

NDPERS BOARD MEETING

Agenda

Bismarck Location:
ND Association of Counties
1661 Capitol Way
Fargo Location:
BCBS, 4510 13th Ave SW

May 20, 2010

Time: 8:30 AM

I. MINUTES

A. April 29, 2010

II. GROUP INSURANCE

- A. MediQ/accordant Home Update – BCBS
- B. Go Red Program – Joan Enderle (Information)
- C. Health Care Reform – Sparb (Information)
 - 1. Dependent Coverage
 - 2. Retiree Reinsurance
- D. BCBS Update – Sparb (Informational)
- E. Vision Plan RFP – Gabriel Roeder Smith (Board Action)

III. RETIREMENT

- A. State Investment Board Update – Board Members
- B. Asset Liability Study – Sparb (Board Action)

IV. FLEX COMP

- A. Plan Amendment – Kathy (Board Action)

V. MISCELLANEOUS

- A. PERS Budget – Sparb (Board Action)
- B. SIB Agenda

VI. DEFERRED COMPENSATION

- A. Hardship Withdrawal – Kathy (Board Action)
 - 1. #2010-002DC
 - 2. #2010-003DC

VII. Health Bid (Executive Session) – Sparb (Board Action)

Any individual requiring an auxiliary aid or service must contact the NDPERS ADA Coordinator at 328-3900, at least 5 business days before the scheduled meeting.



North Dakota
Public Employees Retirement System
400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: PERS Board
FROM: Sparb Collins
DATE: May 13, 2010
SUBJECT: MediQhome Program/Accordant

Dr Jon Rice will be at the next board meeting to give you an update the MediQhome program and a disease management program for rare or unique medical conditions. Attached is a copy of the presentation.



Medical Management

NDPERS

April 23, 2010

Jon Rice, M.D.



MediQhome

- What is it?
- How does it work?
- What does it look like?
- So what?
- Participants
- What is up with NDPERS?



What is it?

- An electronic tool for the provider community to provide near real time information that is patient specific at the point of care at the time of care.



How does it work?

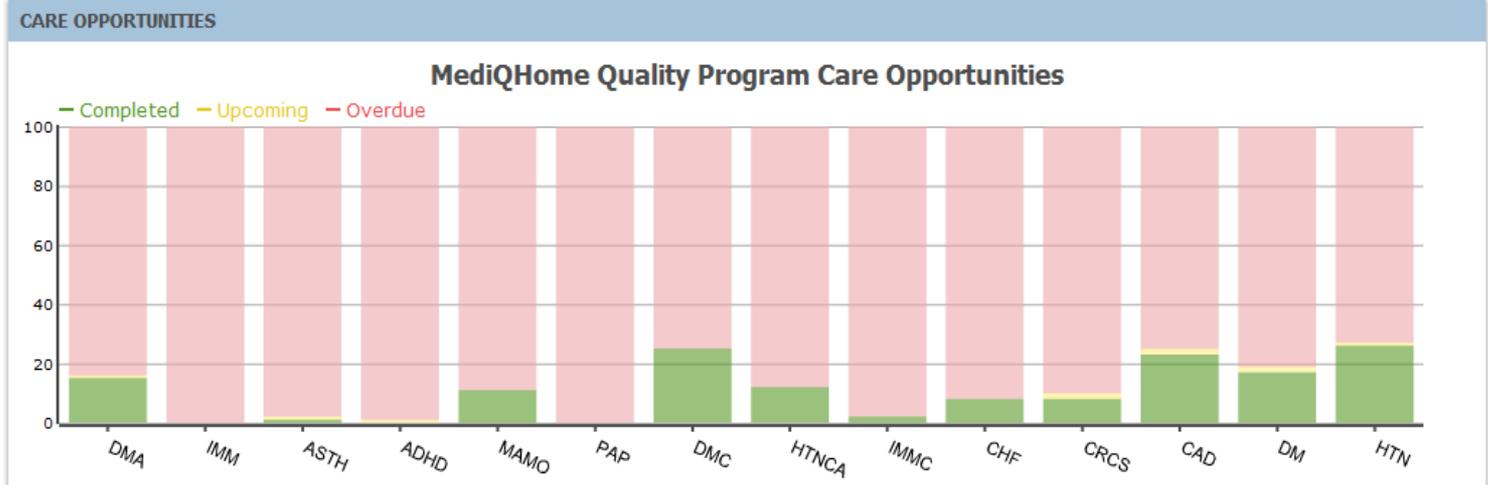
- Agreement between participating providers and BCBSND for reimbursement if the provider used the tool for his/her population.
- Agreement between provider and vendor (MDdatacor) for data sharing of the providers records.
- Medical records of the provider are shared with MDdatacor and relevant portions are quantified for quality metrics.
- The quality metrics are fed back to the individual physician on an individual patient basis through a secure web portal.



What does it look like?

ND DEMO LAST LOGIN TUESDAY, JANUARY 12, 2010

GROUP: Altru Health System
 PHYSICIAN: <All>
 CMF: <All>
 FILTER



SUITE	COMPLETE	UPCOMING	OVERDUE	SUITE	COMPLETE	UPCOMING	OVERDUE
Adolescent Diabetes DMA	70	5	389	Adult & Adolescent Immunizations IMM	68	3	82915
Asthma ASTH	14	5	1061	Attention-Deficit Hyperactivity Disorder ADHD	2	1	466
Breast Cancer MAMO	708	2	5470	Cervical Cancer PAP	7	0	9754
Child Diabetes DMC	14	0	43	Child/Adolescent Hypertension HTNCA	17	0	126
Childhood Immunizations IMMC	94	0	4363	Chronic Heart Failure CHF	340	12	4015
Colorectal Cancer CRCS	729	196	8593	Coronary Artery Disease CAD	2271	134	7264
Diabetes DM	2888	360	13992	Hypertension HTN	1843	15	5126

NEWS & ALERTS

No alerts at this time

PRACTICE OVERVIEW

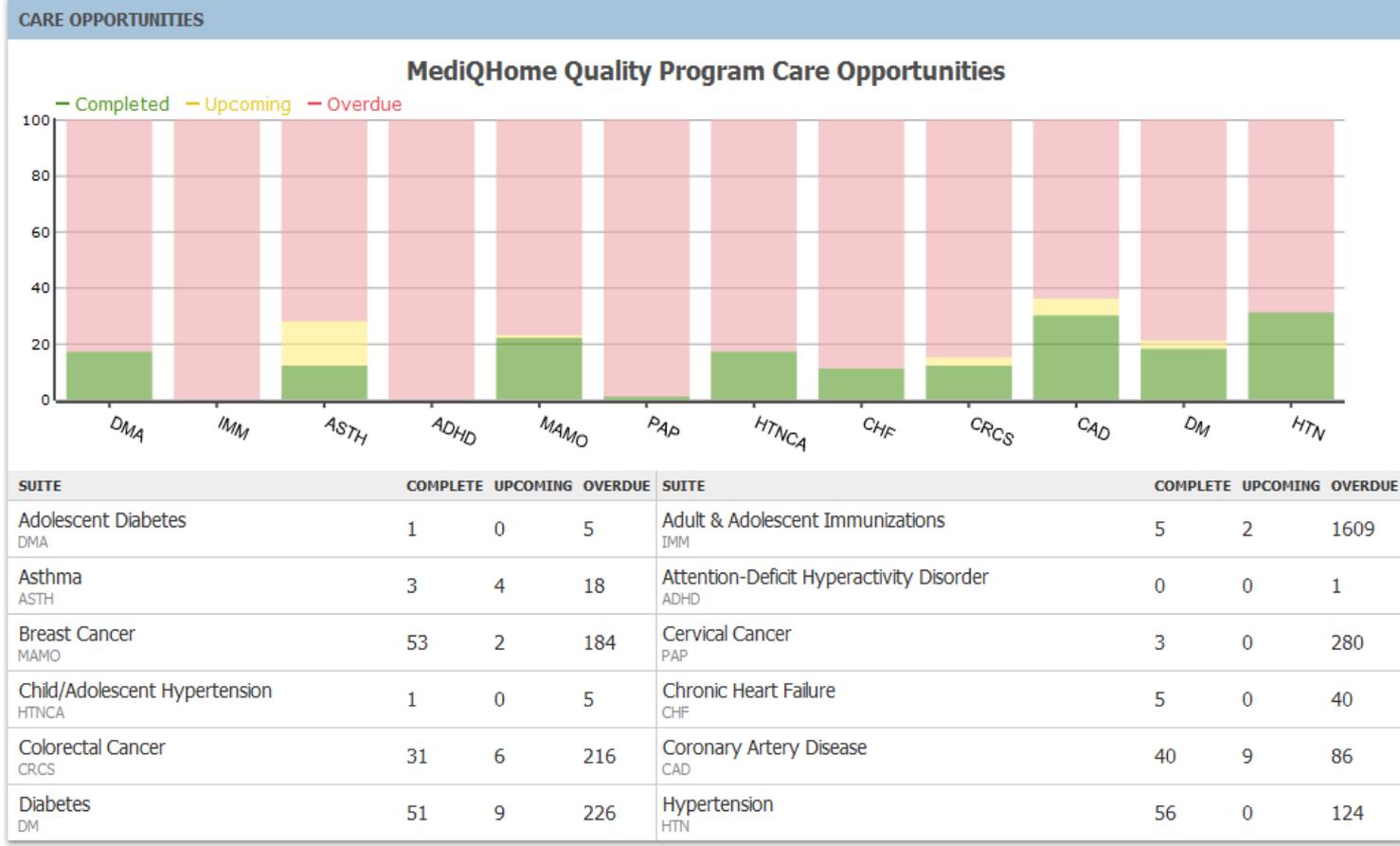
Patients	28068
On Hold	76836
Pending Reattribution	1

REPORT REFRESH DATE

Tuesday, January 12 2010, 12:13 AM

ND DEMO LAST LOGIN TUESDAY, JANUARY 12, 2010

GROUP: Altru Health System
 PHYSICIAN: Adams, Allison
 CMF: <All>
 FILTER



NEWS & ALERTS

No alerts at this time

PRACTICE OVERVIEW

Patients	439
On Hold	0
Pending Reattribution	0

REPORT REFRESH DATE

Tuesday, January 12 2010, 12:13 AM

Patient List

Patient Care Summary

EXPORT PRINT SUMMARY PRINT DETAIL

PATIENT NAME Chavez, Jaslene **PATIENT ID** 55436 **DOB** 9/29/1948 **PHYSICIAN** Adams, Allison

ADD NEW PATIENT

GENERATE OUTREACH LETTER

SHOW PATIENT INFO

CARE OPPORTUNITIES

DM 6 HTN 0 IMM 3 MAMO 1 CRCS 1 PAP 1

SHOW SUITES & EXCLUSIONS

Clinical Data

DIABETES				New	Delete
CLINICAL ELEMENT	DATE	VALUE	SOURCE		
▶ Aspirin	-	-	-		
▶ Total Blood Pressure	10/14/2009	126/72	EMR		
▶ Foot Exam	-	-	-		
▶ Hemoglobin A1C	8/22/2009	5.5	EMR		
▶ Low-density lipoprotein	12/27/2007	76	EMR		
▶ Microalbumin	1/1/2009		EMR		
▶ Retinal Exam	-	-	-		
▶ Tobacco Use Indicated	-	-	-		
▶ Tobacco free	-	-	-		

EXPAND ALL

ADULT & ADOLESCENT IMMUNIZATIONS				New	Delete
CLINICAL ELEMENT	DATE	VALUE	SOURCE		
▶ Influenza A Vaccine	11/12/2009		Data Entry		

BREAST CANCER				New	Delete
CLINICAL ELEMENT	DATE	VALUE	SOURCE		
▶ BSGI (Breast Cancer Screening)	2/18/2008		Data Entry		

EXPAND ALL

COLORECTAL CANCER				New	Delete
CLINICAL ELEMENT	DATE	VALUE	SOURCE		
▶ Colonoscopy (Colorectal Cancer Screening)	12/1/1999		Data Entry		

EXPAND ALL

CERVICAL CANCER				New	Delete
CLINICAL ELEMENT	DATE	VALUE	SOURCE		
▶ Pap Test: Cervical Cancer Screening (Pap Test)	-	-	-		

EXPAND ALL

Patient Name	Patient ID	DOB	Physician
Chavez, Jaslene	55436	9/29/1948	Adams, Allison

Care Opportunities

DM	HTN	IMM	MAMO	CRCS	PAP
6	0	3	1	1	1

Diabetes

Clinical Element	Date	Value	Source
(R) Aspirin			-
Total Blood Pressure	10/14/2009	126/72	EMR
(R) Foot Exam			-
Hemoglobin A1C	8/22/2009	5.5	EMR
Low-density lipoprotein	12/27/2007 (R)	78	EMR
Microalbumin	1/1/2009 (Y)		EMR
(R) Retinal Exam			-
(R) Tobacco Use Indicated			-
(R) Tobacco free			-

Adult & Adolescent Immunizations

Clinical Element	Date	Value	Source
Influenza A Vaccine	11/12/2009		Data Entry
(R) Tetanus, Diphtheria, Pertussis Vaccine (Td/Tdap)			-
(R) Varicella-Zoster Virus (VZV)			-
(R) Zoster Vaccine			-

Hypertension

Clinical Element	Date	Value	Source
GFR (Blood Pressure)	10/11/2009	60	EMR
Microalbumin Exclusion (Blood Pressure)			-
Total Blood Pressure (Blood Pressure)	10/14/2009	126/72	EMR
ACEI (GFR < 60 and ACEI/ARB use)			-
ARB (GFR < 60 and ACEI/ARB use)			-
GFR (GFR < 60 and ACEI/ARB use)	10/11/2009	60	EMR

Breast Cancer

Clinical Element	Date	Value	Source
BSGI (Breast Cancer Screening)	2/18/2008 (Y)		Data Entry

Colorectal Cancer

Clinical Element	Date	Value	Source
Colonoscopy (Colorectal Cancer Screening)	12/1/1999 (R)		Data Entry

Cervical Cancer

Clinical Element	Date	Value	Source
(R) Pap Test Cervical Cancer Screening (Pap Test)			-

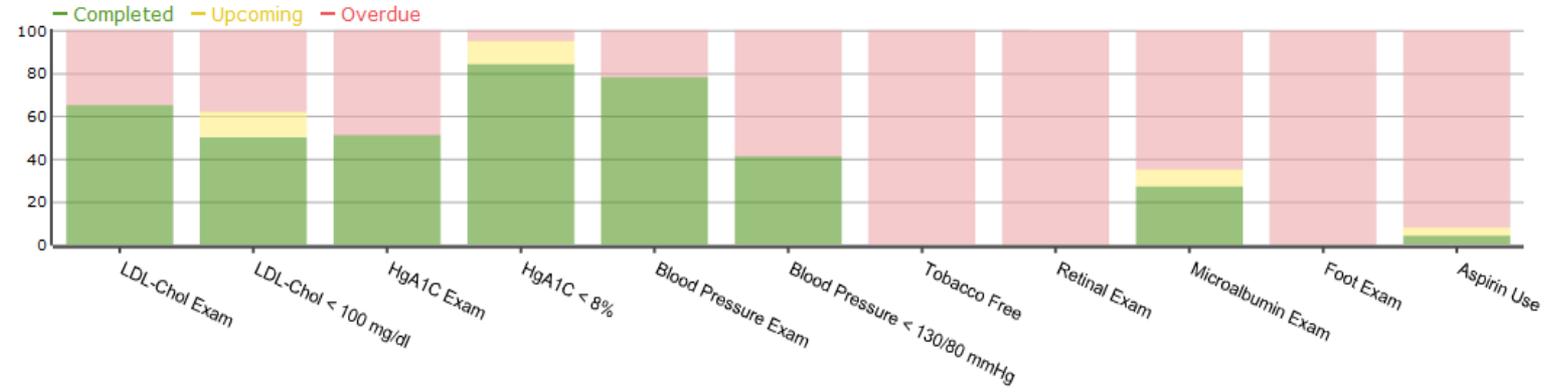
- Care Opportunities
- Goal Progress
- Physician Comparison

GROUP:
 PHYSICIANS:
 SUITES:
 CMF:
 CARE OPPORTUNITIES:

FILTER

EXPORT

Diabetes Care Opportunities



METRIC:

SHOW

<input type="checkbox"/>	LAST NAME	FIRST NAME	MDD ID	DOB	PHONE NUMBER	PHYSICIAN	ORGANIZATION	MEASURE	RESULT	DATE OF SERVICE	ADDRESS LINE 1	ADDRESS LINE 2	CITY	STATE	ZIP	CMF
<input checked="" type="checkbox"/>	Austin	Evelyn	1752263	02/04/1990	(555) 701-7728	Adams, Allison	Altru Clinic - Main	Blood Pressure Exam	300/200	02/01/2006	576556 8TH AVE S		GRAND FORKS	ND	58201	Yes
								Foot Exam	-							Yes
								HgA1C Exam	-							Yes
								LDL-Chol Exam	500	06/03/2006						Yes
								Microalbumin Exam	-							Yes
								Retinal Exam	-							Yes
								Tobacco Free	-							Yes

- Patient List
- ON HOLD
- REATTRIBUTION
- ARCHIVED
- Patient Care Summary

Generate Outreach Letters

FORM LETTER
Generic_v1

Generate outreach letters for 1 patients.

PREVIEW

[Organization Name]
[Street Address]
[City, ST ZIP Code]

[System Date]

[Patient Name]
[Street Address]
[City, ST ZIP Code]

Dear [Patient Name]:

In an effort to improve the quality of health care we provide, we are tracking the care of our patients. We want to make sure we are providing the best possible care which places a high priority on preventative and follow-up visits.

Our records indicate that you need to come in for a checkup. We will discuss the status of your health and discuss any upcoming or overdue labs or procedures. Please call our office so that we can schedule an appointment for

BY CHECKING THIS BOX THE USER GENERATING THESE OUTREACH FORM LETTERS ACKNOWLEDGES AND AGREES THAT IT IS THE USER'S SOLE RESPONSIBILITY TO REVIEW AND VERIFY THE ACCURACY OF THE NAMES, ADDRESSES AND OTHER PATIENT DEMOGRAPHIC OR HEALTH INFORMATION CONTAINED HEREIN PRIOR TO SENDING THESE LETTERS OR OTHER RELATED COMMUNICATIONS TO PATIENTS. THE INFORMATION CONTAINED WITHIN OUTREACH FORM LETTERS OR ANY OTHER MDINSIGHT REPORT IS GENERATED BASED UPON PATIENT INFORMATION AND DATA SUBMITTED BY THE PROVIDER ORGANIZATION AND THEREFORE MDINSIGHT IS NOT RESPONSIBLE FOR ANY INACCURACIES OR ERRORS.

Altru Health System
1200 S Columbia Rd
Grand Forks, ND 58201

January 12, 2010

Jaslene Chavez
436830 6TH AVE N
GRAND FORKS, ND 58203

Dear Jaslene Chavez:

In an effort to improve the quality of health care we provide, we are tracking the care of our patients. We want to make sure we are providing the best possible care which places a high priority on preventative and follow-up visits.

Our records indicate that you need to come in for a checkup. We will discuss the status of your health and discuss any upcoming or overdue labs or procedures. Please call our office so that we can schedule an appointment for you if you don't have one scheduled in the near future.

