide
- Attachment 11 — 834 Addendum

**Attachment 1**  
**IMPORTANT TAX NOTICE - NONRESIDENTS ONLY**

Withholding Requirements for Payments to Nonresidents: Section 12-8-550 of the South Carolina Code of Laws requires persons hiring or contracting with a nonresident conducting a business or performing personal services of a temporary nature within South Carolina to withhold 2% of each payment made to the nonresident. The withholding requirement does not apply to (1) payments on purchase orders for tangible personal property when the payments are not accompanied by services to be performed in South Carolina, (2) nonresidents who are not conducting business in South Carolina, (3) nonresidents for contracts that do not exceed \$10,000 in a calendar year, or (4) payments to a nonresident who (a) registers with either the S.C. Department of Revenue or the S.C. Secretary of State and (b) submits a Nonresident Taxpayer Registration Affidavit - Income Tax Withholding, Form I-312 to the person letting the contract.

The withholding requirement applies to every governmental entity that uses a contract (“Using Entity”). Nonresidents should submit a separate copy of the Nonresident Taxpayer Registration Affidavit - Income Tax Withholding, Form I-312 to every Using Entity that makes payment to the nonresident pursuant to this solicitation. Once submitted, an affidavit is valid for all contracts between the nonresident and the Using Entity, unless the Using Entity receives notice from the Department of Revenue that the exemption from withholding has been revoked.

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Section 12-8-540 requires persons making payment to a nonresident taxpayer of rentals or royalties at a rate of \$1,200.00 or more a year for the use of or for the privilege of using property in South Carolina to withhold 7% of the total of each payment made to a nonresident taxpayer who is not a corporation and 5% if the payment is made to a corporation. Contact the Department of Revenue for any applicable exceptions.

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For information about other withholding requirements (e.g., employee withholding), contact the Withholding Section at the South Carolina Department of Revenue at 803-898-5383 or visit the Department’s website at [www.sctax.org](http://www.sctax.org).

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This notice is for informational purposes only. This agency does not administer and has no authority over tax issues. All registration questions should be directed to the License and Registration Section at 803-898-5872 or to the South Carolina Department of Revenue, Registration Unit, Columbia, S.C. 29214-0140. All withholding questions should be directed to the Withholding Section at 803-898-5383.



STATE OF SOUTH CAROLINA  
 DEPARTMENT OF REVENUE  
**NONRESIDENT TAXPAYER  
 REGISTRATION AFFIDAVIT  
 INCOME TAX WITHHOLDING**

**I-312**  
 (Rev. 6/26/01)  
 3323

The undersigned nonresident taxpayer on oath, being first duly sworn, hereby certifies as follows:

1. Name of Nonresident Taxpayer: \_\_\_\_\_
2. Trade Name, if applicable (Doing Business As):  
 \_\_\_\_\_
3. Mailing Address: \_\_\_\_\_
4. Federal Identification Number: \_\_\_\_\_
5. \_\_\_\_\_ Hiring or Contracting with:  
 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_
- \_\_\_\_\_ Receiving Rentals or Royalties From:  
 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_
- \_\_\_\_\_ Beneficiary of Trusts and Estates:  
 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_
6. I hereby certify that the above named nonresident taxpayer is currently registered with (check the appropriate box):  
 The South Carolina Secretary of State or  
 The South Carolina Department of Revenue  
 Date of Registration: \_\_\_\_\_

7. I understand that by this registration, the above named nonresident taxpayer has agreed to be subject to the jurisdiction of the South Carolina Department of Revenue and the courts of South Carolina to determine its South Carolina tax liability, including estimated taxes, together with any related interest and penalties.

8. I understand the South Carolina Department of Revenue may revoke the withholding exemption granted under Code Sections 12-8-540 (rentals), 12-8-550 (temporarily doing business or professional services in South Carolina), and 12-8-570 (distributions to nonresident beneficiary by trusts or estates) at any time it determines that the above named nonresident taxpayer is not cooperating with the Department in the determination of its correct South Carolina tax liability.

The undersigned understands that any false statement contained herein could be punished by fine, imprisonment or both.

Recognizing that I am subject to the criminal penalties under Code Section 12-54-44 (B) (6) (a) (i), I declare that I have examined this affidavit and to the best of my knowledge and belief, it is true, correct and complete.

\_\_\_\_\_  
 Signature of Nonresident Taxpayer (Owner, Partner or Corporate Officer, when relevant) (Seal) \_\_\_\_\_ Date

If Corporate officer state title: \_\_\_\_\_

\_\_\_\_\_  
 (Name - Please Print)

**Attachment 2**  
**OFFEROR'S CHECKLIST**  
***AVOID COMMON PROPOSAL MISTAKES***

Review this checklist prior to submitting your proposal.  
If you fail to follow this checklist, you risk having your proposal rejected.

- DO NOT INCLUDE ANY OF YOUR STANDARD CONTRACT FORMS!
- UNLESS EXPRESSLY REQUIRED, DO NOT INCLUDE ANY ADDITIONAL BOILERPLATE CONTRACT CLAUSES.
- REREAD YOUR ENTIRE PROPOSAL TO MAKE SURE YOUR PROPOSAL DOES NOT TAKE EXCEPTION TO ANY OF THE STATE'S MANDATORY REQUIREMENTS.
- MAKE SURE YOU HAVE PROPERLY MARKED ALL PROTECTED, CONFIDENTIAL, OR TRADE SECRET INFORMATION IN ACCORDANCE WITH THE INSTRUCTIONS ENTITLED: **SUBMITTING CONFIDENTIAL INFORMATION**. DO NOT MARK YOUR ENTIRE PROPOSAL AS CONFIDENTIAL, TRADE SECRET, OR PROTECTED! DO NOT INCLUDE A LEGEND ON THE COVER STATING THAT YOUR ENTIRE RESPONSE IS NOT TO BE RELEASED!
- HAVE YOU PROPERLY ACKNOWLEDGED ALL AMENDMENTS? INSTRUCTIONS REGARDING HOW TO ACKNOWLEDGE AN AMENDMENT SHOULD APPEAR IN ALL AMENDMENTS ISSUED.
- MAKE SURE YOUR PROPOSAL INCLUDES A COPY OF THE SOLICITATION COVER PAGE. MAKE SURE THE COVER PAGE IS SIGNED BY A PERSON THAT IS AUTHORIZED TO CONTRACTUALLY BIND YOUR BUSINESS.
- MAKE SURE YOUR PROPOSAL INCLUDES THE NUMBER OF COPIES REQUESTED.
- CHECK TO ENSURE YOUR PROPOSAL INCLUDES EVERYTHING REQUESTED!
- IF YOU HAVE CONCERNS ABOUT THE SOLICITATION, DO NOT RAISE THOSE CONCERNS IN YOUR RESPONSE! AFTER OPENING, IT IS TOO LATE! AS THIS SOLICITATION INCLUDES A QUESTION & ANSWER PERIOD, RAISE YOUR QUESTIONS AS A PART OF THAT PROCESS!

This checklist is included only as a reminder to help offerors avoid common mistakes.  
Responsiveness will be evaluated against the solicitation, not against this checklist.  
You do not need to return this checklist with your response.

### **Attachment 3**

#### **Service Provider Security Assessment Questionnaire**

Instructions: (1) Attach additional pages or documents as appropriate and make sure answers cross reference to the questions below. (2) As used in this Questionnaire, the phrase “government information” shall have the meaning defined in the clause titled “Information Security.” (3) This Questionnaire must be read in conjunction with both of the following two clauses (a) Service Provider Security Assessment Questionnaire – Required, and (b) Service Provider Security Representation.

#### **Access Control**

1. Describe your policies and procedures that ensure access to government information is limited to only those employees and contractors who require access to perform your proposed services.
2. What safeguards and practices do you have in place to vet your employees and contractors who will have access to government information?
3. Describe safeguards that are in place to prevent unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access or disclosure of government information.

#### **Data Protection and Disposal**

4. Do you have documented policies and procedures for managing information assets? If yes, please provide those policies and procedures.
5. Will government information be encrypted at rest? Will government information be encrypted when transmitted? Will government information be encrypted during data backups, and on backup media? Please elaborate.
6. How will government information be managed after contract termination? Will government information provided to the Contractor be deleted or destroyed? When will this occur?

#### **Third Party Management**

7. Identify any third party which will host or have access to government information.
8. Describe and explain your security policies and procedures as they relate to your use of your contractors and next-tier sub -contractors.

#### **Human Resources**

9. Do you conduct employee awareness training? If so, please explain.

## **Audit and Compliance**

10. List any reports or certifications that you have from properly accredited third-parties that demonstrate that adequate security controls and assurance requirements are in place to adequately provide for the confidentiality, integrity, and availability of the information systems used to process, store, transmit, and access all government information. (For example, an ISO/IEC 27001 compliance certificate, an AICPA SOC 2 (Type 2) report, or perhaps an AICPA SOC 3 report (i.e., a SysTrust or WebTrust seal)). For each certification, describe the scope of the assessment performed. Will these reports / certifications remain in place for the duration of the contract? Will you provide the state with most recent and future versions of the applicable compliance certificate / audit report?

## **HIPAA Compliance**

11. What was the last date of your last HIPAA risk assessment for privacy and security? Who conducted the assessment?
12. Does your company have any policies related specifically to HIPAA? If so please provide more details on the name, date of last update, and general information about the policy.
13. Please provide the last three dates that HIPAA training was provided to staff. Describe the training.
14. Have executive officers been trained on HIPAA?
15. Do you have a dedicated HIPAA Compliance officer and/or department? If so, please describe the department and provide contact information for that department.
16. Do you have a dedicated Security Officer and Privacy Officer? If so please describe who they report to and provide basic information about their job responsibilities and roles.
17. To the best of your knowledge, is your company/entity HIPAA compliant? If not, please provide information explaining why not.

## **Physical Security**

18. Please list the geographical locations of your data centers that could contain PEBA data. Do your secondary/failover sites have commensurate security with your primary site?
19. Describe the policies, procedures and practices you have in place to provide for the physical security of your data centers and other sites where government information will be hosted, accessed or maintained.

## **Detection and Prevention**

20. What controls are in place to detect security breaches? What system and network activity do you log? How long do you maintain these audit logs?
21. Is penetration testing and/or vulnerability assessments performed annually? Is this done with an outside vendor or is it performed using internal staff? Please list the last 3 assessment dates.

**Incident Response**

- 22. Describe your incident response policies and practices.
- 23. Have you had any breaches in the last 3 years which involve more than 500 records? If yes, please provide details. Have you had paid any regulatory fines related to the loss of Personal Health Information and/or Personally Identifiable Information in the last three years? If yes, please describe.

**Security Requirements and General Information**

- 24. Are there any planned system upgrades, conversions, other system changes that may affect PEBA in the next year? If yes, please describe.
- 25. Are there any other material items that you believe we should be aware of?

Offeror’s response to this questionnaire includes any other information submitted with its offer regarding information or data security.