Sincerely,

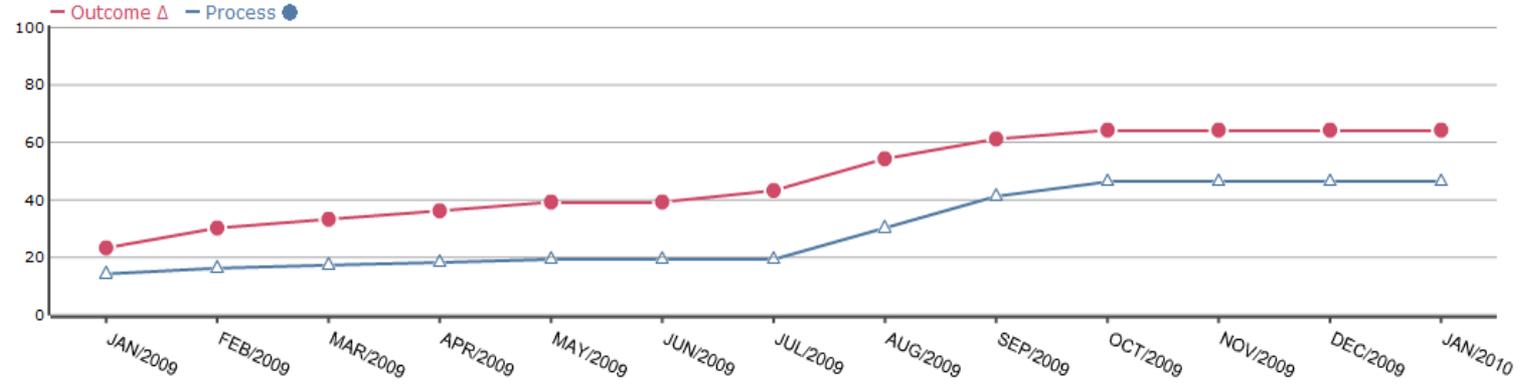
Allison Adams

- Care Opportunities
- Goal Progress**
- Physician Comparison

EXPORT

GROUP: PHYSICIANS: SUITES: CMF:

Blood Pressure



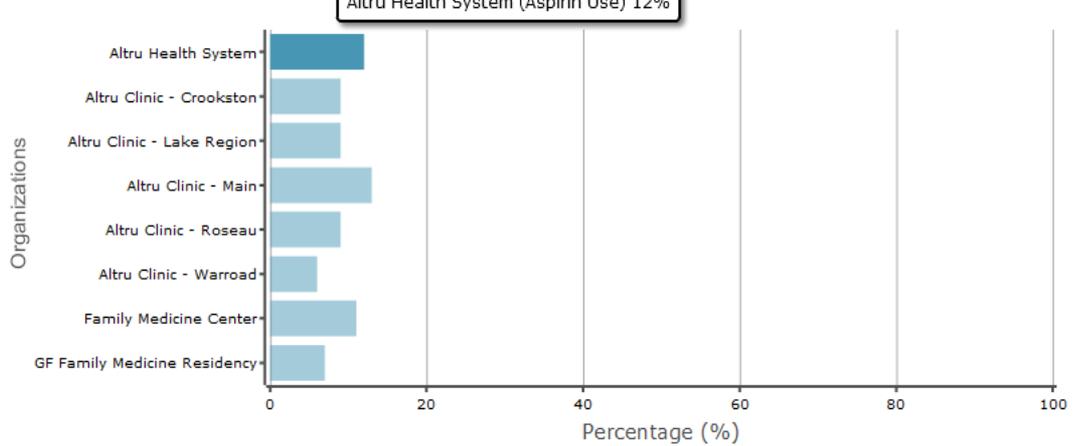
METRIC: MONTH:

CLINICAL SUITE	MEASURE TYPE	MEASURE NAME	PERFORMANCE GOALS			PERFORMANCE	LEVEL
			L1	L2	L3		
Hypertension	Process	GFR < 60 and ACEI/ARB use	N/A	N/A	N/A	9% 89/963	•••
Hypertension	Outcome	Blood Pressure <140/90 /(GFR <60)<130/80	N/A	N/A	N/A	64% 1769/2746	•••
Hypertension	Process	Blood Pressure Exam	N/A	N/A	N/A	46% 2746/6017	•••

- Care Opportunities
- Goal Progress
- Physician Comparison

GROUP: Altru Health System
 PHYSICIANS: <All>
 SUITES: CAD
 MONTH: January / 2010
 CMF: <All>
 FILTER

Coronary Artery Disease Physician Comparison - Aspirin Use



METRIC: Aspirin Use

SUITE	LDL-CHOL < 100 MG/DL		LDL-CHOL EXAM		TOBACCO FREE		BLOOD PRESSURE < 130/80 MMHG		BLOOD PRESSURE EXAM		ASPIRIN USE		BMI		BETA-BLOCKER THERAPY IN MI		OPTIMAL VASCULAR CARE		
	SUCCESS	LEVEL	SUCCESS	LEVEL	SUCCESS	LEVEL	SUCCESS	LEVEL	SUCCESS	LEVEL	SUCCESS	LEVEL	SUCCESS	LEVEL	SUCCESS	LEVEL	SUCCESS	LEVEL	
CORONARY ARTERY DISEASE																			
PHYSICIAN																			
Adams, Allison	86%	2	81%	7%	76%	2	63%	12%	44%	0%	4%								
	19/22	●●●	22/27	2/27	13/17	●●●	17/27	3/26	12/27	0/1	1/27								
Allen, Jon	74%	2	79%	1%	75%	2	61%	15%	47%	0%	1%								
	106/144	●●●	144/182	1/182	83/111	●●●	111/182	28/182	85/182	0/2	1/182								
Anderson, Marie	75%	2	78%	3%	54%	1	39%	7%	36%	0%	3%								
	39/52	●●●	52/67	2/67	14/26	●●●	26/67	5/67	24/67	0/1	2/67								



So What?

- Currently only 55% of recommended EBM care is provided (IOM report)
- Appropriate preventive testing is monitored and reported
- Gaps in care are highlighted
- Gaps can be addressed
- More comprehensive preventive care yields fewer admissions and ER visits and less costly care.



Participants

- Altru
- MeritCare
- IMA
- Great Plains
- Libson
- Northwood
- MCO
- Trinity
- Innovis (pending)

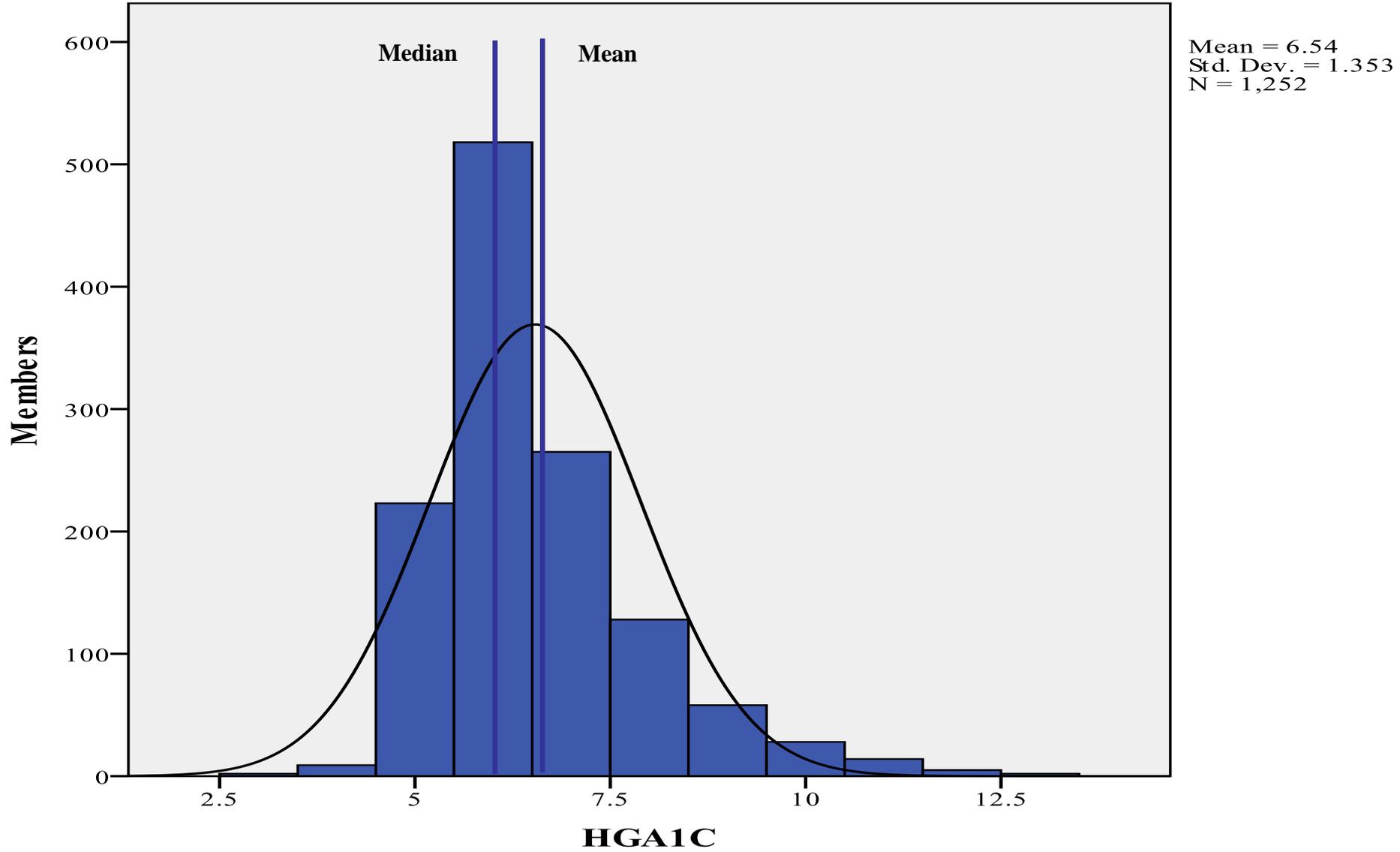


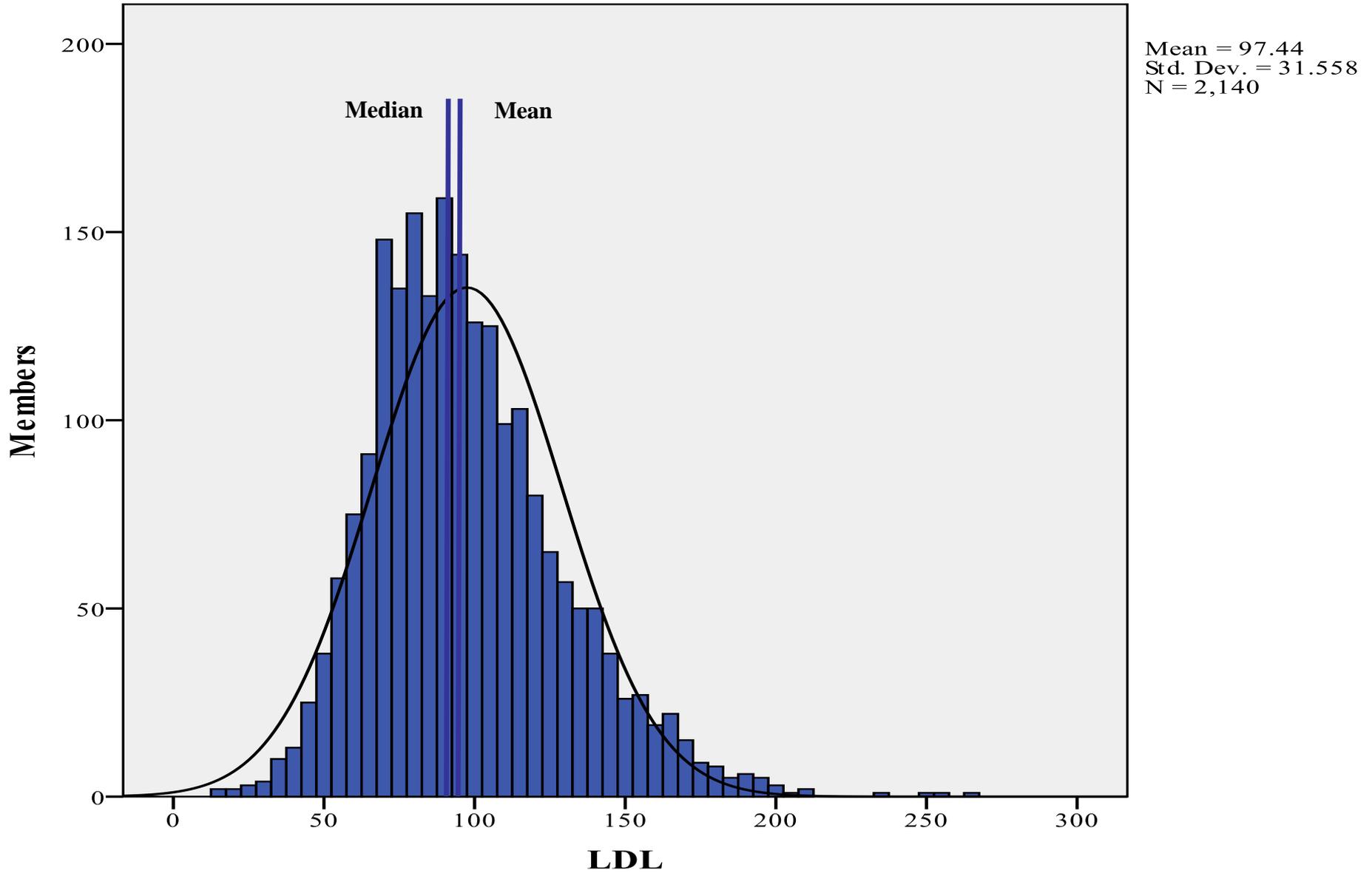
NDPERS

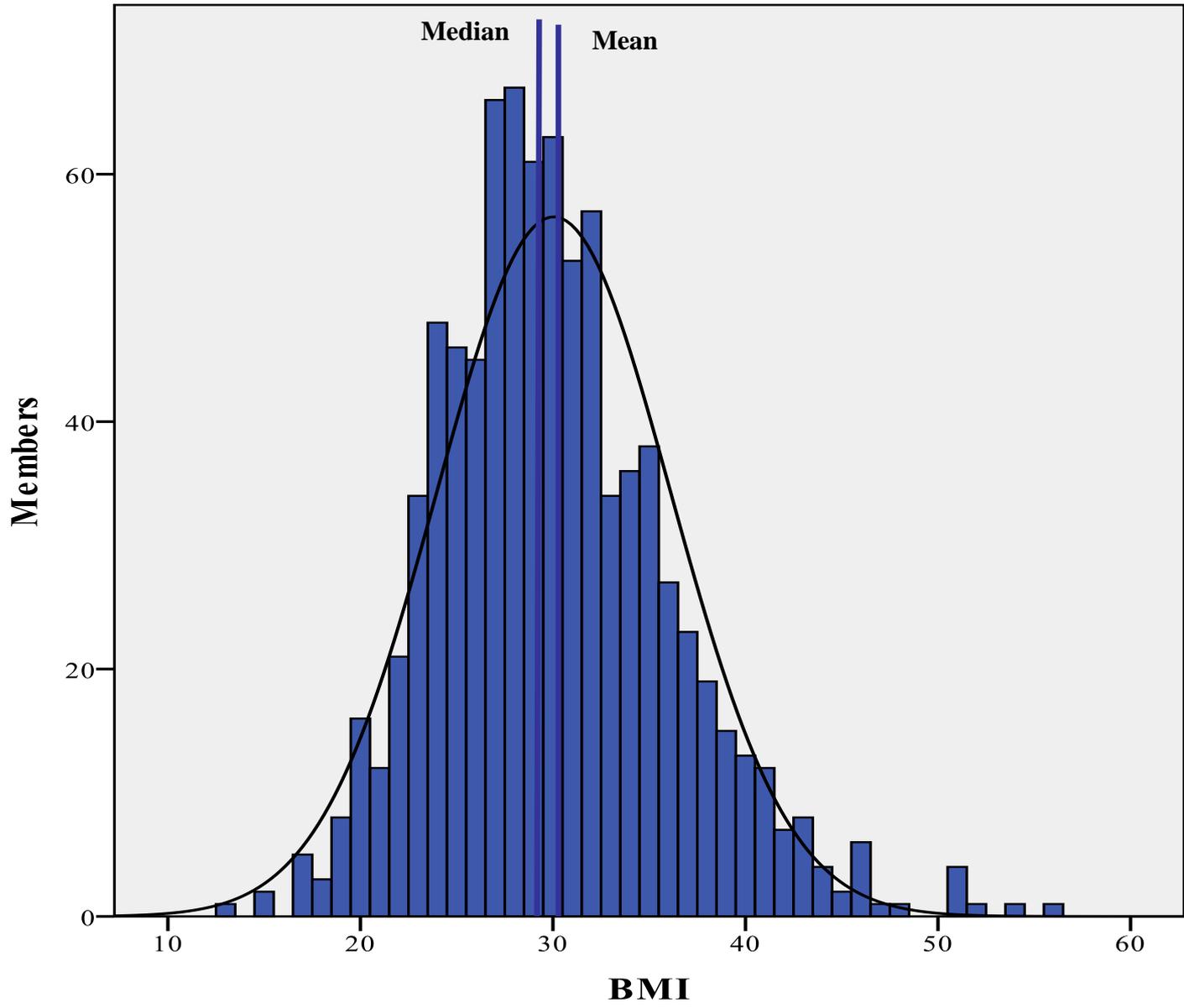


Prevention Suites

- Cervical Cancer 6,333
- Breast Cancer 4,758
- Colorectal Cancer 7,458
- Adult Immunization 15,081
- Child Immunization 408







Mean = 30.04
Std. Dev. = 6.074
N = 861



Accordant

- Rare and uncommon condition disease management
- 16 conditions
- Pending Board Approval



Conditions

CIDP	SLE
Crohn's	Multiple Sclerosis
Dermatomyositis	Myasthenia Gravis
Gaucher Disease	Parkinson's Disease
Hemophilia	Polymyositis
ALS	Rheumatoid Arthritis
Seizure Disorder	Scleroderma
Sickle Cell Disease	Cystic Fibrosis



Timeline

- April - Contracting
- May - project planning
- June – data exchange
- July – Data analysis and education
- August - Implementation

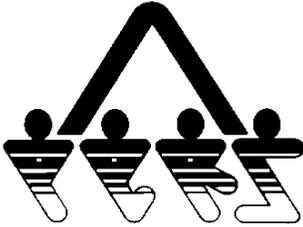


NDPERS Projections

- 1 % of population – 529 members
- 2008 and 9 costs - \$15,911,683
- Anticipated annual net savings -
15%=\$1,193,376 gross



?? QUESTIONS ??



**North Dakota
Public Employees Retirement System**
400 East Broadway, Suite 505 • Box 1657
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Sparb Collins
Executive Director
(701) 328-3900
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FAX: (701) 328-3920 • EMAIL: NDPERS-INFO@ND.GOV • www.nd.gov/ndpers

Memorandum

TO: PERS Board
FROM: Rebecca
DATE: May 13, 2010
SUBJECT: Go Red ND Initiative

PERS is pleased to have partnered with the American Heart Association's Go Red Initiative in North Dakota for the past three years. The free program materials offered to employers participating in the wellness program has raised awareness, educated employees on cardiovascular disease risk factors and promoted lifestyle change.

A worksite intervention program, providing cardiovascular screenings and wellness coaches, was funded through Go Red ND Initiative to three of our wellness employers. The three employers that participated in these special services were:

- North Dakota State University
- Workforce Safety & Insurance
- Morton County

Joan Enderle, the Director of the Go Red North Dakota Initiative will be attending the board meeting to provide an update on the worksite wellness programs and education opportunities that continue to be provided to our PERS employers through this partnership with the American Heart Association in addition to the outcomes.



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Memorandum

TO: PERS Board
FROM: Sparb Collins
DATE: May 13, 2010
SUBJECT: Health Care Reform

Two issues have arisen relating to the recent health care reform legislation. The first relates to the requirement that plans must provide coverage to dependents to age 26. The second relates to the pre-Medicare retiree reinsurance provisions.