**SIGNATURE OF PERSON AUTHORIZED TO REPRESENT THE ACCURACY OF THIS INFORMATION ON BEHALF OF CONTRACTOR:**

By: \_\_\_\_\_  
(authorized signature)

Its: \_\_\_\_\_  
(printed name of person signing above)

\_\_\_\_\_  
(title of person signing above)

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

**Attachment 4**  
**Minority Participation**

Is the Offeror a South Carolina Certified Minority Business?  Yes  No

Is the Offeror a Minority Business certified by another governmental entity?  Yes  No

If so, please list the certifying governmental entity:

Will any of the work under this contract be performed by a SC certified Minority Business as a subcontractor?

Yes  No

If so, what percentage of the total value of the contract will be performed by a SC certified Minority Business as a subcontractor?

Will any of the work under this contract be performed by a minority business certified by another governmental entity as a subcontractor?  Yes  No

If so, what percentage of the total value of the contract will be performed by a minority business certified by another governmental entity as a subcontractor?

If a certified Minority Business is participating in this contract, please indicate all categories for which the Business is certified:

Traditional minority

Traditional minority, but female  Women (Caucasian females)

Hispanic minorities

DOT referral (Traditional minority)  DOT referral (Caucasian female)

Temporary certification

SBA 8 (a) certification referral

Other minorities (Native American, Asian, etc.)

(If more than one minority contractor will be utilized in the performance of this contract, please provide the information above for each minority business.)

For a list of certified minority firms, please consult the Minority Business Directory, which is available at the following URL: <http://osmba.sc.gov/index.html>



## Attachment 5

### Business Associate Agreement

THIS BUSINESS ASSOCIATE AGREEMENT (“Agreement”) is entered into as of the \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ between **NAME OF BUSINESS ASSOCIATE, ADDRESS OF BUSINESS ASSOCIATE** (hereinafter referred to as “Business Associate”) and the **South Carolina Public Employee Benefit Authority**, 202 Arbor Lake Drive, Columbia, South Carolina 29223 (hereinafter referred to as the “Covered Entity”).

In consideration of the mutual promises and agreements set forth herein, Covered Entity and Business Associate do hereby contract and agree as follows:

#### 1. DEFINITIONS

(a) “Breach” shall have the same meaning as the term “Breach” in 45 CFR § 164.402.

(b) “Business Associate” shall generally have the same meaning as the term “Business Associate” at 45 CFR § 160.103, and in reference to the party to this agreement, shall mean **NAME OF BUSINESS ASSOCIATE**.

(c) “Compliance Date” shall have the same meaning as the term “Compliance Date” in 45 CFR § 160.103.

(d) “Covered Entity” shall generally have the same meaning as the term “Covered Entity” at 45 CFR § 160.103, and in reference to the party to this agreement shall mean the South Carolina Public Employee Benefit Authority (PEBA).

(e) “Data Aggregation” shall have the same meaning as the term “Data Aggregation” in 45 CFR § 164.501.

(f) “Designated Record Set” shall have the same meaning as the term “Designated Record Set” in 45 CFR § 164.501.

(g) “Electronic Protected Health Information” shall have the same meaning as “Electronic Protected Health Information” in 45 CFR §160.103.

(h) “HITECH Act” shall have the same meaning as the Health Information Technology for Economic and Clinical Health Act, as incorporated into the American Recovery and Reinvestment Act of 2009.

(i) “HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

(j) “Individual” shall have the same meaning as the term “Individual” in 45 CFR §160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

(k) “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR parts 160 and 164, subparts A and E.

(l) “Protected Health Information” or “PHI” shall have the same meaning as the term “Protected Health Information” in 45 CFR § 160.103, limited to the information created or received by Business Associate in its

capacity as a business associate (and not a pharmacy or other health care provider) from, or on behalf of, Covered Entity.

(m) “Required By Law” shall have the same meaning as the term “Required By Law” in 45 CFR § 164.103.

(n) “Secretary” shall mean the Secretary of the Department of Health and Human Services or his or her designee.

(o) “Security Incident” shall have the same meaning as “Security Incident” in 45 CFR § 164.304.

(p) “Security Rule” shall mean the Security Standards and Implementation Specifications at 45 CFR Part 160 and 164, Subpart C.

(q) “Service Agreement” shall mean the agreement between **NAME OF BUSINESS ASSOCIATE** and PEBA, whereby **NAME OF BUSINESS ASSOCIATE** performs plan administrative tasks on behalf of the benefit program described herein as Covered Entity.

(r) “Unsecured PHI” shall have the same meaning as the term “Unsecured Protected Health Information” in 45 CFR § 164.402.

## **2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE**

(a) Business Associate agrees to use or disclose PHI only as permitted or required by this Agreement or as Required by Law. Business Associate is permitted to use and disclose PHI or Electronic PHI that it creates for, or receives from, Covered Entity or business associate of Covered Entity and to request PHI on behalf of Covered Entity as described in the Agreement, consistent with the HIPAA Rules. When requesting, using, or disclosing PHI, Business Associate shall restrict the request, use, or disclosure of said PHI to the minimum necessary to accomplish the intended purpose of the request, use, or disclosure in accordance with, and subject to the exceptions in, 45 CFR 164.502(b).

(b) Business Associate agrees to provide access to Covered Entity, at the request of Covered Entity, to PHI in a Designated Record Set in order to meet the requirements under 45 CFR § 164.524.

(c) Business Associate agrees to make available PHI for amendment and incorporate any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR § 164.526 at the request of Covered Entity, within thirty (30) days of a written request by Covered Entity.

(d) Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by, Business Associate on behalf of Covered Entity available to the Covered Entity or the Secretary, within thirty (30) days of a written request by the Covered Entity or the Secretary, for the purpose of permitting the Secretary to determine Covered Entity’s compliance with the HIPAA Rules.

(e) Business Associate agrees to 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 §164.528 and to make available to Covered Entity, within thirty (30) days of a written request by Covered Entity, the information required to provide such an accounting to an individual. Business Associate will comply with mandates regarding individuals’ rights under the HITECH Act, including rights to access and accounting of disclosures. Such information shall be made available in an electronic format where directed by Covered Entity. In addition, Business Associate shall include, within its accounting, disclosures for payment and health care operations purposes where such recording or accounting is required by the HITECH

Act and as of the effective date for this provision of the HITECH Act. Covered Entity shall provide any additional information to the extent required by the HITECH Act and any accompanying regulations.

(f) Business Associate shall make information available directly to an individual within thirty (30) days, when that individual so requests, if such information is required to be disclosed.

(g) Business Associate agrees to develop, implement, maintain, and use administrative, technical, and physical safeguards that reasonably and appropriately protect the privacy, confidentiality, integrity, and availability of Covered Entity's electronic and paper PHI that Business Associate creates, receives, maintains, or transmits on Covered Entity's behalf, as required by the HIPAA Rules and as required by the HITECH Act. Business Associate shall also develop and implement policies and procedures and meet the HIPAA Rules' documentation requirements as required by the HITECH Act.

(h) In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, Business Associate agrees to ensure that any agent, including a subcontractor, to whom Business Associate provides PHI, agrees in writing, to abide by the same restrictions, conditions, and requirements that apply to Business Associate with respect to PHI and to implement appropriate safeguards to protect it.

(i) Business Associate agrees to notify Covered Entity within two business days of becoming aware of any use or disclosure of PHI not provided for by the Agreement or of any security incident resulting in the successful unauthorized access, use, disclosure, modification or destruction of information or interference with system operations in an information system, or resulting in any "Breach" of "Unsecured Protected Health Information," as required by 45 CFR 164.410.

(j) Business Associate will provide written notice of the HIPAA Breach of Unsecured PHI, on behalf of Covered Entity, without unreasonable delay but no later than sixty (60) calendar days following the date the HIPAA Breach of Unsecured PHI is discovered or such later date as is authorized under 45 CFR § 164.412 to each individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, used, or disclosed as a result of the HIPAA Breach. For purposes of this paragraph, a HIPAA Breach shall be treated as discovered as of the first day on which the HIPAA Breach is known or should reasonably have been known to Business Associate (including any person, other than the one committing the HIPAA Breach, which is an employee, officer, or other agent of Business Associate).

The content, form, and delivery of such written notice shall comply in all respects with 45 CFR § 164.404(c)-(d).

If the HIPAA Breach of Unsecured PHI involves less than five hundred (500) individuals, Business Associate will maintain a log or other documentation of the HIPAA Breach of Unsecured PHI which contains such information as would be required to be included if the log were maintained by Covered Entity pursuant to 45 CFR § 164.408, and provide such log to Covered Entity within five (5) business days of Covered Entity's written request.

Additionally, upon request by the Covered Entity, Business Associate shall notify the Secretary of its breach of unsecured protected health information pursuant 45 CFR § 164.408.

(k) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.

(l) Business Associate agrees to maintain appropriate clearance procedures and provide supervision to ensure that its workforce follows Business Associate's security procedures.

(m) Business Associate agrees to provide appropriate training for its staff to ensure that its staff complies with the HIPAA Rules and the requirements of the HITECH Act.

(n) Business Associate agrees to implement appropriate security incident procedures and provide training to its applicable staff sufficient to detect and analyze security incidents.

(o) Business Associate agrees to maintain a current contingency plan in case of an emergency, as required by 45 CFR § 164.308.

(p) Business Associate agrees, as appropriate, to maintain an emergency access plan to ensure that the PHI it holds on behalf of Covered Entity is available when needed, as required by 45 CFR § 164.312.

(q) Business Associate agrees to implement appropriate storage, disposal, and reuse procedures to protect any PHI that Business Associate holds for Covered Entity.

(r) Business Associate agrees to provide appropriate backup of the PHI that Business Associate holds for Covered Entity, as required by 45 CFR § 164.308.

(s) Business Associate agrees to have in place appropriate authentication and access controls to safeguard the PHI that Business Associate holds for Covered Entity.

(t) Business Associate agrees to make use of encryption, as appropriate, when transmitting PHI over the Internet.

(u) Business Associate agrees to retain the documentation required by this agreement for six years from the date of its creation or the date when it last was in effect, whichever is later.

(v) Business Associate agrees not to engage in any sale (as defined in the HIPAA Rules) of PHI.

(w) With respect to PHI, Business Associate shall abide by any marketing restrictions established by Section 13406 of the HITECH Act.

(x) With respect to PHI, Business Associate shall abide by any fundraising restrictions established by Section 13406 of the HITECH Act.

### **3. PERMITTED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION BY BUSINESS ASSOCIATE**

(a) Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI to perform functions, activities or services for, or on behalf of, Covered Entity, as specified in the Service Agreement, provided that such use or disclosure would not violate the HIPAA Rules if done by Covered Entity.

(b) Except as otherwise limited in this agreement, Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

(c) Except as otherwise limited in this agreement, Business Associate may disclose PHI for the proper management and administration of the Business Associate if the disclosures are Required By Law; or if Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the PHI will remain confidential and will be used or further disclosed only as Required By Law or only for the purpose for

which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(d) Except as otherwise limited in this agreement, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 CFR § 164.504(e)(2)(i)(B).

(e) Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with §164.502(j)(1).

#### **4. OBLIGATIONS OF COVERED ENTITY**

Covered Entity shall notify Business Associate of any limitations in its notice(s) of privacy practices in accordance with 45 CFR § 164.520, to the extent that such limitations may affect Business Associate's use or disclosure of PHI.