Extension of Dependent Coverage

Attachment #1 is a memo from BCBS about the extension of coverage provision. As you will note they have decided to implement this provision early for their fully insured plans. They are asking for your direction on how to proceed with this for the PERS plan. They offer for your consideration the following option if we wish to implement this early for PERS:

1. We could implement this provision in June of 2010 without an increase in premiums
2. BCBS estimates the cost of adding this coverage for this year will be about \$600,000
3. Since the plans trend is lower than expected it is expected that existing premiums would cover this cost.
4. BCBS is not requesting any changes in the contract risk sharing provisions

Staff Recommendation

Add this coverage since:

1. BCBS is adding this for all their fully insured plans. In adding this at this time we would be following the same policy as other BCBS plans
2. In adding this we do not have to add to premiums or alter any risk sharing provisions.
3. In adding this at this time we would provide more continuity of coverage for this group

The other option for us is to wait and implement this provision when required which would be in July of 2011.

Pre-Medicare Reinsurance provision.

The Health care reform bill also provides for a pre-Medicare retiree reinsurance provision for employer plans that will reimburse employers by providing reinsurance for 80% of retiree claims between \$15,000 and \$90,000. This program is effective on June 1 and employer eligibility is determined from an application submitted by the employer to HHS. It appears that PERS would be eligible. The program also requires that the funds be used:

1. To reduce the sponsor's health benefit premiums or health benefit costs.
2. To reduce health benefit premium contributions, copayment, deductibles, coinsurance, or other out-of-pocket costs, or any combination of these costs, for plan participants.
3. To reduce any combination of the costs in (a)(1) and (a)(2) of this section.

While we may be eligible the first question is do we have the authority in our state statute to accept these payments and pay them out? NDCC 54-52.1-15 provides the following:

54-52.1-15. Acceptance and expenditure of third-party payments - Continuing appropriation. The board may receive moneys from third parties, including the federal government, pursuant to one or more federal programs. Any money received from a third party by the board is appropriated to the board on a continuing basis for the board's use in paying benefits, premiums, or administrative expenses under the uniform group insurance program.

The above appears to provide the necessary authority to the board. However, I am going to ask Aaron to review this as well before the meeting.

In terms of the potential reinsurance that PERS could be reimbursed, staff and BCBS have also reviewed this and find the following:

For the Non-Medicare members on the NDPERS Health Plan for the entire 2009 year:

90.5% had costs < \$15,000
8.2% had costs \$15,000 - \$90,000
And 1.3% had costs \$90,000+

There was \$1,659,000 paid in the \$15,000 - \$90,000 corridor

The value of this could be as much as \$190 per month per contract

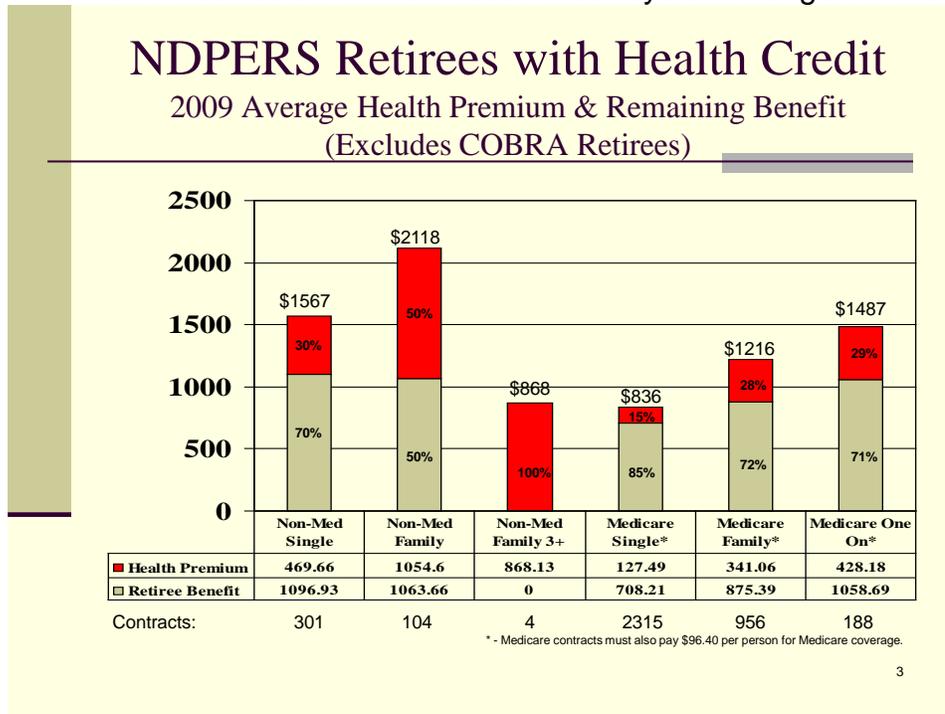
As noted above this has the potential to be a significant amount.

Some general considerations relating to this plan:

1. The premium is set in statute. Section NDCC 54-52.1-02 (1) states that "*The rate for a non-medicare retiree single plan is one hundred fifty percent of the active member single plan rate, the rate for a non-medicare retiree family plan of two people is twice the non-medicare retiree single plan*

rate, and the rate for a non-medicare retiree family plan of three or more persons is two and one-half times the non-medicare retiree single plan rate.”

2. The rates for this are: single plan - \$600.08; Family of 2 - \$1,200.16 and Family of 3+ - \$1,500.20. These amounts are paid by the retiree less the health credit for those who have the credit.
3. The above rates while high are subsidized by the active plan. According to the actuarial report completed by Van Iwaarden Associates and reported to the board in Sept of 2009, the projected subsidy for 2010 was to be about \$1.9 million.
4. These high premiums take a substantial percent of a pre-Medicare retiree’s retirement check as shown for those on our system that get the health credit.



In consideration of the above the information staff is seeking the board’s direction of the following:

1. Should staff submit an application to get the reinsurance subsidy?
2. If so we need to identify how the funds will be used and the following are some options;
 - a. We could allocate 100% of the subsidy received back to the members on the pre-Medicare retiree plan at a specific date after receiving the funds (this would not include those on the plan during the year and then left the plan) based upon their participation rate during the period for which the subsidy was paid. This could be accomplished by crediting their account with the amount due and the new PERSLink system would not charge them a premium until the amount was fully used. This is the most straight forward method. People will be informed they have this credit and that premiums will not be charged until the credit is used.
 - b. We could make a change in the plan design to reduce cost sharing (reduce deductibles, co-insurance or copayments). The dilemma with this method is once the money is gone the plan design must go back to what it was and

members will perceive this as benefit reduction. If it doesn't then premiums must go up which is also perceived very negatively. This option would also require BCBS to process pre-Medicare retirees differently and that may have administrative implications such as altering the claims payment process (which could affect our fee to BCBS), issuing new plan documents, getting them approved, etc). A second potential issue with this is the grandfather provision. If the plan was changed this could be a reason to lose that status.

- c. It appears the employer may be able to retain some or all of the funds. If this is accurate then the funds could be retained in the health plan and become part of the plans reserve. However, the drawback with this is the retiree pays all of the premium less the subsidy and the health credit. Consequently, if the plan retains all of the funds this could be perceived as inequitable. Another option here is to have the employer retain in reserves the ratio they subsidize.
3. The last issue is to determine our plan year. Staff is presently collecting more information on this and will present this at the board meeting. However at this point the guidance provided by the federal government is:

Plan year means the year that is designated as the plan year in the plan document of an employment-based plan, except that if the plan document does not designate a plan year, if the plan year is not a 12-month plan year, or if there is no plan document, the plan year is:

- (1) The deductible or limit year used under the plan;
- (2) The policy year, if the plan does not impose deductibles or limits on a 12-month

basis;

(3) The sponsor's taxable-year, if the plan does not impose deductibles or limits on a 12-month basis, and either the plan is not insured or the insurance policy is not renewed on a 12-month basis, or;

- (4) The calendar year, in any other case.

Staff

1. *Authorize staff to submit and application*
2. *Reimburse the funds received as a credit to retirees on the plan at the time of distribution and based upon their participation for the period for which the funds were received*
3. *Determine the plan year to be the deductible or limit year which in our case is the calendar year.*

BlueCross BlueShield of North Dakota

An independent licensee of the
Blue Cross & Blue Shield Association



Consulting Services Unit
4510 13th Avenue South
Fargo, North Dakota 58121-0001

(701) 282-1444

May 12, 2010

Mr. Sparb Collins, Executive Director
NDPERS
400 East Broadway, Suite 505
PO Box 1657
Bismarck, ND 58501

Dear Sparb:

As a result of the Patient Protection and Affordable Care Act signed by President Obama in March and accompanying communications with the Department of Health and Human Services, the Blue Cross and Blue Shield Association has indicated an intent to adopt certain key provisions of the legislation effective June 1, 2010, earlier than the requirements of the Act.

Accordingly, Blue Cross and Blue Shield of North Dakota is working with the North Dakota Department of Insurance to implement the following provisions for fully insured individual and employer group business on June 1:

- Expanded eligibility for child dependants through the end of the month of their 26th birthday
- Elimination of waiting periods for children 0-18 years old due to pre-existing conditions and certain benefit exclusions

Early adoption of these provisions will require the approvals by the Department of Insurance regarding notification to policyholders and amendments to contract language. The company is in discussion with the Department regarding these items.

NDPERS is not required to implement these changes until their July 1, 2011 biennium renewal. If adopted early, the increase in claims cost for the 2009-2011 biennium is estimated to be \$600,000. Current projections of biennium financial results indicate settlement gains in excess of the \$3,000,000 limit on BCBSND participation, therefore the additional claims cost is expected to impact NDPERS' portion of gains only. If the NDPERS Board elects to move ahead with the early adoption changes, BCBSND will accommodate by allowing the additional claims to process and run through the settlement process without revision or adjustment. The changes would allow dependents to remain on NDPERS plan using the new age criteria starting June 1, 2010 and would allow dependents to be added during the open enrollment period with an effective date of January 1, 2011.

If you have any questions, please feel free to call me at 701.282.1172.

Sincerely,

A handwritten signature in black ink that reads "Kevin Schoenborn".

Kevin Schoenborn, Manager
Blue Cross Blue Shield of ND



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(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: PERS Board
FROM: Sparb
DATE: May 13, 2010
SUBJECT: BCBS Update

Attached please find a memo from BCBS that is going to all of their members relating to their board elections. The PERS board discussed the BCBS process at a recent meeting and directed me to send them a letter with our thoughts for their consideration as they reviewed their process. The attached discusses the product of those considerations.

BlueCross BlueShield of North Dakota

An independent licensee of the
Blue Cross & Blue Shield Association



4510 13th Avenue South
Fargo, North Dakota 58121-0001

May 2010

Re: Board of Director Election

Dear Member:

As a member of Noridian Mutual Insurance Company, doing business as Blue Cross Blue Shield of North Dakota, you now have more opportunities to nominate and elect Member Directors to serve on Noridian's Board of Directors. This year, based on member feedback, Noridian changed its bylaws to allow oppositional candidates to run against incumbent directors.

The Noridian Board is made up of 13 directors. Eight are Member Directors who represent members at large and are not employed with the health care industry, and five are health care Provider Directors. Two Member Directors will be up for re-election at the December 3, 2010, Noridian Annual Meeting.

In addition to nominations from the floor at the annual meeting, there are now two ways to nominate candidates to run for those seats.

- 1) Names of candidates can be submitted to the board's Governance and Nominating Committee, who will verify their qualifications, interview final candidates and place successful candidate names on the ballot. If you or someone you know is interested in serving as a Member Director, please submit their name(s) to the Governance and Nominating Committee, as outlined on the back of this letter.
- 2) A new option this year allows candidates to secure 250 signatures from voting Noridian members. Once qualifications are verified and the candidate has been interviewed by the board's Governance and Nominating Committee, the candidate will be placed on the ballot. See instructions on the back of this letter.

Candidates for the two Provider Director seats will be nominated from various North Dakota medical associations.

We hope you take time to review the enclosed 2009 Noridian Annual Report. Together with a financial summary, you'll find Noridian's blueprint for the future—a plan to improve how Noridian serves you and to find innovative ways to reduce medical costs without sacrificing the quality we are used to in North Dakota.

Sincerely yours,

A handwritten signature in black ink that reads "Paul von Ebers".

Paul von Ebers
President and CEO

Enclosure: Annual Report

Nomination Process for Noridian Board of Directors

Three Ways to Nominate a Candidate

1. You may submit a name to the Governance and Nominating Committee by providing the following information **no later than June 1, 2010**:

About the candidate

- Name
- Benefit plan number
- Mailing address
- City, state and zip code
- Home phone number
- Employer
- Work phone number
- E-mail address

About you

- Your name
- Benefit plan number
- Mailing address
- City, state and zip code
- Home phone number

Upon receipt of your nomination, a letter will be mailed to the candidate requesting more detailed information to be reviewed by the Governance and Nominating Committee.

Please mail your nomination to:

**Noridian Mutual Insurance Company
Governance and Nominating Committee
Attention: Amy McLean, Executive Assistant
4510 13th Avenue South
Fargo, ND 58121**

2. You may nominate yourself by petition.

To do this, please call Amy McLean at 701-282-1417 to request the petition form. Then submit the following items:

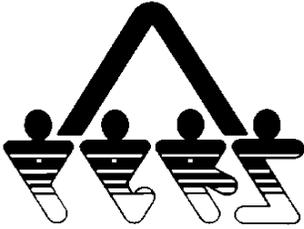
- A petition signed by 250 Noridian voting members. A voting member is a subscriber who has a fully insured group or individual policy with Noridian, including Medicare Supplement policies, or a designated representative of a self-funded plan that has stop-loss coverage with Noridian.
- A letter addressed to the Governance and Nominating Committee (address provided above). The letter should express your desire to have your name placed on the election ballot and include your work experience, community involvement, prior corporate governance experience and any other information about you that you want the Governance and Nominating Committee to know.

Petitions and letters are due **no later than July 15, 2010**.

Later in the process you will be required to complete an interview with the Governance and Nominating Committee and to fill out a candidate packet and Disclosure Statement seeking information regarding any possible conflicts of interest that would prevent you from serving on the board. If no conflicts of interest exist, your name will be placed on the election ballot.

3. Nominations from the floor.

Nominations for the Board of Directors are permitted from the floor at the Annual Meeting on December 3.



**North Dakota
Public Employees Retirement System**
400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: NDPERS Board
FROM: Kathy & Sparb
DATE: May 13, 2010
SUBJECT: Vision Plan RFP

We have included a draft copy of the voluntary group vision plan RFP for your review. Staff has previously reviewed this document and provided its comments to the consultant, Gabriel, Roeder & Smith (GRS), which are incorporated in this document as well as the attachments A and B. The Non-Disclosure Agreement has been submitted to legal counsel for review. Proposers are required to submit a bid based on the current plan design and propose two alternative plan designs on a fully insured basis. Benefits for the alternative plans whether in or out-of-network should be equal to or better than the current benefit plan.

Following are the key dates for the proposal process:

June 1, 2010	RFP is issued.
July 1, 2010	Written questions must be received by NDPERS.
July 15, 2010	NDPERS post responses to questions received.
August 2, 2010	Proposals must be received by NDPERS.
August 19, 2010	Finalist interviews and Best and Final Offers due.
September 1, 2010	Selection and award of contract by NDPERS.

Representatives of GRS will be available to respond to questions from the Board.

Board Action Requested

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North Dakota Public Employees Retirement System

North Dakota Public Employees Retirement System

Request for Proposal

#XXXXXXXX

Group Voluntary Vision Benefits Plan:

**Claims Administration, Customer Service, Provider Network,
and Network Management Services**

Release Date: June 1, 2010

TABLE OF CONTENTS

I. INTRODUCTION

- 1. Objectives of the Request for Proposal..... 4
- 2. Definitions..... 4
- 3. Background..... 6
- 4. Key Dates in the Proposal Process..... 6
- 5. Current Enrollment and Demographics..... 7
- 6. General Information on the Group Voluntary Vision Benefits Plan..... 7
 - 6.1. Benefit Plans..... 7
 - 6.2. General..... 8

II. ELIGIBILITY AND SELECTION CRITERIA

- 1. Minimum Requirements..... 9
- 2. Selection Criteria..... 9

III. GENERAL INFORMATION

- 1. Non-Disclosure Agreement..... 10
- 2. Inquiries Regarding Specifications 10
- 3. Rules and Regulations..... 11
- 4. North Dakota Open Records & Open Meeting Laws..... 11
- 5. Addenda, Amendments, and Clarifications to the RFP..... 12
- 6. Order of Responses..... 12
- 7. Submission of Proposals..... 12
- 8. Acceptance of Proposals..... 13
- 9. Non-Responsive Proposals..... 13
- 10. References..... 14
- 11. Member Identification..... 14
- 12. Compliance with HIPAA..... 14
- 13. Certification..... 14
- 14. Waiver..... 14
- 15. Additional Information from Responding Organizations..... 14
- 16. Modification..... 15
- 17. Solicitation..... 15
- 18. News Release..... 15
- 19. Change Required by Statute, Regulation, Court Orders, or Program Appropriations. 15

Draft Version 2

20. Financial Background.....	15
-------------------------------	----

IV. CONTRACT REQUIREMENTS

1. Introduction.....	16
2. Term of the Contract.....	16
3. Failure to Comply.....	17
4. Compliance with ERISA.....	17
5. Taxpayer I.D. Number.....	17
6. Authorized Signatures.....	17
7. Prohibited Interest.....	17
8. Required Contract Provisions.....	17

V. DESCRIPTION OF SERVICES CURRENTLY PROVIDED

1. Claim Adjudication and Member Services.....	18
2. Network Management.....	18
3. Eligibility / Participant Premium Billing Services.....	18
4. COBRA Administration.....	18
5. Issuance of ID Cards.....	18
6. Reporting.....	18
7. Plan Booklets.....	18
8. Functional Relationships.....	19
9. Applicable Law.....	19

VI. FORMAT OF PROPOSAL

1. Cover Letter.....	20
2. Table of Contents.....	20
3. Attachment A: Technical Proposal.....	21
3.1. Attachment A-1: Minimum Requirements.....	21
3.2. Attachment A-2: Offeror Information.....	21
3.3. Attachment A-3: Vision Plan Design.....	22
3.4. Attachment A-4: Administrative Requirements.....	22
3.5. Attachment A-5: General Questionnaire.....	22
3.6. Attachment A-6: Network Questionnaire.....	22
3.7. Attachment A-7: Subcontractor Questionnaire.....	22
3.8. Attachment A-8: Access to Vision Providers (Non-Retail Chain Providers)...	22

Draft Version 2

3.9.	Attachment A-9: Access to Retail-Chain Providers.....	23
3.10.	Attachment A-10: Disruption based on Paid Vision Care Provider Claims (Non-Retail Chain Providers).....	24
3.11.	Attachment A-11: Disruption based on Paid Retail-Chain Provider Claims...	24
3.12.	Attachment A-12: Performance Guarantees.....	24
3.13.	Attachment A-13: Deviations.....	25
3.14.	Attachment A-14: Signature Page.....	25
3.15.	Completed Appendices.....	25
3.16.	Response Attachments.....	25
4.	Attachment B: Financial Proposal.....	26
4.1.	Attachment B-1: Financial Requirements.....	26
4.2.	Attachment B-2: Financial Proposal	26
4.3.	Attachment B-3: Premium Breakdown.....	26
4.4.	Attachment B-4: Network Composition.....	26
4.5.	Attachment B-5: Provider Network.....	27
4.6.	Attachment B-6: Deviations.....	27
4.7.	Attachment B-7: Signature Page.....	27

VII. Appendices

Appendix A: Non-Disclosure Agreement	29
Appendix B: Applicable North Dakota Law.....	31
Appendix C: Conflict of Interest Disclosure.....	32
Appendix D: Historical Financial Data (Incurred Basis).....	33

I. INTRODUCTION

1. *Objectives of the Request for Proposal*

The objective of this Request for Proposal (RFP) is to solicit fully-insured proposals for services related to claim administration, customer service, access to a provider network(s) (as appropriate) and associated network management services for the North Dakota Public Employees Retirement System (NDPERS) group voluntary vision benefits plan. The account services to be provided under any resulting contract shall commence on January 1, 2011.