#### **5. PERMISSIBLE REQUESTS BY COVERED ENTITY**

Covered Entity shall not request that Business Associate use or disclose PHI in any manner that would not be permissible under Subpart E of 45 CFR Part 164 if done by Covered Entity, except Business Associate may use or disclose PHI for data aggregation or management and administrative activities of Business Associate.

#### **6. TERM AND TERMINATION**

(a) Term.

The Term of this Agreement and the obligations herein shall be deemed effective as of the Compliance Date or the date of execution of this Agreement, whichever date is later, and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or if it is not feasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

(b) Termination for Cause.

Upon either Party's (the Non-Breaching Party's) knowledge of a material breach by the other party (the Breaching Party), the Non-Breaching Party may:

(1) Provide an opportunity for the Breaching Party to cure the material breach or end the violation and terminate this Agreement if the Breaching Party does not cure the material breach or end the violation within the reasonable time specified by the Non-Breaching Party; or

(2) If neither termination nor cure is feasible, the Non-Breaching Party may report the violation to the Secretary. Failure by the Non-Breaching Party to exercise its rights to terminate under this provision shall not be construed as a waiver of its rights to terminate, rescind or revoke the services herein in case of any subsequent breach.

(c) Effect of Termination.

(1) Except as provided in paragraph (2) of this section, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI from Covered Entity, or created or received by Business

Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate.

(2) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible, including the need to retain PHI for audit, justification of work product or compliance with other applicable law. Business Associate shall extend the protections of this 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.

## 7. MISCELLANEOUS

(a) Definitions. All terms that are used but not otherwise defined in this Agreement shall have the meaning specified under HIPAA, including its statute, regulations, and other official government guidance.

(b) Independent Contractor. The relationship between the parties will solely be that of independent contractors engaged in the operation of their own respective businesses.

(c) Third Party Beneficiaries. The parties agree that there are no intended third party beneficiaries under this Agreement.

(d) Regulatory References. A reference in this Agreement to a section in the HIPAA Rules and/or HITECH Act means the section as in effect, or as amended, and for which compliance is required.

(e) Amendment. The parties agree to take such action as is necessary to amend this Agreement as is necessary to comply with the requirements of the HIPAA Rules and other applicable law or regulation.

(f) Survival. The respective rights and obligations of Business Associate under Section 6 (c) of this Agreement shall survive the termination of this Agreement.

(g) Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity and Business Associate to comply with the applicable requirements under HIPAA and other applicable law or regulation.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date indicated below.

**NAME OF BUSINESS ASSOCIATE**

**SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT  
AUTHORITY**

By: \_\_\_\_\_

(Signature)

By: \_\_\_\_\_

(Signature)

NAME: \_\_\_\_\_

(Type or Print Name)

NAME: \_\_\_\_\_

(Type or Print Name)

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

## **Attachment 6**

### **Non-Disclosure Agreement**

This Non-Disclosure Agreement (the "Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_ 201\_, by and between \_\_\_\_\_ (hereinafter referred to as "the Offeror") and the State of South Carolina, South Carolina Public Employee Benefit Authority (hereinafter referred to as "PEBA"). Offeror as herein used includes both any entity that submits a proposal and any entity that is considering submitting a proposal but ultimately does not.

Offeror warrants and represents that it intends to submit a Technical and Business Proposal in response to the Request for Proposals for Third Party Administration for the South Carolina Public Employee Benefit Authority's Health Benefits Plan. In order for the Offeror to submit a Proposal, it will be necessary for PEBA to provide the Offeror with access to certain confidential information including, but not limited to, demographic and identifying information on eligible individuals and plan utilization data. All such information provided by PEBA shall be considered Confidential Information regardless of the form, format, or media upon which or in which such information is contained or provided, regardless of whether it is oral, written, electronic, or any other form, and regardless of whether the information is marked as "Confidential Information." As a condition for its receipt and access to the Confidential Information described in Part 3, Scope of Proposal, Offeror agrees as follows:

1. Offeror will not copy, disclose, publish, release, transfer, disseminate, or use for any purpose in any form any Confidential Information received except in connection with the preparation of its Proposal. All Confidential Information and copies thereof shall be protected from disclosure by commercially reasonable means, including without limitation physical separation, security, and limited need-to-know access for any hard copy materials and encryption, password protection, and secure transmission for electronic materials respectively.
2. Each employee or agent (including without limitation subcontractors) of the Offeror who receives or has access to the Confidential Information shall be notified of the confidentiality and nondisclosure requirements of this Agreement and the confidential nature of the Confidential Information. Each employee or agent of the Offeror who is provided access to or a copy of the Confidential Information shall be bound by confidentiality and nondisclosure obligations that are no less restrictive than the obligations set forth herein. The Offeror shall be liable for any violations by any employees or agents who are provided or given access to Confidential Information. The Offeror shall provide a list of all individuals, employees, and agents of the Offeror who have or have had access to the Confidential Information, along with the certification required in Section 3 of this Agreement.
3. Offeror, other than the Contractor, shall return to PEBA the original and destroy (in a manner designed to prohibit reading of, copying, or reconstruction of the data) any copies of the Confidential Information remaining in its possession within five (5) business days of PEBA's notice of award in connection with this procurement. If any Offeror does not submit a Proposal, the Offeror shall return the Confidential Information to the Procurement Officer on or before the due date for Proposals. The Offeror, other than the Contractor, shall certify, in writing and signed by an individual with authority to bind the Offeror, to the Procurement Officer that any and all Confidential Information (in whatever format or media) has been destroyed or returned to the Procurement Officer within five (5) business days of the notice of award or by the date the Offeror will not or did not submit a proposal, whichever is earlier. Such certification may be in the form provided below or in another form.
4. Offeror acknowledges that the disclosure of the Confidential Information may cause irreparable harm to PEBA and agrees that PEBA may obtain an injunction to prevent the disclosure, copying, or other impermissible use of the Confidential Information. PEBA's rights and remedies hereunder are cumulative and PEBA expressly reserves any and all rights, remedies, claims, and actions that it may have now or in the future to protect the Confidential Information and/or to seek damages for the Offeror's failure to comply with the requirements of this Agreement. The Offeror consents to personal jurisdiction in the South Carolina state and federal courts.
5. Offeror acknowledges that the disclosure of the Confidential Information may cause irreparable harm to PEBA and agrees that PEBA may obtain an injunction to prevent the disclosure, copying, or other impermissible use of the Confidential Information. PEBA's rights and remedies hereunder are cumulative and PEBA expressly reserves any and all rights, remedies, claims, and actions that it may have now or in the future to protect the Confidential Information and/or to seek damages for the Offeror's failure to comply with the requirements of this Agreement. The Offeror consents to personal jurisdiction in the South Carolina state and federal courts.



In the event PEBA suffers any losses, damages, liabilities, expenses, or costs (including, by way of example only, attorneys' fees and disbursements) that are attributable, in whole or in part to any failure by the Offeror or any employee or agent of the Offeror to comply with the requirements of this Agreement, Offeror shall hold harmless and indemnify PEBA from and against any such losses, damages, liabilities, expenses, and/or costs.

This Agreement shall be governed by the laws of the State of South Carolina and shall be enforced in the Court of Common Pleas for, or a federal court located, in Richland County, South Carolina.

Offeror acknowledges that a person may not willfully make a false or fraudulent statement or representation of a material fact in connection with a procurement contract. Offeror further acknowledges that this Agreement is a statement made in connection with a procurement contract.

The individual signing below warrants and represents that he or she is fully authorized to bind the Offeror to the terms and conditions specified in this Agreement.

OFFEROR: \_\_\_\_\_

BY: \_\_\_\_\_  
Signature

NAME: \_\_\_\_\_  
Print Name

TITLE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

**OFFEROR'S EMPLOYEES AND AGENTS WHO WILL BE GIVEN ACCESS TO THE CONFIDENTIAL INFORMATION**

Printed Name and Address of Employee/Agent	Employee (E) or Agent (A)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

I certify, on behalf of \_\_\_\_\_ (“Offeror”) that the original and any and all copies of the Confidential Information provided by PEBA in connection with the Request for Proposals for Third Party Administration for the South Carolina Public Employee Benefit Authority’s Health Benefits Plan have been returned to the Procurement Officer or destroyed in a manner designed to prevent copying, reconstruction of or reading of the data. Below is a list of the individuals, employees and/or agents to whom copies of or access to the Confidential Information have been provided.

I warrant and represent that I am fully authorized to bind the Offeror to the terms and conditions specified in this Agreement.

**OFFEROR’S EMPLOYEES AND AGENTS WHO WERE GIVEN ACCESS TO THE CONFIDENTIAL INFORMATION**

Printed Name and Address of Employee/Agent	Employee (E) or Agent (A)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

## **Attachment 7**

### **Description of Current Care Management Programs**

PEBA's Care Management function is provided by PEBA's current Third Party Administrator, BlueCross. The care management programs available to Plan members are explained below. BlueCross utilizes a fully integrated platform to identify and stratify members based on claims, lab, pharmacy data and personal health assessment responses, allowing BlueCross to engage members in relevant programs at the earliest point possible. Programs span the care continuum from well members all the way to complex case management and utilization management. Multiple modes of communication, including emails, text messaging and the My Health Planner application, provide for enhanced engagement with members enrolled in our clinical programs. Members have access to an interactive, personalized care program delivered via smartphone or tablet. Through the app, members can complete a daily Health Checklist, read educational content, and record their health status.

#### Prevention and Wellness

With earlier intervention, BlueCross helps prevent chronic disease from escalating for members in the low-risk category. These programs provide condition-specific education and counseling to support the management of chronic health conditions to include:

- Asthma (pediatric and adult)
- Chronic Obstructive Pulmonary Disease (COPD)
- Diabetes (adult and pediatric)
- Heart Failure
- High Blood Pressure
- High Cholesterol
- Metabolic Health
- Migraine
- Back Care
- Maternity
- Weight Management (pediatric and adult)

#### PEBA Perks

PEBA Perks are value-based health benefits that are offered at no charge to Plan primary members at network providers and pharmacies (<http://www.peba.sc.gov/pebaperks.html>). The benefits available through PEBA Perks include:

- Preventive Screening - This comprehensive, biometric screening includes fasting blood work, a personal health risk appraisal, height and weight measurements, blood pressure and lipid panels. The confidential report highlights measurements outside the normal range, which may show the individual is at risk for developing diseases such as hypertension, diabetes and anemia. Participants are encouraged to give the screening results to their doctor.
- Flu Vaccine - Members may get the flu vaccine from a participating pharmacy for a \$0 copayment. If a member receives the vaccine in a participating network doctor's office, the vaccine and the administration

fee will be paid in full by the Plan; any associated office visit charges will be processed according to regular Plan coverage rules.

- Adult vaccinations - Following recommendations from the Centers for Disease Control (CDC), this benefit covers 13 vaccines for adults, such as shingles, pneumonia and HPV.
- Diabetes Education - Participants learn ways to manage the disease through diabetes education services offered by network providers.
- Colonoscopy - This benefit covers not only the colonoscopy, but also associated services for members 50 and older.
- No-Pay Copay - The No-Pay Copay program gives Plan primary members, including employees, retirees, COBRA subscribers, survivors, and their covered spouses, with high blood pressure, high cholesterol, congestive heart failure, cardiovascular disease, coronary artery disease, or diabetes a copayment waiver for generic drugs that treat these conditions. Participants qualify for the program on an annual basis. By completing certain activities annually, participants can receive certain generic drugs at no member cost the next benefit year.