2. *Definitions*

For purposes of this RFP, the following abbreviations or terms have the meanings indicated below:

- A. “**Contractor**” – The Offeror selected pursuant to this RFP will be referred to as this.
- B. “**Eligible Dependent**” – a dependent of the Subscriber who qualifies for membership under this Benefit Plan in accordance with the requirements specified below:
 - 1. The Subscriber's spouse under a legally existing marriage between persons of the opposite sex.
 - 2. The Subscriber's or the Subscriber's living, covered spouse's unmarried children under the age of 23 years who are financially dependent on the Subscriber or the Subscriber's spouse. Children are considered under age 23 until the end of the month in which the child becomes 23 years of age. The term child or children includes:
 - a. Children for whom the Subscriber or the Subscriber's living, covered spouse are required by court order to provide health benefits.
 - b. Children beyond the age of 23 who are full-time students at accredited institutions who are financially dependent on the Subscriber or the Subscriber's spouse. Coverage in such cases will be continued only until the end of the month in which the child becomes 26 years of age. An accredited institution is defined as an institution of higher education offering a degree or certificate in a specific field or trade for which the recipient may gain employment after completing course work. The institution must be licensed, certified or accredited.
 - c. Children beyond the age of 23 who are incapable of self support because of mental retardation or physical handicap that began before the child attained age 23 and who are primarily dependent on the Subscriber or the Subscriber's spouse for support. Coverage for such a disabled child will continue for as long as the child remains unmarried, disabled and the Subscriber's dependent for federal income tax purposes. The Subscriber

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may be asked periodically to provide evidence satisfactory to BCBS ND of these disabilities.

- C. **“Eligible Employee”** – means every permanent employee who is employed by a governmental unit, as that term is defined in section 54-52-01. "Eligible employee" includes members of the legislative assembly, judges of the supreme court, paid members of state or political subdivision boards, commissions, or associations, full-time employees of political subdivisions, elective state officers as defined by subsection 2 of section 54-06-01, and disabled permanent employees who are receiving compensation from the North Dakota workforce safety and insurance fund. As used in this subsection, "permanent employee" means one whose services are not limited in duration, who is filling an approved and regularly funded position in a governmental unit, and who is employed at least seventeen and one-half hours per week and at least five months each year or for those first employed after August 1, 2003, is employed at least twenty hours per week and at least twenty weeks each year of employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and 54-52.1-11, "eligible employee" includes retired and terminated employees who remain eligible to participate in the uniform group insurance program pursuant to applicable state or federal law.
- D. **“Incumbent”** – the current provider of the services sought through this RFP. (These services are currently being provided by Ameritas, Inc.
- E. **“Retiree Eligibility”** – A retiree who has accepted a periodic distribution from the defined contribution retirement plan pursuant to section 54-52.6-13 who the board determines is eligible for participation in the uniform group insurance program or has accepted a retirement allowance from the public employees retirement system, the highway patrolmen's retirement system, the teachers' insurance and annuity association of America - college retirement equities fund for service credit earned while employed by North Dakota institutions of higher education, the retirement system established by job service North Dakota under section 52-11-01, the judges' retirement system established under chapter 27-17, or the teachers' fund for retirement may elect to participate in the uniform group under this chapter without meeting minimum requirements at:
- Date of retirement, which is the last day of active employment if participant does not defer the retirement benefit or take a lump-sum refund of the retirement account, or
 - Date of the first retirement check
 - Retiree's 65th birthday, or eligibility for Medicare
 - Retiree's spouses 65th birthday or eligibility for Medicare
 - Loss of coverage due to death of or divorce, loss of coverage in another employer sponsored group vision plan, or loss associated with completion of COBRA continuation coverage.

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- Marriage
- Birth, adoption, or legal guardianship.

If they do not enroll within 31 days of a qualifying event, they will have forfeited the right to enroll in the future.

- F. **“Offeror”** – an entity responding to this document will be referred to as this.
- G. **“The Plan”** – means the vision benefits program pursuant to this RFP.
- H. **“Vision Claims”** – means all professional and equipment and supplies.

3. **Background**

The North Dakota Public Employees Retirement System (NDPERS) desires to provide voluntary vision benefits to all eligible active and retired state and university employees and their dependents. NDPERS is soliciting proposals for coverage to be effective January 1, 2011.

4. **Key Dates in the Proposal Process**

The following dates will apply during the proposal process. NDPERS reserves the right to waive or modify specific terms and conditions contained in this RFP, and to waive, modify or extend deadlines specified herein.

Date	Activity
June 1, 2010	RFP is issued
July 1, 2010	Written questions regarding proposals must be received by NDPERS no later than 5:00 p.m. (CDT).
July 15, 2010	NDPERS posts responses to all questions received.
August 2, 2010	Proposals must be received by NDPERS no later than 5:00 p.m. (CDT).
August 19, 2010	Finalist interviews and Best and Final Offers due.
September 1, 2010	Selection and award of contract by NDPERS.

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5. **Current Enrollment and Demographics**

NDPERS provides a fully-insured voluntary group vision benefits for active employees and retirees (participants) of NDPERS. In addition to eligible state and university employee and dependents, it is possible that participation will be extended in the future to certain political subdivisions eligible to participate in NDPERS.

NDPERS currently offers one plan design of voluntary vision benefits. Listed below are the number of eligible participants and the number of enrolled participants as of March 2010.

Eligibility Category	Number of Eligible Participants	Number of Enrolled Participants
Actives	15,915	3,805
Retirees	7,652	759

Annual enrollment for the voluntary vision plan will be done each year from approximately mid-October through mid-November for coverage effective the following January. New hires must elect coverage within 31 days of their effective date. Coverage will then be effective the first day of the month following the date of permanent employment. If they do not elect coverage within 31 days, they must wait until the net annual enrollment period to apply.

6. **General Information on the Voluntary Vision Plan**

6.1. **Benefit Plans**

The Benefit Plan Year for NDPERS begins on January 1 of each year and concludes on December 31 of each year.

NDPERS has one plan of voluntary group vision benefits, which is funded by the employee/retiree contributing 100% of the premiums. The current benefits are described in the table below:

Service	Benefit
Plan Type	Indemnity
Network	No Network is Utilized
Vision Examination	Up to \$45.00
Frames	Up to \$40.00
Lenses (Standard) ¹	
Single Vision	Up to \$35.00
Bifocal	Up to \$50.00
Trifocal	Up to \$65.00
No line bifocal or progressive power	Up to \$70.00
Lenticular	Up to \$70.00
Contact Lenses	Up to \$75.00

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Deductible & Copay Amounts: Frames and Contact Lenses	\$40.00 ²
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¹ Standard lenses are defined as un-coated plastic or glass

² Once per lifetime

For a more detailed description of the current benefit plans, please refer to the “NDPERS Group Vision Booklet”, which can be found at <http://www.nd.gov/ndpers/insurance-plans/vision-plan.html>.

6.2. General

Offerors should keep in mind the following considerations as they prepare proposals in response to this RFP.

- The voluntary vision program is fully insured.
- With respect to this contract and program, no commissions, bonuses or overrides will be paid to any party directly by NDPERS.
- No minimum participation requirements will be allowed by NDPERS.
- This program is voluntary. Premiums are to be 100% paid by the employee or the retiree.
- The Incumbent vendor will process all claims incurred prior to 1/1/2011.
- The Contractor will process all claims incurred while the contract between NDPERS and the Contractor is in effect. This includes run-out claims incurred during the period of the contract, but processed after the contract has been terminated.

II. ELIGIBILITY AND SELECTION CRITERIA

1. *Minimum Requirements*

To be eligible for consideration for this project, the Offeror must meet the following Minimum Requirements:

- A. The Offeror must be in the business of providing vision benefits for at least five (5) years. Offerors should provide detailed information to establish that they have been in the business of providing group vision insurance for at least five (5) years.
- B. The Offeror must have been currently licensed by, and in good standing with, the North Dakota Department of Insurance to do business with NDPERS.
- C. The Offeror must have successfully implemented a vision benefits plan for at least one group of 25,000 active employees.

2. *Selection Criteria*

In determining which bid, if any, will best serve the interests of eligible employees and the state, the board shall give adequate consideration to the following factors:

- A. The economy to be effected.
- B. The ease of administration.
- C. The adequacy of the coverages.
- D. The financial position of the carrier, with special emphasis as to its solvency.
- E. The reputation of the carrier and any other information that is available tending to show past experience with the carrier in matters of claim settlement, underwriting, And services.

The board may reject any or all bids and, in the event it does so, shall again solicit bids as provided in this section.

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III. GENERAL INFORMATION

1. *Non-Disclosure Agreement (NDA)*

In order to obtain Attachment C: Confidential Documents, which contains confidential data that is necessary to complete a proposal in response to this RFP, each Offeror must complete and return a signed Non-Disclosure Agreement. NDPERS requests that only those organizations who plan to respond to this RFP should submit the Non-Disclosure Agreement.

The Non-Disclosure Agreement must be in the form provided as Appendix A to this RFP. The Non-Disclosure Agreement must be received before any confidential data is released to any Offeror. Please send the NDA to the attention of:

<p>Kathy Allen, Benefit Programs Manager NDPERS 400 East Broadway, STE 505 Bismarck, ND 58505 Phone: (701) 328-3918 E-mail kallen@nd.gov</p>

The information that will be provided to the Offeror after submission of the Non-Disclosure Agreement includes the following:

1. Demographic data showing the date of birth, gender, city, state, zip and county for the approximately 23,500 currently eligible employee and retiree populations, to be used in completing the Geo-Access reports required in Attachments A-8 and A-9.
2. Confidential Vendor Response Documents, which includes data on the most utilized providers and facilities and disruption reports for completion of Attachments A-10 and A-11.

In order to obtain the Attachment C, a Offeror must first print, sign and return the Non-Disclosure Agreement found at Appendix A, "Non-Disclosure Agreement," with a request for the data to Kathy Allen. A scanned copy with the appropriate signature and transmitted by e-mail is acceptable. Kathy Allen's e-mail address is provided in Section III.2 below. The Attachment will be mailed to each Offeror via FedEx, UPS or DHL upon receipt of the Non-Disclosure Agreement. The Attachment will be provided on CD and will contain the necessary files in Excel and/or Access. Note: Failure to complete all fields on Appendix A may slow the processing of the request for Attachment C or may cause the request to be rejected. In such instances, NDPERS will attempt to contact the submitter to resolve the deficiencies.

2. *Inquiries Regarding Specifications*

Offerors will have until 5:00 p.m. (CDT) on July 1, 2010 to submit questions in writing regarding this RFP. All questions shall, to the highest degree possible, cite the specific RFP section and paragraph number(s) to which the question refers. Any questions received by NDPERS prior to the date and time above will be answered in a question and answer

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document issued by NDPERS. Only answers provided in writing by NDPERS will be considered official.

All query submissions must include the identity of the sender, the sender's title, firm name, mailing address, telephone number, and e-mail address.

Questions must be submitted to Kathy Allen via fax, e-mail, mail, or hand delivery using the Point-Of-Contact information found below. NDPERS is not responsible for questions received after the submittal deadline.

Answers to questions will be made available on the NDPERS Web site at www.nd.gov/ndpers by July 15, 2010 at 5:00 p.m. C.D.T.

Only information in the materials constituting this RFP, including its attachments, exhibits, and forms, the question and answer document, and any RFP addendum shall be binding on NDPERS.

All inquiries regarding these specifications must be in writing and addressed to:

Kathy Allen, Benefit Programs Manager
NDPERS
400 East Broadway, STE 505
Bismarck, ND 58505
Phone: (701) 328-3918
E-mail: kallen@nd.gov

3. Rules and Regulations

Any Offeror submitting a proposal must be able to meet and comply with all applicable state and federal statutes and regulations.

4. North Dakota Open Records & Open Meetings Laws

All “public entities” are subject to the Open Record and Open Meetings laws, including: state agencies; political subdivisions; private organizations or non-profit organizations that are supported by public funds or are expending public funds; and contractors, if the contractor is providing services in place of a public entity rather than simply providing services to that entity. Anyone has the right to attend meetings of a public entity or access and obtain copies of the entity’s records, regardless of where they live. Before a public entity can deny access to a record or meeting, it first has to explain which law closes the record or meeting.

Citizens have a right to open records, regardless of the reason. However, a request must reasonably identify existing records. A request for public records can be made in any manner - in person, by mail, e-mail, fax, or by phone. The entity must respond to the request within a reasonable time, either by providing the requested record or by explaining the legal authority for denying all or part of the request. Depending on the amount of records requested, a “reasonable” time could be a couple of hours or a few days, but not several days or weeks. A

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public entity can only deny access to information for which there is a specific statute closing that information.

The remaining information must be open to the public. If a request for records is denied, the entity must explain what specific federal or state law makes the requested record confidential or closed to the public. If asked, the entity must put the reason for the denial in writing.

5. Addenda, Amendments, and Clarifications to the RFP

NDPERS may issue any addenda, amendments, and clarifications regarding this RFP that NDPERS determines are necessary. All such addenda, amendments, and clarifications issued by NDPERS become part of the RFP. All addenda, amendments, and clarifications to the RFP will be issued in writing and added to the posting on the www.nd.gov/ndpers. NDPERS may also e-mail any addenda, amendments, or clarifications to all eligible Offerors that have submitted a Non-Disclosure Agreement that is recorded by NDPERS and that have provided NDPERS with an e-mail address. However, it shall be the responsibility of the Offeror to recheck the RFP posting on the www.nd.gov/ndpers for any possible addenda prior to submitting a proposal. The Offeror must acknowledge all addenda, amendments, or clarifications by either signing and returning such document(s) or indicating receipt on the Signature Page of the proposal. Only written addenda, amendments, and clarifications signed or sent by authorized NDPERS personnel shall be binding. All oral and other interpretations or clarifications have no legal effect.

6. Order of Responses

Responses must be made in the same order as provided in the specifications. Unless a variation from the specifications of the RFP is specifically noted in a response, the Offeror is agreeing to meet all requirements, including the required contract provisions, stated in this RFP (See Appendix D). No proposed variation is binding on NDPERS unless and until accepted by NDPERS.

7. Submission of Proposals

To be considered for award, one (1) unbound original and nine (9) additional copies of the Offeror's proposal must be received by NDPERS on or before 5:00 P.M. (CDT), August 2, 2010. The unbound copy shall bear original signatures and shall be marked as the "Master Copy". Unbound original shall contain no divider sheets or tabs, and shall be printed on one side only of 8-1/2 in. x 11 in. white paper to enable copying if needed. Colors must reproduce in a legible manner on a black-and-white copier. The unbound original and one (1) copy of the proposal on CD (in MS WORD and MS Excel formats as appropriate) shall be provided in a sealed envelope. Copies of the proposal shall be delivered to:

**Kathy Allen, Benefit Programs Manager
NDPERS
400 East Broadway, STE 505
P.O. Box 1657
Bismarck, ND 58505**

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- One additional copy of the Offeror's proposal along with a copy of the proposal on CD (in MS WORD and MS Excel formats as appropriate) shall also be sent to:

Mr. Jim Schaefer
Health Care Practice Leader, Senior Consultant
Gabriel, Roeder, Smith & Company
5605 N. MacArthur, Suite 870
Irving, TX 75038-2631

- The base contract will be for a two year period of January 1, 2011 through December 31, 2012. All rates and fees must be firm, fixed and valid for the duration of the base period. Additionally, NDPERS is seeking two, two year option periods for a potential total contract period of six years. NDPERS is requesting firm, fixed rates for each of the two option periods to be contained in the Offeror proposal.
- Proposals and any other information submitted by organizations in response to this RFP shall become the property of NDPERS and will not be returned.
- NDPERS will not provide compensation to Offerors for any expenses that they incur as part of the proposal process, including but not limited to expenses incurred for preparing proposals, making demonstrations, responding to inquiries, and attending meetings and negotiations. Offerors submit proposals at their own risk and expense.
- The materials submitted must be enclosed in a sealed envelope, box, or container; the outside of the package must show clearly the submittal deadline, organization name, and the return address of the organization.
- Late proposals may be returned to the organization unopened at the organization's expense. Late proposals will not be considered unless the NDPERS Board determines otherwise.
- Telephone proposals and proposals transmitted electronically will not be accepted.
- Any award is contingent upon a contract acceptable to NDPERS being executed.

8. Acceptance of Proposals

NDPERS retains the right to reject all proposals submitted. NDPERS is not required to select the proposal with the lowest fees, but will take into consideration any factor it considers relevant. It is the intent of NDPERS at this time to enter into a contract effective upon execution (with services beginning January 1, 2011) through December 31, 2012 . The Board at its discretion may extend the contract for up to two additional two-year periods. The premium and benefit structure of these extensions will be subject to negotiations. NDPERS has the right to discontinue the program if the legislature discontinues the program or for any other reason. The Offeror whose proposal is selected will be chosen with the goal of developing a long-term relationship.

9. Non-Responsive Proposals

NDPERS is not required to accept for consideration any proposal that does not comply with the criteria set forth herein.

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10. References

Each Offeror must provide references from other clients as requested later in this RFP. NDPERS or its designated representative may ask these clients to provide information regarding the Offeror's overall record of service in providing services for their members. Providing references in its proposal constitutes the Offeror's permission for NDPERS to contact these clients.

11. Member Identification

For most records, Social Security numbers will be used as the reference number to identify retirees and their dependents for the purposes of the program. It is NDPERS's intent to have a unique NDPERS number for each individual in the plan. This unique number shall be printed on the vision identification cards.

12. Compliance with HIPAA

As a business associate of NDPERS, the Contractor must comply with the privacy, transactions and code set, and security requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as if it were a covered entity, as that term is defined by HIPAA, and the federal regulations implementing HIPAA. The Contractor will be required to execute a business associate agreement, which will be an attachment to the Agreement, and abide by the terms of the business associate agreement throughout any contract term. The Contractor will also be required to comply with the security requirements of HIPAA.

13. Certification

An authorized Officer of any Offeror submitting a proposal must certify that the organization complies with the RFP specifications by signing and returning the Signature Pages included in this RFP as Attachment A-14 and Attachment B-7. An authorized Officer must also sign Attachment A-13: Deviations and B-6: Deviations, even if the Offeror is not claiming any deviations.

14. Waiver

By submitting a proposal, the Offeror submitting the proposal agrees to waive any claim it has or may have against NDPERS, NDPERS employees, NDPERS agents, and NDPERS attorneys, arising out of or in connection with (1) the administration, evaluation or recommendation of any proposal; (2) waiver of any requirement under this RFP; (3) acceptance or rejection of any proposal; and (4) award of the contract.

15. Additional Information from Responding Organizations

NDPERS reserves the right to request additional documentation from responding organizations, and such information may vary by Offeror.

Draft Version 2

16. *Modification*

No proposal may be changed after the deadline for submissions of proposals unless language within the proposal is clarified at NDPERS's request.

17. *Solicitation*

The selected Offeror shall not use lists of covered employees and other data for any purpose except to provide services to participants. Neither the selected Offeror nor its employees may disclose such information to any other party unless specifically authorized in writing in advance by NDPERS.

18. *News Release*

Written approval by NDPERS will be required for any news releases or other communications regarding a contract awarded to a Offeror.

19. *Change Required by Statute, Regulation, Court Orders, or Program Appropriations*

NDPERS recognizes that there are factors that could cause a change of condition with regard to NDPERS benefits and administration that are beyond the control of NDPERS or the Offeror submitting a proposal. Those factors that may affect the program include, but are not limited to:

- Federal and state statutes, regulations, court decisions and administrative rulings
- Funding appropriated by the North Dakota Legislature
- Opinions of the Attorney General of the State of North Dakota

NDPERS expects a good faith effort on the part of the Offeror that is selected to comply with additional responsibilities imposed by federal or state law without requiring mid-year fee increases. NDPERS reserves the right to negotiate with the Offeror as needed to comply with any changes required by statute, regulation, court order, administrative order or official interpretation.

20. *Financial Background*

Appendix D shows historical financial information on a paid basis.

IV. CONTRACT REQUIREMENTS

1. Introduction

The Agreement between NDPERS and the Contractor will include the RFP as finally amended and/or clarified, the Contractor’s proposal as amended or clarified, if applicable, and any other information the Contractor may be required to provide.

The contract documents are intended as the complete and exclusive statement of the agreement between NDPERS and the Contractor and supersede all prior or contemporaneous agreements, negotiations, course of prior dealings, or oral representations relating to the Agreement subject matter.

The terms and conditions of any agreements, amendments, modifications, or other documents submitted by the Offeror that conflict with or in any way purport to amend or add to any of the terms and conditions of the Agreement are specifically objected to by NDPERS and are of no force or effect.

The Agreement may be amended within the contract period by mutual consent of the parties. No modification or amendment to the Agreement shall become valid unless in writing and signed by both parties. All correspondence regarding modifications or amendments to the Agreement must be forwarded to NDPERS for prior review and approval.

The contracting organization agrees that it shall not publicize this Contract or disclose, confirm or deny any details thereof to third parties or use any photographs or video recordings of NDPERS’ or participating entities’ employees or use NDPERS’ name in connection with any sales promotion or publicity event without the prior express written approval of NDPERS.

2. Term of the Contract

The contract term will begin on January 1, 2011 upon the execution of the Agreement by NDPERS. The initial contract term will end on December 31, 2012. The NDPERS Board, at its discretion may extend the contract for up to two additional two (2) year periods. The timeline in the table below will apply for the duration of the contract.

Contract Period	Effective Date	Termination Date	Renewal Submission Date
Base Contract	January 1, 2011	December 31, 2012	May 1, 2012 (for Option Period 1)
Option Period 1	January 1, 2013	December 31, 2014	May 1, 2014 (for Option Period 2)
Option Period 2	January 1, 2015	December 31, 2016	N/A

NDPERS and the Contractor agree and acknowledge that the account services to be provided under this proposal will occur between January 1, 2011 and December 31, 2012. However, NDPERS and the Contractor also agree and acknowledge that there are duties and obligations

Draft Version 2

specified by this proposal to be performed both prior to and after these dates. The parties each agree to perform all such duties and obligations, and all damage provisions included in the Agreement shall thereby be in effect.

3. Failure to Comply

Failure to comply with the procedures required by NDPERS or any other applicable guidelines shall be cause for the immediate imposition of liquidated damages and/or immediate cancellation of the Agreement, at NDPERS's option. Liquidated damages and/or cancellation shall remain in effect until NDPERS has been satisfied that circumstances resulting in liquidated damages and/or cancellation have been corrected.

4. Compliance with ERISA

NDPERS is not directly covered by the provisions of ERISA because it is a governmental entity.

5. Taxpayer I.D. Number

The Contractor must obtain a Vendor Identification Number in order to receive payments issued through NDPERS. The Contractor will be required to complete a Payment Identification Form (W-9) and submit it to NDPERS in order to receive payment.

6. Authorized Signatures

An authorized officer of the Offeror must sign the Signature Page (Attachment A-14) and the Deviations page (Attachment A-13), which are part of this RFP. Offeror shall include a copy of a document granting the signing officer authority to bind the Offeror to the agreements and representations made in the Offeror's proposal. This document shall be labeled as **Response Attachment A-14: Authorization Documentation**.

7. Prohibited Interest

An officer, director or employee of NDPERS may not have a direct interest in the gains or profits from any Agreement executed by NDPERS pursuant to this RFP and may not receive any pay or emolument for any service performed for the Contractor.

8. Required Contract Provisions

The selected Offeror will enter into a written agreement between it and NDPERS. The contract shall be in a form satisfactory to NDPERS.

V. DESCRIPTION OF SERVICES CURRENTLY PROVIDED

It is NDPERS' intent that the Contractor provide a level of service that is at least comparable to that provided by the Incumbent. A description of benefits currently offered is available in the on-line "NDPERS Group Plan Booklet" at <http://www.nd.gov/ndpers/insurance-plans/vision-plan.html>. To assist prospective Offerors, the following is an overview of the services currently provided.

1. Claim Adjudication and Member Services

Kathy to provide language for how claims adjudication and member services are currently being handled

2. Network Management

Currently, NDPERS voluntary vision plan is a schedule, indemnity plan. As such there is no current network affiliated with the plan.

3. Eligibility / Participant Premium Billings Services

Currently enrollment and premium remittance is accomplished on a decentralized basis. The Contractor will be requested to receive and process eligibility and premium remittance for active employees in conjunction with 26 different payroll systems. It is anticipated (but not guaranteed) that the format and process will be able to be largely standardized. Retirees must have deductions withheld from PERS Retirement Benefits or arrange for automatic bank payments to NDPERS.

The current Contractor prepared multiple billings (currently 26 separate monthly billings). NO retroactive adjustments are made for terminated employees.

(Note that as of the effective date of the new contract (January 1, 2011), NDPERS will submit enrollment, billing and premium remittance via a centralized electronic system. NDPERS will collect enrollment/eligibility information which will be provided to the successful contractor on a data file that follows the HIPAA 834 file specifications. Premium payment information will be provided on a data file that follows the HIPAA 820 file specifications. Files will be transmitted using a secure file transmission process. The successful contractor must be able to receive this data in that format and media.)

Premiums will be eligible for salary reduction on a pre-tax basis, through IRC Section 125.

4. COBRA Administration

This function is currently performed internally by NDPERS.

5. Issuance of ID Cards

ID cards are provided by Offeror and mailed directly to the participants homes. Participants also have the option of printing replacement ID cards off of the www.nd.gov/ndpers website as needed.

Draft Version 2

6. Reporting

Reporting is received on an ad hoc basis and at renewal.

7. Plan Booklets

An electronic copy is published at www.nd.gov/ndpers.

8. Functional Relationships

It is expected that the Contractor will be interfacing with the following people at NDPERS:

General Account Management Contact: Kathy Allen, Benefit Programs Manager

Billing/Accounting: NAME

Eligibility: NAME

9. Applicable Law

Kathy to drop in language here, re: enabling legislation for benefits.

VI. FORMAT OF PROPOSAL

Offeror shall submit their proposal in accordance with the requirements of Section III.7, Submission of Proposals. Regarding the proposal, Offerors are hereby advised of the following:

- Each proposal shall be prepared simply and economically, providing a straightforward, concise description of the organization's ability to meet the requirements of this RFP as outlined in Sections V and VI. Emphasis should be on completeness, clarity of content, responsiveness to the requirements and an understanding of NDPERS's needs.
- Proposals that are qualified with conditional clauses, alterations, items not called for in the RFP documents, or irregularities of any kind are subject to disqualification by NDPERS, at its option.
- Representations made within the proposal will be binding on the responding organizations. NDPERS will not be bound to act by any previous communication or proposal submitted by the organization other than this RFP and any proposal submitted in response to this RFP.
- Any pages or information which the Offeror wishes to claim as confidential shall be clearly marked within the proposal. Additionally, the Offeror shall provide a brief summary page after the Table of Contents explaining the confidential nature of the marked pages.

The proposal shall include the following sections in the order in which they appear below. Each of the attachments described in this section must be completed in the MS Excel format in which it is provided.

1. Cover Letter

A transmittal letter shall be bound with the Offeror's proposal. The letter should bear the name and address of the Offeror and the name and number of this RFP. The purpose of this letter is to transmit the proposal(s) and acknowledge the receipt of any addenda. The transmittal letter 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.

2. Table of Contents

The proposal shall 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 must include such supplemental materials. Supplemental information and attachments included by the organization (i.e., not required) should be clearly identified in the Table of Contents and provided as a separate section.

Information which is claimed to be confidential is to be identified on a separate sheet(s) after the Table of Contents in the Offeror's proposal. Such indication shall include the section(s) and page number(s) and a brief explanation for each claim of confidentiality shall be included.

Draft Version 2

3. Attachment A: Technical Proposal

The following exhibits are located in the MS Excel documents labeled **Attachment A: Technical Proposal** and **Attachment C: Confidential Documents**.

Attachment C: Confidential Documents will be sent only to those Offerors who submit a Non-Disclosure Agreement to the Benefit Programs Manager as described in Section III.1 of this RFP.

The Offeror shall complete each of the tabs in Attachment A according to the instructions described below and any additional instructions included at the top of each worksheet.

Cells which have been highlighted in yellow require a response from the Offeror. Response types throughout the documents include selecting from a pre-set drop down menu, entering a numerical value and/or writing a brief narrative. If the cell includes a drop down menu, the Offeror shall not provide a response that is not provided in the drop down list.

Microsoft Excel will only print the first 1,024 characters in each cell. Therefore, please limit the length of your response to 1,024 characters. Additional space has been provided in Attachments A-5b and A-6b: Additional Answers to Questionnaire for the Offeror to continue a response from Attachment A-5a (General Questionnaire and Attachment A-6a (Network Questionnaire) as appropriate.

In addition, the unlocked cells will automatically lock if the Offeror pastes an answer into a cell. This will prohibit the user from editing the cell(s) at a later time. The Offeror can use the Undo function to unlock the cell only if changes have not been saved since the paste occurred.

3.1. Attachment A-1: Minimum Requirements

The Offeror shall complete Attachment A-1 as requested. The Offeror shall state how they specifically meet or exceed each requirement.

3.2. Attachment A-2: Offeror Information

The Offeror shall complete each section of Attachment A-2 as requested. References provided shall include at least one reference for which the proposed account manager currently provides service.

The Offeror's Legal Name entered in Attachment A-2 will automatically be used to populate the Attachment A-14: Signature Page and Attachment A-13: Deviations, in addition to other areas of the MS Excel attachments.

3.3. Attachment A-3: Vision Plan Design

The Offeror shall review the current plan design and propose two alternative plan designs in the space provided. Benefits for Alternative Plan I and out-of-network benefits for Alternative Plan Design II should be equal to or better than the current benefit plan. (Please note that the Offeror will provide a premium quote for all three plan designs in Attachment B-2: Financial Proposal.)

Draft Version 2

3.4. Attachment A-4: Administrative Requirements

The Offeror shall complete the exhibit by selecting either “Agree” or “Disagree” from the drop down list next to each administrative requirement. For each requirement for which the Offeror selects “Disagree”, an explanation must be provided in Attachment A-13: Deviations.

3.5. Attachment A-5: General Questionnaire

The Offeror shall answer each question in A-5a: Questionnaire completely/briefly in the space provided. If additional space is needed, the response can be continued in Attachment A-5b: Additional Answers to Questionnaire. Continued responses should be labeled clearly with both the Section number (A-5a) and the corresponding question number.

If a drop down list is available, the Offeror shall select a response from the list provided.

3.6. Attachment A-6: Network Questionnaire

The Offeror shall answer each question in A-6a: Questionnaire completely/briefly in the space provided. If additional space is needed, the response can be continued in Attachment A-6b: Additional Answers to Questionnaire. Continued responses should be labeled clearly with both the Section number (A-6a) and the corresponding question number.

If a drop down list is available, the Offeror shall select a response from the list provided.

3.7. Attachment A-7: Subcontractor Questionnaire

The Offeror shall complete a Subcontractor Questionnaire for each subcontractor proposed to perform any of the administrative requirements of this contract.

3.8. Attachment A-8: Access to Vision Providers (Non-Retail-Chain Providers)

NDPERS is interested in the availability of key vision care providers (excluding retail chains) to its eligible population. To assist the Offeror in completing the standard GeoAccess report for vision care providers, NDPERS will provide the Offeror with a census file as part of Attachment C: Confidential Documents. The file will include the following fields: person identifier, age, gender, city, state and ZIP Code. This file will be sent to only those Offerors who submit a Non-Disclosure Agreement to the Kathy Allen as described in Section III.1 of this RFP.

The Offeror shall prepare a GeoAccess report for each network proposed, using the census data provided by NDPERS and the parameters shown below:

Draft Version 2

Access to Vision Care Providers (Non-Retail Chain Providers)	
Urban/Suburban Areas (1,000 or greater people per square mile)	1 within 10 miles
Rural Areas (Less than 1,000 people per square mile)	1 within 40 miles

The report should include the average distance to each provider, the number of providers in the ZIP Code, the number of members that meet the access requirements above and the number of members that do not meet the access requirements above.

In addition to the standard GeoAccess hard copy report, the data must be supplied in electronic format that has read/write capabilities. Do not send the data in a read-only file. Label the complete GeoAccess report as ***Response Attachment A-8: GeoAccess Report for Non-Retail-Chain Providers***. Part B of Attachment A-8 shows the reporting format for the Offeror's response attachment.

In addition, the Offeror shall complete the exhibit in Part C of Attachment A-8, which summarizes the GeoAccess data for vision care providers by county. Please note that the Offeror needs only to populate the highlighted cells in the exhibit; all other cells will be calculated based on the values entered in the highlighted cells.

3.9. Attachment A-9: Access to Retail-Chain Providers

NDPERS is interested in the availability of retail-chain vision care providers to its eligible population. To assist the Offeror in completing the standard GeoAccess report for these providers, NDPERS will provide the Offeror with a census file as part of Attachment C: Confidential Documents. The file will include the following fields: person identifier, age, gender, city, state and ZIP Code. This file will be sent to only those Offerors who submit a Non-Disclosure Agreement to the Purchasing and Contracts Manager as described in Section III.1 of this RFP.

The Offeror shall prepare a GeoAccess report for each network proposed, using the census data provided by NDPERS and the parameters shown below:

Access to Retail-Chain Providers	
Urban/Suburban Areas (1,000 or greater people per square mile)	1 within 10 miles
Rural Areas (Less than 1,000 people per square mile)	1 within 40 miles

The report should include the average distance to each provider, the number of providers in the ZIP Code, the number of members that meet the access requirements above and the number of members that do not meet the access requirements above.

In addition to the standard GeoAccess hard copy report, the data must be supplied in electronic format that has read/write capabilities. Do not send the data in a read-only file. Label the complete GeoAccess report as ***Response Attachment A-9: GeoAccess Report for Retail-Chain Providers***. Part B of Attachment A-9 shows the reporting format for the Offeror's response attachment.

Draft Version 2

In addition, the Offeror shall complete the exhibit in Part C of Attachment A-9, which summarizes the GeoAccess data for other specialists by county. Please note that the Offeror needs only to populate the highlighted cells in the exhibit; all other cells will be calculated based on the values entered in the highlighted cells.

3.10. Attachment A-10: Disruption based on Paid Vision Care Provider Claims (Non-Retail-Chain Providers)

The required data for Attachment A-10 is included in the MS Excel document entitled **Attachment C: Confidential Documents**. This file will be sent to only those Offerors who submit a Non-Disclosure Agreement to the Purchasing and Contracts Manager as described in Section III.1 of this RFP.

The Offeror shall agree that all confidential, proprietary or trade secret information of the Incumbent shall be used only for the express purpose of formulating a proposal for NDPERS. Offeror shall further agree that following its use of such confidential, proprietary or trade secret information, it shall take immediate action to destroy and/or render unidentifiable such information.

The Offeror shall complete the exhibit by indicating where or not the named provider is a member of the network being proposed for NDPERS. Valid responses are either “Yes” or “No”. All other responses will be treated as a “No” response.

3.11. Attachment A-11: Disruption based on Paid Retail-Chain Provider Claims

The required data for Attachment A-11 is included in the MS Excel document entitled **Attachment C: Confidential Documents**. This file will be sent to only those Offerors who submit a Non-Disclosure Agreement to the Purchasing and Contracts Manager as described in Section III.1 of this RFP.

The Offeror shall agree that all confidential, proprietary or trade secret information of the Incumbent shall be used only for the express purpose of formulating a proposal for NDPERS. Offeror shall further agree that following its use of such confidential, proprietary or trade secret information, it shall take immediate action to destroy and/or render unidentifiable such information.

The Offeror shall complete the exhibit by indicating where or not the named facility is a member of the network being proposed for NDPERS. Valid responses are either “Yes” or “No”. All other responses will be treated as a “No” response.

3.12. Attachment A-12: Performance Guarantees

At a minimum, the criterion identified in Attachment A-12 serves as a benchmark for performance measurements. Actual performance metrics and penalties will be finalized during contract negotiations between NDPERS and the selected organizations.

The Offeror shall complete the exhibit by selecting either “Agree” or “Disagree” from the drop down list next to each performance guarantee. For each requirement for

Draft Version 2

which the Offeror selects “Disagree”, an explanation must be provided in Attachment A-13: Deviations.

3.13. Attachment A-13: Deviations

The Offeror shall complete this attachment regardless of whether or not deviations from the administrative requirements or performance guarantees are proposed. The top right of the worksheet includes macros that the Offeror can use to indicate whether or not deviations are included in the table below the signature line.

Prior to printing the final proposal, the Offeror shall ensure that the print area of this document is set appropriately. If no deviations are claimed, then the print area shall end following the title of the individual signing the document. Otherwise, the print area shall end following the last deviation described in the table.

3.14. Attachment A-14: Signature Page

The Offeror shall complete this attachment and provide documentation granting authorization for the signing officer to bind the Offeror to the agreements and representations made in the Offeror’s proposal. Label the documentation as **Response Attachment A-14: Authorization Documentation.**

3.15. Completed Appendices

The following Appendices shall be completed and attached here. Each Appendix shall be filled out in its entirety and shall include the signature of the Offeror’s authorized agent. **Failure to complete, sign, and/or return all specified Appendices may result in disqualification of the Offeror’s Proposal.**

- Appendix C: Conflict of Interest Declaration Form- This form shall be completed and provided on behalf of the Offeror firm and its principles.

3.16. Response Attachments

The following response attachments shall be included in the following order:

- Response Attachment A-5: Certificates of Insurance
- Response Attachment A-5: Offeror Resources
- Response Attachment A-5: Additional Costs for Lens Options
- Response Attachment A-5: Sample Member Satisfaction Survey
- Response Attachment A-5: Sample Forms
- Response Attachment A-5: Sample Communication Documents and Enrollment Forms
- Response Attachment A-5: Reporting
- Response Attachment A-5: Sample Materials
- Response Attachment A-5: Sample EOB
- Response Attachment A-5: List of Proposed Communications & Informational Materials
- Response Attachment A-5: Implementation Team Organizational Chart
- Response Attachment A-5: Preliminary Implementation Plan

Draft Version 2

- Response Attachment A-5: Account Management Team Organizational Chart
- Response Attachment A-5: Account Management Support
- Response Attachment A-6: National Network Providers
- Response Attachment A-8: GeoAccess Report for Vision Care Providers
- Response Attachment A-9: GeoAccess Report for Retail-Chain Providers
- Response Attachment A-14: Authorization Documentation

4. Attachment B: Financial Proposal

The following exhibits are located in the MS Excel documents labeled **Attachment B: Financial Proposal** and **Attachment C: Confidential Documents**.

Attachment C: Confidential Documents will be sent only to those Offerors who submit a Non-Disclosure Agreement to the Benefit Programs Manager as described in Section III.1 of this RFP.

The Offeror shall complete each of the tabs in Attachment B according to the instructions described below and any additional instructions included at the top of each worksheet.

Cells which have been highlighted in yellow require a response from the Offeror. Response types throughout the documents include selecting from a pre-set drop down menu, entering a numerical value and/or writing a brief narrative. If the cell includes a drop down menu, the Offeror shall not provide a response that is not provided in the drop down list.

4.1. Attachment B-1: Financial Requirements

The Offeror shall complete Attachment B-1 as requested. The Offeror shall state how they specifically meet or exceed each requirement.

4.2. Attachment B-2: Financial Proposal

The Offeror shall propose premium rates for each requested plan design on a per month basis. NDPERS is requesting guaranteed rates for a total of two years. Years one and two should be two-year rates, years three and four should be two-year rates, and year five and six should be two-year rates.

The product of the monthly premium and the total number of contracts by tier, as shown in the exhibit, will be multiplied by a factor of 24 in order to calculate the projected cost as shown for the first two years of the contract. The same methodology will be used for each of the option periods of the contract.