### Episodic Management

Transition members effectively and appropriately between care settings:

- Readmission avoidance program targeting members with knee, hip, or back surgery.
- Emergency Room Care Guardian - Decrease emergency room overutilization, targeted towards members with ER visits for non-emergent conditions.

### Progressive Management

Assist members with low-risk diabetes, COPD, and/or heart failure, with an increased inpatient predictive risk score, to overcome barriers to chronic condition management and prevent an unnecessary inpatient admission. This program mitigates progression of chronic conditions through proactive care management.

### Chronic Condition Care

Works to stabilize disease progression by education of condition-specific best practices and coordination of care efforts for members with the following conditions in the medium and high-risk categories:

- Hypertension
- Heart Failure
- High Cholesterol
- Diabetes (adult and pediatric)
- Asthma (pediatric and adult)
- Migraine
- COPD
- Metabolic Health

- Heart Disease

### Complex Care Management Program

This program is designed to effectively manage and coordinate care for members with multiple complex needs. Case managers serve as health advocates to/for:

- High-Risk Maternity Care
- NICU Care
- Care management for members with the most complex conditions that may result in frequent hospitalizations, extensive post-acute care, long term, or life-threatening conditions such as malignancies, transplants, trauma, end-stage renal disease.

### Specialty Complex Care Management Program

The Specialty Complex Care Management program uses a proactive, member-centered strategy focused on intensive education, care coordination, and member empowerment across the health care delivery system and throughout the life cycle of the disease. Care managers provide intensive management by specialized clinical teams for members with:

- End Stage Renal Disease Complex Case Management
- Medical Complex Case Management
- Transplant Case Management

### Maternity Care Program

The Maternity Care Program is designed to provide information and support throughout a participant's pregnancy and the postpartum period. Members have access to an interactive and customized program that guides expecting moms through their pregnancy. Program participants receive educational information about each stage of pregnancy as well as adjustments they'll face after their baby's birth. Women who are high risk or want more support have access to a dedicated maternity nurse for one-one-one support as needed. The Maternity Care program helps members make healthier lifestyle choices and lower their risks for pregnancy-related complications.

### Utilization Review

Utilization review consists of specific medical criteria that is used as a tool to evaluate a patient's medical need(s) and to determine the most appropriate type of service, acuity level and when necessary, the length of stay needed to meet the needs of the patient. The primary goal of utilization management is to monitor and proactively and positively impact those areas of utilization that have the largest financial impact and the greatest financial risk. These include, but are not limited to:

- Inpatient hospitalizations
- Elective surgeries
- Outpatient surgeries

- Diagnostic procedures
- Specialty pharmaceutical injectable medication
- Specialty referral services
- Advance radiology services
- Laboratory services
- Potentially investigational, experimental, or cosmetic services

The Utilization Management Program integrated the delivery of utilization review activities to deliver a consistent and holistic approach to the health care continuum.

### Strive

Strive is a comprehensive digital solution for health and well-being engagement. Strive is designed to help members adopt easy-to-maintain changes in behavior that can lower health risks. Everyone has different health goals and needs. Members deserve better than a one-size-fits-all digital platform. Whether members just want to stay healthy or need to manage certain health concerns, Strive helps members get on a path to success.

### Onsite health education

BlueCross offers onsite self-care, disease prevention and management and wellness programs for PEBA members through onsite educational seminars. These seminars will be made available to participating employer groups as an employer paid fee. Employers can choose from a menu of topics that impact their members most and can opt for either one 1-hour session or five 1-hour session. Sessions will be conducted by professionals to include physicians, nurses, health educators and nutritionists.

## **Attachment 8**

### **Provider Reimbursement Methodologies**

- 1) Inpatient facility claims are reimbursed prospectively using a hospital peer group specific Diagnostic Related Group (DRG) based system. There are currently three hospital peer groups within South Carolina. PEBA, working in conjunction with the Contractor, is responsible for establishing the hospital to peer group assignment. PEBA has also established several quality-based measures that allow for increased payments to hospitals. These adjustments are expressed as percentage increases to the prospective payment amounts as well as per diem rates for the hospitals identified by PEBA. The DRG grouper software is updated annually and follows CMS logic and definitions and includes application of present on admission (POA) logic. The allowance calculation is determined by the DRG assigned during the claims adjudication process. Once the DRG is assigned, the case will be paid using the following rules<sup>1</sup>:
  - a. Inlier – if the length of stay for the admission is less than or equal to the DRG specific outlier day trim point and the DRG has a fixed price established, the case is reimbursed the prospective amount.
  - b. Outlier – if the length of stay for the admission is greater than the DRG specific outlier trim point and the DRG has a fixed price established, the case is reimbursed the prospective amount plus a per diem allowance for each day in excess of the DRG specific trim point. Currently, outlier per diem rates are established on the basis of medical or surgical case type. PEBA generally relies on CMS rules for the definition of medical or surgical admissions.
  - c. Per Diem – PEBA has established per diem rates for 12 DRG codes. The majority of these rates are for neonatal and burns admissions. For cases falling in these DRG classifications, the allowance is determined by multiplying the per diem rate times the number of days.
  - d. Non-Rated – For these low volume DRG codes, a 50% discount is taken.
  - e. Transplants – PEBA seeks to access the Contractor’s transplant network. In addition to the national network, PEBA has also entered into a contractual arrangement with one in-state provider. These cases are currently reimbursed using global case rates (one reimbursement for both institutional and professional providers) along with either charge or day outlier protection.
  - f. Behavioral health – The behavioral health manager (CBA) adjudicates these claims unless the admission has been precertified by the Contractor (rare event where the patient presents with medical symptoms and the ultimate cause is behavioral). For those cases, per diem rates have been established and are to be applied using the “lesser of” logic.
- 2) Outpatient facility claims are reimbursed prospectively using a modified version of the Medicare Ambulatory Patient Classifications (APC) grouper. One system is used for all network providers. The modifications to the system are:
  - a. Annual update of the APC definitions at the discretion of PEBA and with the input of the Contractor. This update is generally based on the January release of definitions.
  - b. Allocation of ancillary services (as defined by the APC) back to other APC priced service lines based on proportional logic. These allocated charges are considered as part of the “lesser of” logic for the APC component(s) of the claim and is evaluated at the service line level.
  - c. PEBA developed units of service edits based on CPT4 / HCPCS code. These edits will be supplied to the Contractor. In addition to the State developed units of service edit, CMS multiple procedure reductions / rules are also applied.
  - d. PEBA developed a fee schedule for CPT4 / HCPCS codes not defined in the APC system. These services are predominately laboratory and radiology procedures. The fee schedule will be supplied to the Contractor.