4.3. Attachment B-3: Premium Breakdown

The Offeror shall provide the applicable percentage of the total premium attributable to the component of the premium listed. For any item for which the Offeror enters 0%, it will be assumed that the service is included in the premium; however, the Offeror is unable to provide a separate percentage attributable to that item. Percentages should add up to a total of 100%.

Draft Version 2

4.4. Attachment B-4: Network Composition

The Network Composition exhibit outlines which areas your commercial network covers and which areas are covered by other networks. For each five-digit ZIP Code, NDPERS has provided the Offeror with the number of NDPERS employees, retirees, spouses and other dependents currently enrolled in the plan as of February 2010 under the heading “General Information”.

For each five-digit ZIP Code, the Offeror shall provide the requested metrics for the network being proposed. For the number of lives covered, the number of vision care providers and the number of retail-chain providers, the Offeror shall base their response on their total book of business within each ZIP Code during calendar year 2009. (The Incumbent shall not base their response on the NDPERS business alone.)

For subsequent metrics, the Offeror shall base their response on the incurred claim activity of their total book of business during calendar year 2009.

4.5. Attachment B-5: Provider Network

NDPERS has provided data for a representative sample of 10 vision provider procedures. Using provider agreements of the network proposed for Alternative Plan II, please provide the allowed charge (reimbursement) and pricing methodology used in each of the three-digit ZIP Codes indicated. When more than one reimbursement amount is utilized in a ZIP Code, provide the most prevalent reimbursement.

4.6. Attachment B-6: Deviations

The Offeror shall complete this attachment regardless of whether or not deviations from the financial requirements are proposed. The top right of the worksheet includes macros that the Offeror can use to indicate whether or not deviations are included in the table below the signature line.

Prior to printing the final proposal, the Offeror shall ensure that the print area of this document is set appropriately. If no deviations are claimed, then the print area shall end following the title of the individual signing the document. Otherwise, the print area shall end following the last deviation described in the table.

4.7. Attachment B-7: Signature Page

The Offeror shall complete this attachment and provide documentation granting authorization for the signing officer to bind the Offeror to the agreements and representations made in the Offeror’s proposal. Label the documentation as **Response Attachment B-7: Authorization Documentation.**

APPENDICES

Appendix A – Non-Disclosure Agreement

This Non- Disclosure Agreement (the “Agreement”) is made this ___ day of _____ 2010, by and between _____ (hereinafter referred to as "the OFFEROR ") and the North Dakota Public Employees Retirement System (hereinafter referred to as "NDPERS").

OFFEROR warrants and represents that it intends to submit a Proposal in response to RFP #XXXXXXXX, the Request for Proposals for Group Voluntary Vision Benefits Plan. In order for the OFFEROR to submit a Proposal, it will be necessary for NDPERS to provide the OFFEROR with access to certain confidential information including, but not limited to, demographic and identifying information on NDPERS retirees and plan utilization data. All such information provided by NDPERS 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 Section III.1 of the RFP, 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 under Section III, except in connection with the preparation of its Proposal.
2. The OFFEROR shall agree that all confidential, proprietary or trade secret information of the Incumbent shall be used only for the express purpose of formulating a proposal for NDPERS.
3. Each employee or agent of the OFFEROR who receives or has access to the Confidential Information shall execute a copy of this Agreement and the OFFEROR shall provide originals of such executed Agreements to NDPERS. Each employee or agent of the OFFEROR who signs this Agreement shall be subject to the same terms, conditions, requirements and liabilities set forth herein that are applicable to the OFFEROR and the OFFEROR shall be liable for any violations by any employees or agents who are provided or given access to Confidential Information.
4. OFFEROR shall destroy the Confidential Information, including any copies, remaining in its possession within five business days of NDPERS’s notice of a recommended award in connection with this procurement. If the OFFEROR does not submit a Proposal, the OFFEROR shall return the Confidential Information, including any copies, to the NDPERS Purchasing and Contracts Manager identified in the RFP, Section III.2, on or before the due date for Proposals.
5. OFFEROR acknowledges that the disclosure of the Confidential Information may cause irreparable harm to NDPERS and agrees that NDPERS may obtain an injunction to prevent the disclosure, copying, or other impermissible use of the Confidential Information. NDPERS’s rights and remedies hereunder are cumulative and NDPERS 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.
6. In the event NDPERS 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 and such employees and agents of OFFEROR shall hold harmless and indemnify NDPERS and the State of North Dakota from and against any such losses, damages, liabilities, expenses, and/or costs.

- 7. This Agreement shall be governed by the laws of the State of North Dakota. The OFFEROR consents to personal jurisdiction in North Dakota state courts, and exclusive venue shall be in Burleigh County, North Dakota.
- 8. The individual signing below warrants and represents that they are fully authorized to bind the OFFEROR to the terms and conditions specified in this Agreement. If signed below by an individual employee or agent of the OFFEROR under Section 3 of this Agreement, such individual acknowledges that a failure to comply with the requirements specified in this Agreement may result in personal liability.

Offeror: _____

By: _____
Signature

Print Name: _____

Title: _____

Address: _____

OFFEROR’S EMPLOYEES AND AGENTS WHO WILL BE GIVEN ACCESS TO THE CONFIDENTIAL INFORMATION

Printed Name and Address of Individual Agent	Employee (E) or Agent (A)	Signature	Date

Please provide the name and delivery address for the individual who is to receive Attachment C: Confidential Documents.

Offeror: _____

Name: _____

Title: _____

Address: _____

Phone Number: _____

Appendix B – Applicable North Dakota Law

Appendix C – Conflict of Interest Disclosure

Appendix D – Historical Financial Data (Paid Basis)

<i>Calendar Year</i>	<i>Employee Only</i>	<i>Employee & Spouse</i>	<i>Employee & Child(ren)</i>	<i>Employee & Family</i>	<i>Paid Claims</i>	<i>Loss Ratio</i>	<i>Average Paid per Contract</i>	<i>Average Paid per Member</i>	<i>Average premium per contract per year</i>
2003	544	386	144	507	\$235,985	74.0%	\$149.26	\$60.46	\$201.59
2004	692	466	175	607	\$234,692	65.1%	\$120.95	\$49.61	\$185.85
2005	876	559	207	717	\$245,735	64.2%	\$104.19	\$43.39	\$162.41
2006	1,082	673	243	832	\$259,664	64.4%	\$91.79	\$38.81	\$142.55
2007	1,400	820	305	979	\$283,338	65.8%	\$80.84	\$34.91	\$122.87
2008	1,719	971	352	1,118	\$308,509	67.1%	\$74.15	\$32.58	\$110.48
2009	1,803	1,070	360	1,154	\$313,280	64.2%	\$71.39	\$31.55	\$111.28

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment A-1: Minimum Requirements

Representations made by the Offeror in this proposal become contractual obligations that must be met during the contract term.

Instructions: The minimum requirements of this RFP are mandatory. For each item, please describe how the Offeror satisfies the requirement.

Minimum Requirements		Response
A-1	The Offeror must be in the business of providing vision benefits for at least five (5) years. Offerors should provide detailed information to establish that they have been in the business of providing group vision insurance for at least five (5) years.	
A-2	The Offeror must have been currently licensed by, and in good standing with, the North Dakota Department of Insurance to do business with NDPERS.	
A-3	The Offeror must have successfully implemented a vision benefits plan for at least one group of 25,000 active employees.	

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment A-2: Offeror Information

Representations made by the Offeror in this proposal become contractual obligations that must be met during the contract term.

Instructions: Please complete each cell with the requested information. Items in the response column with the words, "Select one", contain a drop down list of options. Please select a response from those options as applicable.

I. GENERAL OFFEROR INFORMATION

	Response
1. Offeror's Legal Name	
2. Address	
3. City	
4. State	
5. Zip	
6. Web Address	
7. Operational Date	
8. Corporate Tax Status	Select one
9. Federal Employer Identification	
10. Ownership/Controlling Interest	
11. Total Commercial Group	

II. CONTACT INFORMATION

Please identify both the primary contact, who can answer questions related to this RFP, and the account manager, who will have overall responsibility for planning, supervising and performing account services if the Offeror is awarded the contract.

Primary Contact	
Name	
Title	
Address	
City	
State	
Zip	
Telephone #	
Fax Phone #	
Cell Phone #	
E-mail Address	

Account Manager	
Name	
Title	
Address	
City	
State	
Zip	
Telephone #	
Fax Phone #	
Cell Phone #	
E-mail Address	

III. REFERENCES

Please complete the following tables with the requested reference information. No reference should be duplicated.

1. Please provide references for two public sector clients for whom you provide vision services using the administrative offices proposed for NDPERS.

Information	Reference #1	Reference #2
Company Name		
Contact Person		
Title		
City, State		
Telephone #		
Fax Phone #		
E-mail Address		

2. Please provide references for two clients (public or private sector) with more than 25,000 covered lives for which you provide vision services using the administrative offices proposed for NDPERS.

Information	Reference #1	Reference #2
Company Name		
Contact Person		
Title		
City, State		
Telephone #		
Fax Phone #		
E-mail Address		

3. Please provide references for two former clients (public or private sector) with more than 25,000 covered lives for which you provided vision services using the administrative offices proposed for NDPERS.

Information	Reference #1	Reference #2
Company Name		
Contact Person		
Title		
City, State		
Telephone #		
Fax Phone #		
E-mail Address		

4. Please provide references for two clients (public or private sector) of at least 1,000 active covered lives who began utilizing your vision services within the last twelve months.

Information	Reference #1	Reference #2
Company Name		
Contact Person		
Title		
City, State		
Telephone #		
Fax Phone #		
E-mail Address		

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment A-3: Vision Plan Design

Representations made by the Offeror in this proposal become contractual obligations that must be met during the contract term.

I. Plan Design

Instructions: NDPERS is interested in obtaining proposals for three (3) benefit plan designs of which one plan will be selected. The current plan design is shown in the first column below and is fixed. In addition, NDPERS is interested in alternative plans that may be available through the Offeror's organization. For Alternative Plan I, which is an indemnity plan, please propose a benefit schedule equal to or greater than the current plan design. For Alternative Plan II, which is a Network based plan with in and out of network benefits, please propose a benefit schedule for which the **out-of-network benefits are equal to or better than the current plan design**. Member allowances, copay, coinsurance and/or deductibles for each alternative plan shall be provided in the appropriate cells in the table.

In the Limitations section of the table, please indicate the benefit cycle or frequency of each service, frame or lense. In the Exclusions section of the table, please select either "Included" or "Excluded" from the drop down box in each cell.

Service	Current	Alternative Plan I	Alternative Plan II	
Plan Type	Indemnity	Indemnity	Network Plan	
Network	No Network Utilized	No Network Utilized	In-Network	Out-of-Network
Vision Examination	Up to \$40.00			
Frames	Up to \$40.00			
Lenses (Standard)¹				
Single Vision	Up to \$35.00			
Bifocal	Up to \$50.00			
Trifocal	Up to \$65.00			
No line bifocal or progressive power	Up to \$70.00			
Lenticular	Up to \$70.00			
Contact Lenses	Up to \$75.00			
Deductible & Copay Amounts:				
Frames and Contact Lenses	\$40.00 ²			
Limitations				
1. A limit of one (1) vision exam during the benefit cycle stated.	12 months			
2. A limit of one (1) pair of prescribed lenses during the benefit cycle stated.	12 months			
3. A limit of one (1) pair of frames during the benefit cycle stated.	12 months			
4. A limit of one (1) pair of contact lenses during the benefit cycle stated. ³	12 months			
Exclusions				
5. Examinations performed or frames or lenses ordered before the Insured was covered.	Excluded	Select one	Select one	
6. Subject to Extension of Benefits, any examination performed or frame or lens ordered after the Insured's coverage under this section ceases.	Excluded	Select one	Select one	
7. Sub-normal vision aids, Orthopic or vision training or any associated testing.	Excluded	Select one	Select one	
8. Non-prescription lenses.	Excluded	Select one	Select one	
9. Replacement or repair of lost or broken lenses or frames except at normal intervals.	Excluded	Select one	Select one	
10. Any eye examination or corrective eye-wear required by an employer as a condition of employment.	Excluded	Select one	Select one	
11. Medical or surgical treatment of the eyes.	Excluded	Select one	Select one	
12. Any service or supply not shown on the Schedule of Eye Care Services.	Excluded	Select one	Select one	
13. Coated lenses; oversize lenses (exceeding 71 mm); photo-gray lenses; polished edges; UV-400 coating and facets, and tints other than solids.	Excluded	Select one	Select one	

14. Lenses and frames during the first 12 months that a person is insured, or when the person is a late entrant (as defined as "whose effective date of insurance is more than 31 days from the date the person becomes eligible for insurance" or "who has elected to become insured again after cancelling a premium contribution agreement.")	Excluded	Select one	Select one
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¹ Standard lenses are defined as un-coated plastic or glass.

² Once per lifetime.

³ When chosen, contact lenses shall be in lieu of any other lenses benefit during the 12 month period and in lieu of any frame benefit during the 12 month period. When lenses are chosen, expenses for contact lenses are not Covered Expenses during the 12 month period.

II. Eye Exam

Instructions: Below is a list of services typically included with an eye exam. Please select either "Yes" or "No" to indicate which services are covered in an eye exam under each of the plan options described above.

Test	Current	Alternative Plan I	Alternative Plan II
Case History	Select one	Select one	Select one
Recording corrected and uncorrected visual acuity	Select one	Select one	Select one
Internal Exam	Select one	Select one	Select one
External Exam	Select one	Select one	Select one
Pupillary Reflexes	Select one	Select one	Select one
Binocular Vision	Select one	Select one	Select one
Objective refraction	Select one	Select one	Select one
Subjective refraction	Select one	Select one	Select one
Test for Glaucoma	Select one	Select one	Select one
Slit Lamp Exam (Biomicroscopy)	Select one	Select one	Select one
Dilation (as indicated by permitted)	Select one	Select one	Select one
Color Vision	Select one	Select one	Select one
Depth Perception	Select one	Select one	Select one
Cover Test	Select one	Select one	Select one
Other	Select one	Select one	Select one

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment A-4: Administrative Requirements

Representations made by the Offeror in this proposal become contractual obligations that must be met during the contract term.

Instructions: Please complete each item with the requested information. Items in the response column with the words "Select one" contain a drop down list of options. Please select a response from those options as applicable. All "Disagree" responses must be addressed in **Attachment A-13: Deviations Page**. If the Offeror selects "Agree," there cannot be a qualifier in **Attachment A-13: Deviations Page**.

Administrative Requirements		Response
		Agree or Disagree
Final Implementation Plan		
AR-1	The Contractor shall be responsible for the preparation and execution of a Final Implementation Plan. The Final Implementation Plan shall be submitted to NDPERS not later than 2 weeks following final award.	Select one
General		
AR-2	The Contractor shall provide a fully-insured, full-service Group Vision Benefits Plan in conformance with all applicable laws and regulations and in accordance with all of the requirements outlined in this Request for Proposal and the Offeror's response thereto. The contract shall include, at a minimum, account management, enrollment and eligibility determination, claims processing and payment, customer services, communications and training, and reporting.	Select one
AR-3	The Contractor agrees that in the event of any disagreement about NDPERS requirements that might occur at any time during the term of the contract, Contractor will defer to and be governed by, without additional cost, NDPERS' interpretation of its requirements so long as that interpretation is reasonable. This provision applies to all matters, including those arising from disputes concerning scope of work issues and whether particular items or efforts were included in the scope of work agreed to by the parties in this solicitation.	Select one
AR-4	It is the intention of the Group that the master contract reflects the elimination of the actively-at-work restriction or deferred effective data for initially enrolled active or inactive employees and dependents. This will include only initial eligibles (those eligible on the effective date of the contract).	Select one
Account Management		
AR-5	The Contractor shall provide an account representative who is knowledgeable about all aspects of the Group Vision Benefits Plan and is readily available to NDPERS by telephone or e-mail during regular working hours (8:00 am to 5:00 pm CST).	Select one
AR-6	The Contractor shall meet with NDPERS as necessary, but not less than quarterly, to review the quality and level of services. All meetings shall take place at NDPERS office in Bismarck, North Dakota.	Select one
Eligibility and Enrollment		
AR-7	A representative from the Contractor shall be present at ALL open enrollment meetings for the group vision benefits plan.	Select one
AR-8	NDPERS shall provide the Contractor, on a schedule determined by NDPERS, a full positive enrollment file. It is anticipated that this type of file shall be provided by NDPERS to the Contractor on an annual basis.	Select one
AR-9	The Contractor will accept and utilize the HIPAA 834 file specifications transmitting eligibility data via the internet.	Select one

Administrative Requirements		Response
		Agree or Disagree
Claims Administration		
The Contractor must be able to perform claims processing, including but not limited to the following categories/methodologies:		
AR-10	The Contractor shall provide computerized, on-line adjudicating claims handling facilities to receive, review, verify, process and pay all claims submitted to and payable under the Plan.	Select one
AR-11	All claims incurred on and after January 1, 2011 will be processed under the terms and conditions of the Contract.	Select one
AR-12	The Contractor shall be responsible for maintaining data security and confidentiality.	Select one
AR-13	The Contractor shall maintain database backups in a manner that will eliminate disruption of service or loss of data due to system or program failures.	Select one
AR-14	The Contractor shall maintain a disaster preparedness plan that will limit service interruption in case of emergency to a period of seventy-two (72) hours and will ensure compliance with all requirements under the contract, including particularly, complete processing of 95 percent of all valid claims within fourteen (14) working days.	Select one
AR-15	The Contractor shall perform all claims processing functions including, at a minimum, the following:	
	a.)Verification of enrollment: Confirm the claimant's eligibility prior to processing the claim against the eligibility files supplied electronically by NDPERS before authorizing benefits;	Select one
	b.)Creation and mailing of Explanation of Benefits for all paid and denied claims: Generate and mail claims payment to provider and Explanation of Benefits or denial notice to provider and enrolled participant when claim is processed;	Select one
	c.)Receive, process and resolve claim disputes from participants: Provide a complaint and appeals process for claim denials or for complaints of any kind concerning the Group Vision Benefits Plan; and	Select one
d.)Maintain a history of all claims paid: No less than twenty-four (24) months of claims history shall be maintained on-line.	Select one	
AR-16	The Contractor shall provide and administer an appropriate appeals process for addressing benefit determinations and claims processing issues, complaints and problems. It is NDPERS' desire for the vendor to perform all reviews and appeals. The Contractor shall follow Internal Appeal procedures in accordance with North Dakota Insurance Code.	Select one
AR-17	If required by the Contractor, the Contractor shall provide an appropriate claim form or any other form that may be required by law.	Select one
AR-18	The Contractor must have a competent and comprehensive review staff in the home office to assist the claim office in resolution of disputed vision claims.	Select one
Billing and Collection of Premiums		
AR-19	a) The Contractor will accept premium payment information on a data file that follows the HIPAA 820 file specifications. Files will be transmitted using a secure file transmission process.	Select one
	b) No retroactive adjustments will be made for terminated employees.	Select one
Customer Service		
AR-20	The Contractor shall provide customer service representatives, with training on the specific features of the benefits of the Group Vision Benefits Plan, to respond promptly and correctly to all written and telephone inquiries from subscribers, providers, participating entities and NDPERS administrative staff, to answer questions regarding specific details of the Group Vision Benefits Plan, provide assistance with accessing benefits, and to resolve claims payment problems. The Contractor shall ensure the confidentiality of subscriber information in responding to all inquiries.	Select one
AR-21	The Contractor shall assist subscribers, providers, participating entities via dedicated toll-free customer service telephone line(s), staffed with knowledgeable customer service representatives (not a recording), and open for at least ten (10) hours daily during normal business hours and on the same business days as NDPERS.	Select one

Administrative Requirements		Response
		Agree or Disagree
AR-22	The Contractor shall provide a website that provides information regarding the Contractor's Services that will be available twenty-four (24) hours a day, seven (7) days a week.	Select one
Reporting		
AR-23	The Contractor shall provide to NDPERS a COBRA report on a monthly basis. This report shall include at least the member's name, resident address, social security number, relationship to the insured, termination date and a description of the qualifying event.	Select one
AR-24	The Contractor shall provide standardized reports (including eligibility and participant status), or an on-line reporting system capable of generating such reports, in a format that is acceptable to NDPERS on a quarterly basis, that shall include, at a minimum: <ul style="list-style-type: none"> • Monthly enrollment; • Monthly paid claims; • Monthly premiums; and • Calculation of Loss Ratio 	Select one
AR-25	a) If the Contractor is awarded the first option period (i.e. years 3 and 4), the Contractor shall deliver an annual renewal report to NDPERS no later than May 1, 2012.	Select one
	b) If the Contractor is awarded the second option period (i.e. years 5 and 6), the Contractor shall deliver an annual renewal report to NDPERS no later than May 1, 2014.	Select one
AR-26	The Contractor shall provide any other reports necessary to satisfy local, state, and federal laws and regulations.	Select one
Other Provisions		
AR-27	It is required that any rates and fees quoted in your proposal (Attachment B-2) be firm and guaranteed for the contract period specified, and cannot be changed by recalculation based on actual enrollment.	Select one
AR-28	a) Any rates and fees quoted in Attachment B-2 must not be subject to any underwriting requirements, such as minimum participation requirements.	Select one
	b) No minimum participation level will be required by the Contractor.	Select one
AR-29	The master policies are to provide that change in premium can only be instituted on January 1st of the contract year three and year five, as described in Attachment B-2: Financial Proposal .	Select one
AR-30	The Contractor shall be responsible to NDPERS and liable for any delay or non-performance of any portion of the contract. The Contractor shall strictly adhere to their proposed performance standards and associated guarantees (penalties).	Select one
AR-31	Any outside consulting peer review groups to be used by the Contractor must meet with the approval of NDPERS.	Select one
AR-32	The Contractor shall, as the agent for NDPERS, assist in the administration of the requirements of the Health Insurance Portability and Accountability Act (HIPAA). Reports, as designated by NDPERS, are to be filed with NDPERS on a monthly basis.	Select one
AR-33	The Contractor must agree that if this proposal results in your company being awarded a contract and if, in the preparation of this contract, there are inconsistencies between what was proposed and accepted versus the contract language that has been generated and executed, that any controversy arising over such discrepancy will be resolved in favor of the language contained in the proposal or correspondence relating to your proposal.	Select one
AR-34	The Contractor's contract must have a hold harmless provision that indemnifies the plan sponsor against liability that arises as the result of negligent acts, errors, omissions, fraud and other criminal acts committed by your network providers, officers, employees, and agents of the organization.	Select one
AR-35	If NDPERS chooses to implement any wellness programs related to eye examinations, the Contractor will cooperate fully with any medical plan vendor under contract by the State, including the transmission of clinically relevant data to and from the medical plan vendor in a mutually acceptable format.	Select one

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment A-5a: General Questionnaire

Representations made by the Offeror in this proposal become contractual obligations that must be met during the contract term.