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<sup>1</sup> Inlier, outlier, and per diem cases are subject to “lesser of” logic. If the allowance amount determined during the adjudication process is greater than the charge, the hospital is reimbursed based upon the charge amount.

- e. Other procedure-based exclusions (such as routine mammography) will be made available to the Contractor.

The adjudication process for the outpatient system considers each service line billed by the facility. Based upon the CPT4 / HCPCS present on the service line, the service line will be evaluated / priced based on the following rules:

- a. If the CPT4 / HCPCS maps to a valid APC, the allowance will be based on the APC code and APC status code returned for that CPT4 / HCPCS code. Services considered ancillary under the APC system are zero priced and those charges are proportionally allocated back to APC service lines for that claim and considered under the “lesser of” logic for the APC component(s) and are evaluated at the service line level.
  - b. If the CPT4 / HCPCS is present on the fee schedule, the service is priced based on the appropriate allowance. These services are also considered in the “lesser of” logic for the APC component of the claim and are evaluated at the service line level.
  - c. If the CPT4 / HCPCS is not present or not defined under the APC system or by the fee schedule, a default percent of charges is allowed for the service.
  - d. If the CPT4 / HCPCS is not covered under the APC system as defined by PEBA, the service line is zero priced.
- 3) A procedure group driven prospective payment system for Ambulatory Surgical Centers (ASC). One system is used for all network providers. The CPT4 to procedure group mapping will be provided to the Contractor. ASC providers are reimbursed the lesser of actual charges or a fee schedule amount determined by the CPT4 / HCPCS code submitted on the UB04 billing form. There are currently ten procedure groups in the system. Services determined by the Contractor to be normally performed in a physician office are subject to medical necessity review. If medical necessity of an ASC setting is determined, these services are reimbursed at the lowest payment group.
- 4) A CPT4 / HCPCS based fee schedule for professional services. One fee schedule is utilized for the payment of all network professional services. The fee schedule is updated annually and utilizes a site of service differential based upon the CMS definitions contained in the Resource Based Relative Value System (RBRVS). Actual allowances will be provided to the Contractor. Currently, separate fee schedules are in place for independent laboratory (proprietary) and non-independent laboratory providers (non proprietary) for the provision of laboratory services.



## Attachment 9 Datasets

The data are:

- 1) Eligibility
  - a. Person identifier
  - b. Date of birth
  - c. Gender
  - d. Relationship to the insured
  - e. Subscriber type
  - f. ZIP code
  - g. Enrolled Plan
  - h. Effective date of coverage
  - i. Ending date of coverage
  
- 2) Medical claims
  - a. Person identifier
  - b. Date of service
  - c. Ending date of service
  - d. Discharge date (if applicable)
  - e. Discharge status (if applicable)
  - f. Date paid
  - g. Provider identifier (FEIN)
  - h. Procedure code (professional claims)
  - i. Procedure modifier (professional claims)
  - j. HCPCS code (institutional claims)
  - k. UB92 revenue code (institutional claims)
  - l. DRG code (if applicable)
  - l. Place of service
  - m. Type of service
  - n. Primary diagnosis
  - o. Diagnosis 2
  - p. Diagnosis 3
  - q. Units of Service
  - r. Submitted charge
  
- 3) Pharmacy claims
  - a. Person identifier
  - b. Dispense date
  - c. Pharmacy ID
  - d. Pharmacy type
  - e. Prescriber ID
  - f. Metric quantity
  - g. Days of therapy
  - h. NDC code
  - i. Drug type
  - j. Submitted charge

The person identifier is a consistent identifier for each person that can be used as a key across each of the data sets.

Services contained on the service files are original submissions only. Adjustment records are not supplied and Offerors are to assume each service is in final payment status. Actual total net payments for the data period of the medical file (incurred from 1/1/2019 to 12/31/2021, paid through 10/07/2022) were \$4,827,991,069.

The eligibility file contains one record per eligibility span for each subscriber and their dependents that are/were enrolled in the Standard Plan, the Medicare Supplemental Plan, MUSC Health Plan and the Savings Plan during the claims period (incurred from 1/1/2019 to 12/31/2021, processed through 10/07/2022).

All files are supplied in pipe delimited format in ASCII collating sequence. The first record in each file contains a variable name. Control totals and a data dictionary will be distributed with the package.