Instructions: Please provide a response to each of the following questions. If a drop down list is available, please select a response from that list. If your response for a question exceeds 1,024 characters in length, complete your response in "**Attachment A-5b Additional Questionnaire Responses**" using the directions provided in Attachment A-5b.

Question		Response
I. GENERAL		
Q-1	Offerors should provide a detailed description of its present organization, including a description of its size and assets and the length of time it has been in the business of providing vision care services.	
Q-2	Offerors should provide their most recent audited financial statements and annual reports.	
Q-3	How long has the Offeror administered vision plans to North Dakota based clients?	
Q-4	Is the organization compliant with all applicable HIPAA administrative simplification rules?	Select one
Q-5	a.) Will the organization be involved in any acquisitions or mergers within the next 12 months? If yes, please describe.	Select one
	b) Has the organization been involved in any recent acquisitions or mergers?	
	• Within the last year?	Select one
	• 1-2 years ago?	Select one
	• 2-5 years ago?	Select one
	• None in the last five years	Select one
	If yes, please describe.	
Q-6	Confirm that your organization has Errors and Omissions Insurance and Commercial General Liability Insurance.	Please submit a copy of your certificate(s) of insurance indicating coverage limits and label as " Response Attachment A-5: Certificates of Insurance ".
	• E & O	Select one
	• Commercial General Liability	Select one
Q-7	Provide a copy of your most recent <i>financial</i> ratings and complete the following table.	
	A.M. Best	
	• Current Financial Rating	
	• Date of Rating	
	• Prior Financial Rating	
	• Date of rating	
	Standard & Poor's	
	• Current Financial Rating	
	• Date of Rating	
	• Prior Financial Rating	
	• Date of rating	
	Fitch	
	• Current Financial Rating	
	• Date of Rating	
	• Prior Financial Rating	
• Date of rating		
II. ORGANIZATION FINANCIAL INFORMATION		

Question		Response
Q-8	Please describe your organization addressing the following items: a) Ownership b) length of time in business c) affiliated organizations	
Q-9	Provide a statement signed by an Officer of your company that your firm has adequate personnel and financial resources to provide the services indicated in this Request for Proposal.	Please submit as "Response Attachment A-5: Offeror Resources" .
Q-10	Is your firm licensed in the state of North Dakota?	Select one
Q-11	Provide the following aggregate claims information for 2008 and 2009: Calendar Year 2008 ♦ Total claim dollars paid under all vision plans administered or insured ♦ Total members covered under all vision plans administered or insured ♦ Total claim dollars paid under vision plans administered or insured in the State of North Dakota ♦ Total members covered under all vision plans administered or insured in the State of North Dakota Calendar Year 2009 ♦ Total claim dollars paid under all vision plans administered or insured ♦ Total members covered under all vision plans administered or insured ♦ Total claim dollars paid under vision plans administered or insured in the State of North Dakota ♦ Total members covered under all vision plans administered or insured in the State of North Dakota	
III. PLAN ADMINISTRATION		
MATERIALS		
Frames		
Q-12	a.) What services are covered with respect to frames? b.) Are frames ordered or fitted on site? c.) Are checks made for accuracy and fit? d.) Are any follow-up adjustments covered? e.) If yes, for how long a period after the frames are dispensed?	Select one Select one Select one Select one
Q-13	a.) Indicate if frames are provided on-site. b.) If frames are ordered, what is the average waiting period between placement of order and delivery or frames? c.) Do members have the option to either pick up finished orders or have orders delivered to their residence?	Select one Select one
Q-14	a.) Provide the type of frames you will make available to members. b.) Include type of frame materials used.	

Question		Response
Q-15	a.) Are the labs that manufacture the materials owned by your organization?	Select one
	b.) If no, list the labs and manufacturers that will be providing materials.	
Q-16	a.) Offerors should describe their pricing formula for frames. Include what types of frames are available under your proposed plan.	
	b.) Are patients limited to a specified frame selection or do they have access to all frames on the market?	
	c.) Is the frame benefit uniform across all provider locations, regardless of retail prices across the U.S.?	Select one
	d.) Are members encouraged to purchase from a selection of private labeled or company-owned frames?	Select one
Lenses		
Q-17	a.) What services are covered with respect to lenses?	
	b.) Are any follow-up adjustments covered?	Select one
	c.) If yes, for how long a period after the lenses are dispensed?	
Q-18	a) For the lens benefit in the Alternative Plan II in Exhibit A-3: Vision Plan Design what lens options (i.e., coatings, materials) are included for no additional cost?	
	b) Additionally, what lens options can be purchased at the point of sale and what is the additional cost for each option?	Please submit as " Response Attachment A-5: Additional Costs for Lens Options ".
Q-19	a.) Are lenses are provided on-site?	Select one
	b.) If lenses are ordered, what is the average waiting period between placement of order and delivery of lenses?	
	c.) Do members have the option to either pick up finished orders or have orders delivered to their residence?	Select one
Q-20	a.) List the type lenses you will make available to members.	
	b.) List the type of tints, custom grinding, scratch resistance lenses, oversized lenses, and any custom finishes and materials used.	
Q-21	a.) Are the labs that manufacture the materials owned by your organization?	Select one
	b.) If no, list the labs and manufacturers that will be providing materials.	
Contact Lenses		
Q-22	a.) Offerors should describe what types of contact lens options are available under their proposed plan.	
	b.) Are patients limited to certain manufacturers?	Select one
	c.) Is pricing uniform across all provider locations?	Select one

Question		Response
	d.) Please explain.	
Q-23	Describe your contact lens benefit under each plan, including bifocal contact lenses.	
Q-24	What services are covered with respect to the dispensing of contact lenses?	
Q-25	a.) Are the contact lenses ordered and fitted on site?	Select one
	b.) What test and checks are made at the time of fitting?	
	c.) Are any follow-up tests covered?	Select one
	d.) If yes, for how long a period after the contact lenses are dispensed?	
	e.) If contact lenses are ordered, what is the average waiting period between placement of order and delivery or lenses?	
	f.) Do members have the option to either pick up finished orders or have orders delivered to their residence?	Select one
Q-26	List the type of contact lenses you will make available to members, including the type of materials used.	
Q-27	a.) Are the labs that manufacture the materials owned by your organization?	Select one
	b.) If no, list the labs and manufacturers that will be providing materials.	
CUSTOMER SERVICE		
Q-28	Offerors should describe, in detail, their approach to customer service. Offerors should describe the number of customer service representatives, with training on specific features of the group vision benefits plan, they will make available to NDPERS. Include customer service hours, location and the structure and staffing of your customer service office.	
	♦ Structure	
	♦ Number of representatives	
	♦ Qualifications	
	♦ Average years of experience	
Q-29	Will this be a dedicated unit for NDPERS?	Select one
Q-30	What are the telephone hours and the office location for the member services unit that will service NDPERS?	
Q-31	What is the most recent annual turnover rate of the member services unit that will be assigned to NDPERS?	
Q-32	a.) Can your member services unit support non-English speaking members?	Select one
	b.) If yes, please specify languages.	
Q-33	For Calendar Year 2009, what was the average speed to answer in seconds?	
Q-34	For Calendar Year 2009, what was the percent call abandonment rate?	

Question		Response
Q-35	For Calendar Year 2009, what percentage of calls are recorded?	
Q-36	For Calendar Year 2009, what was the percent call abandonment rate?	
Q-37	Identify which of the following functions are automatically tracked and reported by the system. Select all that apply.	
	♦ Call abandonment rate	Select one
	♦ Length of call	Select one
	♦ Number of calls taken	Select one
	♦ On-line call recording	Select one
	♦ Speed of call response	Select one
♦ Type of call/complaint	Select one	
Q-38	Does your system utilize an Interactive Voice Response (IVR) system?	Select one
Q-39	a.) Does your system allow members to access information over the IVR?	Select one
	b.) If yes, please specify the type of information accessible over the IVR.	
Q-40	Do you have a correspondence tracking system to log in, assign and track correspondence?	Select one
Q-41	If an ID card is used, what is the average ID card turnaround (number of days between employer reporting a new member and plan mailing ID card)?	
Q-42	a) What is the policy and procedure for "escalated" calls (those referred to a supervisor or manager)?	
	b) How are these calls tracked and reported back to the client?	
Q-43	What type or reports are provided to the client relative to customer service performance?	
Q-44	a.) How do members access their own and covered dependents vision care histories?	
	b.) For what period of time are these histories available?	
	c.) Do the utilization profiles for each participant show billed charges, allowed charges, participant copay, plan pay and discount?	
Q-45	Offerors should provide a sample of the Member Satisfaction Survey utilized by their organization.	Please submit as " Response Attachment A-5: Sample Member Satisfaction Survey ".
Q-46	a.) How are grievances resolved?	
	b.) Is there a separate toll-free number that members can call other than the general customer service number in order to file a grievance?	Select one
	c.) If yes, what hours will the line be staffed?	

Question		Response
Q-47	Please submit a sample of all forms that would be used in the administration of this plan (e.g., claim form, EOB, ID cards).	Please submit as "Response Attachment A-5: Sample Forms" .
Q-48	Describe any options that you offer with respect to forms that the plan sponsor may use for an additional cost (e.g., name imprints, special SPDs)?	
ELIGIBILITY AND ENROLLMENT		
Q-49	a.) Offerors should provide their approach to enrollment and describe how they will support open enrollment.	
	b.) Include sample communication documents and enrollment forms.	Please submit as "Response Attachment A-5: Sample Communication Documents and Enrollment Forms" .
Q-50	a.) Offerors should explain their electronic eligibility system and how they ensure only eligible members receive services.	
	b.) Briefly describe your organization's process for reconciliation of eligibility data.	
Q-51	Discuss in detail your billing and enrollment system that will be used for this process in recognition of the multiple payroll sources for this product.	
Q-52	Are your billing and enrollment systems integrated?	Select one
Q-53	What is your procedure if you receive a premium for someone this is not shown as enrolled in your plan?	
Q-54	What is your procedure if you do not receive a payment for someone that is shown as enrolled in the plan?	
Q-55	What happens if someone terminates participation and your system shows the individual as enrolled? (Please note: Neither NDPERS nor its participating employers can make any premium payments in cases such as these, where the member does not remit payment.)	
Q-56	What is your turn-around timeframe for the delivery of enrollment cards once you receive an application?	
Q-57	a.) Describe in detail, how, once an active member retires, you will move him/her from the active to the retiree billing system?	
	b.) How do you plan to accommodate this transition?	
Q-58	Offerors should describe their disaster recovery and contingency plans.	
Claims Processing and Payment		

Question		Response
Q-59	Will any of the plan designs, as shown in "Exhibit A-3 - Plan Design" require separate/additional filings by the Offeror? If yes, please explain.	Select one
Q-60	a.) Where is the claims administration office located? b.) Is it a part of the vendor company or an out-sourced contract?	Select one
Q-61	Provide the number of vision care claims processed annually at the proposed claims administration office.	
Q-62	a.) Will you dedicate claims processors to handle NDPERS claims? b.) If yes, please state how many processors will be assigned.	Select one
Q-63	What is the most recent annual turnover rate for your claims processing staff in your proposed location?	
Q-64	Do customer service representatives (CSRs) have authority to approve claims?	Select one
Q-65	Describe the following: a.) The extent to which your claims administration systems are automated; b.) The extent of manual intervention required; c.) A description of internal auditing procedures; d.) Verification procedures; e.) Security of systems and vouchers; and f.) Quality control procedures.	
Q-66	Describe time limits for filing claims.	
Q-67	Describe procedures to coordinate benefits with: a.) Medicare/Medicaid b.) The medical plan if "medical" treatment is necessary. c.) Other insurance	
Q-68	a.) How are claims processed? b.) Are authorization forms, vouchers or ID cards required? c.) Do members pay up front and submit claims for payment or are members responsible for copays only? d.) If paper claims submission is required what is the turnaround time? (date of claim receipt to date check is issued)	
Q-69	a.) Explain claim payment procedures and claim payment methodology. b.) What amount is recognized as an eligible amount? c.) How do you establish Reasonable and Customary charges and maximum allowable charges?	

Question		Response
	d.) Describe any time limits for submitting claims.	
Q-70	For participants who drop coverage, what re-enrollment requirements are included in your group policy?	
Q-71	a.) Will you notify NDPERS prior to implementing any changes in covered services? b.) If no, please explain in detail.	Select one
Q-72	What is your preferred process for handling exceptions and payment of claims outside the stated plan provisions?	
Q-73	a.) When and under what circumstances are claims pended? b.) Does a pending notice go into the system? c.) Is there an automatic follow-up? d.) If yes, what is the frequency of the follow-up and how many follow-ups are performed? e.) How is the turnaround time tracked on pended claims?	Select one
Q-74	Describe your administrative requirements with respect to claims filed directly by members.	
Q-75	How do you adjust for overpayments or duplicate payments?	
Q-76	How does your organization define a single claims transaction?	
Q-77	What percent of claims are automatically adjudicated?	
Q-78	Describe your standard claims appeal protocol including actual response time statistics for the most recent year.	
Q-79	a.) How frequently are internal audits performed? b.) If "Other", please describe.	Select one
Q-80	Overall, what percent of claims are subject to internal audit?	Select one
Q-81	What is the typical audit size?	
Q-82	a.) What system checks are in place to prevent fraud? b.) What recovery procedures can you offer a plan sponsor for recovering benefits paid to terminate employees?	
REPORTING		
Q-83	a.) Offerors should describe, in detail, the type of 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. Provide sample reports. b.) Indicate the frequency of your sample standard reporting package.	Please submit as "Response Attachment A-5: Reporting" . Select one
Q-84	a.) Can ad hoc reports be requested? b.) Will there be additional costs for any ad-hoc report requests?	Select one Select one

Question		Response
Q-85	Provide sample copies of communication materials, ID cards and educational materials provided to the members at the start of the program.	Please submit as "Response Attachment A-5: Sample Materials" .
Q-86	Provide a copy of your Explanation of Benefits or summary of claims processed as well as a notification of denial of benefits on a claim.	Please submit as "Response Attachment A-5: Sample EOB" .
PARTICIPANT COMMUNICATIONS AND TRAINING		
Q-87	It is NDPERS' desire for the vendor to perform all reviews of appeals. With this in mind, and including time frames, please describe your recommended appeals process for the NDPERS.	
Q-88	What systems and processes are in place for participants to inquire about benefit payments price and other information?	
Q-89	a.) Describe all methods used to determine participant satisfaction.	
	b.) Indicate the frequency of surveys.	
	c.) Indicate if account-specific satisfaction surveys are available.	
	d.) Provide results of the most recent book-of-business survey.	
Q-90	Offerors should describe how they will communicate awareness of the features, operations, and Group Vision Benefits Plan to enrolled participants, benefit administrators, participating employers' essential benefits staff and the provider community.	
Q-91	Offerors should provide a list and detailed description of all proposed communications and informational materials they will provide, at no cost to NDPERS (including printing, coordination, production, distribution/mailing and storage), to covered persons under the plan. (Note that all materials are subject to prior approval by NDPERS).	Please submit as "Response Attachment A-5: List of Proposed Communications & Informational Materials" .
BILLING		
Q-92	How will premiums be billed and collected?	
Q-93	a.) When are premiums due and what is the grace period for premium payment under your policy?	
	b.) If premiums are paid subsequently is a penalty and/or interest charge assessed?	Select one
	c.) If yes, please explain in detail.	
Q-94	a.) Are there any options available with respect to the grace period?	Select one
	b.) If yes, please explain the option(s) and any charge that is made for them.	
INTERNET CAPABILITIES		

Question		Response
Q-95	a) What is your website address?	
	b) Indicate which of the following are provided by this website for participants:	
	♦ Plan Information	Select one
	♦ Eligibility status	Select one
	♦ Provider locator	Select one
	♦ E-mail contact to customer service department	Select one
	♦ Vision claim histories for participants and their dependents	Select one
	c) Indicate which of the following are provided by this website for providers:	
♦ Accessing the system	Select one	
♦ Utilizing the system	Select one	
Q-96	What type of client support is provided to personalize web accessible information and establish links between files and web locations?	
Q-97	What changes/enhancements do you expect to make to your offerings in the next two (2) years?	
Q-98	a.) How do you maintain a secure environment for communicating and transaction business with each audience (plan members, providers, plan sponsors)?	
	b.) Briefly summarize your patient privacy policy.	
IV. HIPAA		
Q-99	a.) What practices and policies have you implemented to ensure the confidentiality of all confidential information, including protected health information as defined by the HIPAA privacy rule, member information, or other sensitive information of NDPERS and its plan participants?	
	b.) How often do you update your HIPAA policies and procedures?	
Q-100	Please identify and describe all breaches of HIPAA privacy and security provisions within the last 18 months.	
V. IMPLEMENTATION AND TRANSITION		
IMPLEMENTATION		
Q-101	a.) Name of the person with overall responsibility for planning, supervising, and implementing the program for NDPERS.	
	b.) Title	
	c.) What other duties, if any, will this person have during implementation? Please include the number and size of other accounts for which this person will be responsible during the same time period.	
	d.) What percentage of this person's time will be devoted to NDPERS?	

Question		Response
	e.) Please provide an organizational chart identifying the names, area of expertise, functions, and reporting relationships of key people directly responsible for implementing the NDPERS account. In addition, resumes of these individuals should be included.	Please submit organization chart in a Microsoft Word document and label as "Response Attachment A-5: Implementation Team Organizational Chart" .
Q-102	Offerors should submit a preliminary implementation plan. The plan should consist of a sequential listing of all steps necessary to provide the requested services from the date of contract award to full performance of the contract on January 1, 2011. At a minimum, the plan should consist of detailed descriptions of essential tasks and key events, a proposed date of completion (in number of days after contract execution), how the task will be accomplished, and identification of the person responsible for the item or requirement. The preliminary implementation plan will be converted to a Final Implementation Plan.	Please submit a preliminary implementation plan in a Microsoft Word document and label as "Response Attachment A-5: Preliminary Implementation Plan" .
Q-103	a.) Do you anticipate any major transition issues during implementation?	Select one
	b.) If yes, please describe.	
Account Management Team		
Q-104	Offerors should provide their approach to Account Management.	
Q-105	a.) Name of the person with overall responsibility for planning, supervising and performing account services for NDPERS.	
	b.) Title	
	c.) What other duties, if any, does this person have? Please include the number and size of other accounts for which this person is responsible.	
	d.) What percentage of this person's time will be devoted to NDPERS?	
	e.) Please provide an organizational chart identifying the names, functions and reporting relationships of key people directly responsible for account support services to NDPERS. It should also document how many account executives and group services representatives will work full-time on NDPERS's account and how many will work part-time on NDPERS's account.	Please submit organization chart in a Microsoft Word document and label as "Response Attachment A-5: Account Management Team Organizational Chart" .

Question	Response
<p>f.) Describe account management support, including the mechanisms and processes in place to allow NDPERS personnel to communicate with account service representatives, hours of operation; types of inquiries that can be handled by account service representatives; and a brief explanation of information available on-line. NDPERS requires identification of an account services manager to respond to inquiries and problems, and a description of how your organization's customer service and other support staff will respond to subscriber or client inquiries and problems. The management plan should include the names, resumes and description of functions and responsibilities for all supervisors and managers that will provide services to NDPERS with respect to this contract.</p>	<p>Please submit the description of account management support in a Microsoft Word document and label as "Response Attachment A-5: Account Management Support".</p>

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment A-6a: Network Questionnaire

Representations made by the Offeror in this proposal become contractual obligations that must be met during the contract term.

Instructions: Please provide a response to each of the following questions as it relates to Alternate Plan Design II as described in **Attachment A-3: Vision Plan Design**. If a drop down list is available, please select a response from that list. If your response for a question exceeds 1,024 characters in length, complete your response in **Attachment A-6b Additional Questionnaire Responses** using the directions provided in Attachment A-6b.

Question		Response
NETWORK ACCESS		
Q-1	a.) Offerors should describe their process to recruit and credential network providers.	
	b.) Offerors should describe, in detail, how they would establish a network that includes credentialed providers in various locations throughout the State of North Dakota and how out-of-state members would access care.	
Q-2	a.) Describe the general credentialing process and minimum criteria for providers to be selected as a network provider.	
	b.) Include the minimum required malpractice coverage per individual provider or group, per occurrence.	
	c.) If the process differs by type of provider please indicate and describe separately.	
Q-3	a.) Who conducts the provider credentialing process?	
	b.) Please indicate the qualifications of the person(s) or organization(s) responsible for conducting this review.	
Q-4	Are onsite visits conducted during the credentialing process?	Select one
Q-5	Are periodic site visits made to network providers to ensure compliance with claim handling procedures and enhance communications?	Select one
Q-6	a.) How often are network providers re-credentialed?	Select one
	b.) If "Other", please specify.	
Q-7	For the proposed network for NDPERS, what percent of participating providers and facilities (within the State of North Dakota) are currently closed to new patients?	
Q-8	a.) Please describe the processes and procedures members must follow to access routine vision care in their network.	

Question		Response
	b.) Can a member receive an exam from one provider and materials (frames, lens or contacts) from another provider?	Select one
Q-9	Can members nominate non-participating providers and facilities?	Select one
Q-10	Does the provider directory list whether each provider's office is accessible to the handicapped?	Select one
Q-11	Are you anticipating any material changes (+/- 5%) in network size (for either providers or facilities) in the network area serving NDPERS employees and retirees during the next 12 months?	Select one
Q-12	Describe your proposed network for members who live outside of North Dakota.	
Q-13	Describe pricing arrangements proposed for use in the network.	Select one
NETWORK MANAGEMENT		
Q-14	List the top five most common complaints by your network providers:	
	#1 Complaint	
	#2 Complaint	
	#3 Complaint	
	#4 Complaint	
	#5 Complaint	
Q-15	What is your annual turnover rate (on a gross basis, not net of additions) for the following?	
	a.) Providers (specifically ophthalmologists and optometrists combined	
	b.) Retail Locations	
Q-16	If you provide a national network, provide a listing of the number of providers by State.	Please submit as "Response Attachment A-6: National Network Providers" .
Q-17	a.) How are network claims processed?	
	b.) Are any authorization forms or ID cards issues and required?	Select one
	c.) Do members pay up-front and submit claims for reimbursements or are members responsible for only plan copays?	
	d.) If paper claim submission is required, what is the turnaround time for a member's claim to be processed (date of receipt to date check is issued)?	
	e.) Describe any time limits for submitting claims?	
	f.) What is your process for handling out-of-network claims?	
Q-18	Describe how usual and customary or maximum allowable charges are determined	
	a.) For network providers	
	b.) For non-network providers	

Question		Response
Provider Relations		
Q-19	Do providers have a special provider access telephone number for technical support, prior authorization requests and benefit explanations?	
Q-20	Is there any mechanism/procedure for ongoing communications with providers?	
Q-21	What is the average wait time for members seeking an appointment with a network provider?	

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment A-7: Subcontractor Questionnaire

Representations made by the Offeror in this proposal become contractual obligations that must be met during the contract term.

Instructions: Please complete a table below for each subcontractor that the Offeror proposes to have perform any of the required functions under this contract.

Question		Offeror's Response
Subcontractor #1		
SQ-1	Name	
SQ-2	Provide a brief summary of the history of the subcontractor's company and information about the growth of the organization on a national level and within North Dakota.	
SQ-2	Specifically what roles will the subcontractor have in the performance of the Contract?	
SQ-3	a.) Explain the process for monitoring the performance of the subcontractor and measuring the quality of their results.	
	b.) List any services for which the subcontractor will be solely responsible and describe how the subcontractor will be monitored and managed.	
Subcontractor #2		
SQ-4	Name	
SQ-5	Provide a brief summary of the history of the subcontractor's company and information about the growth of the organization on a national level and within North Dakota.	
SQ-6	Specifically what roles will the subcontractor have in the performance of the Contract?	
SQ-7	a.) Explain the process for monitoring the performance of the subcontractor and measuring the quality of their results.	
	b.) List any services for which the subcontractor will be solely responsible and describe how the subcontractor will be monitored and managed.	
Subcontractor #3		
SQ-8	Name	
SQ-9	Provide a brief summary of the history of the subcontractor's company and information about the growth of the organization on a national level and within North Dakota.	
SQ-10	Specifically what roles will the subcontractor have in the performance of the Contract?	
SQ-11	a.) Explain the process for monitoring the performance of the subcontractor and measuring the quality of their results.	
	b.) List any services for which the subcontractor will be solely responsible and describe how the subcontractor will be monitored and managed.	
Subcontractor #4		
SQ-12	Name	
SQ-13	Provide a brief summary of the history of the subcontractor's company and information about the growth of the organization on a national level and within North Dakota.	

SQ-14	Specifically what roles will the subcontractor have in the performance of the Contract?	
SQ-15	a.) Explain the process for monitoring the performance of the subcontractor and measuring the quality of their results.	
	b.) List any services for which the subcontractor will be solely responsible and describe how the subcontractor will be monitored and managed.	
Subcontractor #5		
SQ-16	Name	
SQ-17	Provide a brief summary of the history of the subcontractor's company and information about the growth of the organization on a national level and within North Dakota.	
SQ-18	Specifically what roles will the subcontractor have in the performance of the Contract?	
SQ-19	a.) Explain the process for monitoring the performance of the subcontractor and measuring the quality of their results.	
	b.) List any services for which the subcontractor will be solely responsible and describe how the subcontractor will be monitored and managed.	

Subcontractor #6		
SQ-20	Name	
SQ-21	Provide a brief summary of the history of the subcontractor's company and information about the growth of the organization on a national level and within North Dakota.	
SQ-22	Specifically what roles will the subcontractor have in the performance of the Contract?	
SQ-23	a.) Explain the process for monitoring the performance of the subcontractor and measuring the quality of their results.	
	b.) List any services for which the subcontractor will be solely responsible and describe how the subcontractor will be monitored and managed.	

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment A-8: Access to Vision Care Providers (Non-Retail Chain Providers)

Instructions: Using the ZIP Code data provided in **Attachment C: Confidential Documents**, prepare and provide a GeoAccess report for the network proposed for Alternate Plan II. Exclude providers with closed practices from the analysis. Include only employees and retirees in the analysis (i.e. excluding dependents).

A. Please note the geo-mapping method used for Parts B and C below.

Select one

B. For **Response Attachment A-8: GeoAccess Report for Vision Care Providers**, please provide the following report format for Access to Providers.

ZIP Code	Average Distance to Optometrists.	Total Number Providers	Total Number of Members	Employees Matched		Employees Not Matched	
				Number	Percent	Number	Percent
SAMPLE FORMAT							

C. Also provide subtotals for the population by North Dakota county of residence, as shown in the table below.

County	Average Distance to PCPs	Total Number Providers	Total Number of Members	Employees Matched		Employees Not Matched	
				Number	Percent	Number	Percent
Adams County					--	0	--
Billings County					--	0	--
Burke County					--	0	--
Cavalier County					--	0	--
Dunn County					--	0	--
Foster County					--	0	--
Grant County					--	0	--
Kidder County					--	0	--
McHenry County					--	0	--
McLean County					--	0	--
Mountrail County					--	0	--
Pembina County					--	0	--
Ransom County					--	0	--
Rolette County					--	0	--
Sioux County					--	0	--
Steele County					--	0	--
Trail County					--	0	--
Wells County					--	0	--
Barnes County					--	0	--
Bottineau County					--	0	--
Burleigh County					--	0	--
Dickey County					--	0	--
Eddy County					--	0	--
Golden Valley County					--	0	--
Griggs County					--	0	--
LaMoure County					--	0	--
McIntosh County					--	0	--
Mercer County					--	0	--
Nelson County					--	0	--
Pierce County					--	0	--
Renville County					--	0	--
Sargent County					--	0	--
Slope County					--	0	--
Stutsman County					--	0	--
Walsh County					--	0	--
Williams County					--	0	--
Benson County					--	0	--
Bowman County					--	0	--
Cass County					--	0	--
Divide County					--	0	--
Emmons County					--	0	--
Grand Forks County					--	0	--
Hettinger County					--	0	--

County	Average Distance to PCPs	Total Number Providers	Total Number of Members	Employees Matched		Employees Not Matched	
				Number	Percent	Number	Percent
Logan County					--	0	--
McKenzie County					--	0	--
Morton County					--	0	--
Oliver County					--	0	--
Ramsey County					--	0	--
Richland County					--	0	--
Sheridan County					--	0	--
Stark County					--	0	--
Towner County					--	0	--
Ward County					--	0	--
TOTAL	#DIV/0!	0	0	0	#DIV/0!	0	#DIV/0!

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment A-9: Access to Retail-Chain Providers

Instructions: Using the ZIP Code data provided in **Attachment C: Confidential Documents**, prepare and provide a GeoAccess report for the network proposed for Alternate Plan II. Exclude providers with closed practices from the analysis. Include only employees and retirees in the analysis (i.e. excluding dependents).

A. Please note the geo-mapping method used for Parts B and C below.

Select one

B. For **Response Attachment A-9: GeoAccess Report for Retail-Chain Providers**, please provide the following report format for Access to Facilities.

ZIP Code	Average Distance to Retail Chains	Total Number Retail Chains	Total Number of Members	Employees Matched		Employees Not Matched	
				Number	Percent	Number	Percent
SAMPLE FORMAT							

C. Also provide subtotals for the population by North Dakota county of residence, as shown in the table below.

County	Average Distance to Retail Chains	Total Number Retail Chains	Total Number of Members	Employees Matched		Employees Not Matched	
				Number	Percent	Number	Percent
Adams County					--	0	--
Billings County					--	0	--
Burke County					--	0	--
Cavalier County					--	0	--
Dunn County					--	0	--
Foster County					--	0	--
Grant County					--	0	--
Kidder County					--	0	--
McHenry County					--	0	--
McLean County					--	0	--
Mountrail County					--	0	--
Pembina County					--	0	--
Ransom County					--	0	--
Rolette County					--	0	--
Sioux County					--	0	--
Steele County					--	0	--
Traill County					--	0	--
Wells County					--	0	--
Barnes County					--	0	--
Bottineau County					--	0	--
Burleigh County					--	0	--
Dickey County					--	0	--
Eddy County					--	0	--
Golden Valley County					--	0	--
Griggs County					--	0	--
LaMoure County					--	0	--
McIntosh County					--	0	--
Mercer County					--	0	--
Nelson County					--	0	--
Pierce County					--	0	--
Renville County					--	0	--
Sargent County					--	0	--
Slope County					--	0	--
Stutsman County					--	0	--
Walsh County					--	0	--
Williams County					--	0	--
Benson County					--	0	--
Bowman County					--	0	--
Cass County					--	0	--
Divide County					--	0	--
Emmons County					--	0	--
Grand Forks County					--	0	--
Hettinger County					--	0	--

County	Average Distance to Retail Chains	Total Number Retail Chains	Total Number of Members	Employees Matched		Employees Not Matched	
				Number	Percent	Number	Percent
Logan County					--	0	--
McKenzie County					--	0	--
Morton County					--	0	--
Oliver County					--	0	--
Ramsey County					--	0	--
Richland County					--	0	--
Sheridan County					--	0	--
Stark County					--	0	--
Towner County					--	0	--
Ward County					--	0	--
TOTAL	#DIV/0!	0	0	0	#DIV/0!	0	#DIV/0!

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment A-12: Performance Guarantees

Instructions: Please review the Performance Guarantees below and select either 'Agree' or 'Disagree' from the drop down menu to indicate the Offeror's willingness to comply with each indicator. For each "Disagree" response, please provide an explanation in **Attachment A-13: Deviations**.

The Offeror will report results on all performance measurements quarterly. Penalties will be assessed on overall annual performance basis by performance guarantee line item.

Performance Indicator		Reporting Measurement (subject to audit by NDPERS and/or contract auditors)	Standard/Goal	Penalty	Willingness to Comply
PG-1	Final Implementation Plan	The Final Implementation Plan, as described in AR-1 of Attachment A-3: Administrative Requirements, will be submitted to NDPERS.	Within 2 weeks of the contract award	\$100 per day for each day or partial day during which the Contractor is not in compliance with the Final Implementation Plan.	Select one
PG-2	Turnaround Time - All Claims	Contractor will adjudicate at least 95% of all claims which are submitted for benefits under the program within a turnaround time of 14 calendar days. This turnaround time applies to all claims received. The claim turnaround time is measured from the date received by the Contractor to the date adjudicated (paid, denied or pended). Adjudication is considered to be finalized upon the date the check or an Explanation of Benefits (EOB) is issued.	14 Calendar Days	\$1,000	Select one
PG-3	Telephone Response - Incoming Calls	Incoming calls will be answered by an attendant or interactive voice response within 30 seconds.	30 seconds or less	\$1,000	Select one
PG-4	Telephone Response - Abandonment Rate	The telephone abandonment rate will be less than 3% of calls.	3% or less	\$1,000	Select one
PG-5	Satisfaction Survey - Claims	At least once per year, the Contractor shall measure employee and retiree satisfaction through a customer satisfaction survey. Employees and retirees will indicate their level of satisfaction pertaining to claims adjudication using a five-point scale with one being the lowest rating and five being the highest rating. NDPERS and the Contractor will mutually agree on the number and content of the questions to be included in the survey.	85.0% and higher	\$1,000	Select one
PG-6	Satisfaction Survey - Customer Service	At least once per year, the Contractor shall measure employee and retiree satisfaction through a customer satisfaction survey. Employees and retirees will indicate their level of satisfaction pertaining to customer service using a five-point scale with one being the lowest rating and five being the highest rating. NDPERS and the Contractor will mutually agree on the number and content of the questions to be included in the survey.	85.0% and higher	\$1,000	Select one

Other Provisions

- Penalty fees as described above will be determined for the agreement year within 60 days following the last day of the agreement year.
- NDPERS, or its designated agent, may audit the claim office activities of the Contractor by giving reasonable notice in order for the contractor to prepare for the audit, the cost of which will be borne by NDPERS. In the event there is a disagreement as to what constitutes a claims processing error, an independent audit and their findings will be used to settle the discrepancy. The cost of such an audit will be shared equally by the parties involved, and the results determined by an independent audit.
- No exceptions to performance guarantees will be allowed due to transitional issues or other contingencies unless agreed upon in advance by the Contractor and NDPERS.

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment A-14: Signature Page

In accordance with our attached proposal(s), hereby agrees, if selected by the North Dakota Public Employees Retirement System, to enter into negotiations for contract to provide administrative services for their vision plan during the period from January 1, 2011 and ending December 31, 2012. I have read the RFP from which this page is taken and verify that the above named organization can meet the requirements outlined.

Printed Name of Individual Signing this Form:

[Redacted Name]

Address: [Redacted Address]

City: [Redacted City] State: [Redacted State] ZIP: [Redacted ZIP]

The primary contact person regarding this proposal is:

[Redacted Name]

Title: [Redacted Title]

Address: [Redacted Address]

City: [Redacted City] State: [Redacted State] ZIP: [Redacted ZIP]

Telephone #: [Redacted Telephone] Fax #: [Redacted Fax]

Indicate the number of addenda received by the Offerror: [Redacted Number]

I hereby certify that I have the authority to legally bind the above named company. As an officer of the Offeror, I have attached a document granting this authority to me and it is provided in **Response Attachment A-14: Authorization Documentation.**

Signature

Date

Title

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment B-1: Financial Requirements

Representations made by the Offeror in this proposal become contractual obligations that must be met during the contract term.

Instructions: Please indicate your willingness to comply with each requirement by selecting either "Yes" or "No" from the drop down list located in the response column of each item.

Financial Questionnaire		Offeror's Response Yes or No
F-1	Offeror's quoted premiums are guaranteed, regardless of actual enrollment, for the term of the contract.	Select One
F-2	Any premiums quoted in Offeror's financial proposal must be firm and guaranteed for two years and cannot be changed by recalculation based on actual enrollment.	Select One
F-3	Premiums quoted in Attachment B-2: Financial Proposal will be fully loaded rates including all services outlined in Attachment B-3: Premium Breakdown . NDPERS will not be billed any additional amounts for the services outlined in Attachment B-3: Premium Breakdown , including commissions or brokerage fees.	Select One
F-4	Vendor will provide (analysis on plan design changes, cost impact) routine underwriting and actuarial related contract services at no additional cost.	Select One
F-5	The Master policies are to provide that change in premium can only be instituted on January 1st.	Select One
F-6	North Dakota insurance law provides that "any carrier underwriting any portion of the state's group insurance plan is exempt from paying premium taxes on that portion of its business representing premiums collected from the group insurance plan". Thus, Offeror's responses should not reflect any amounts for premium taxes.	Select One

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment B-2: Financial Proposal

Representations made by the Offeror in this proposal become contractual obligations that must be met during the contract term.

A. Current Plan Design

Instructions: Please complete the table below with the Offeror's proposed monthly premiums by enrollment tier for the current plan design described in **Attachment A-3: Vision Plan Design**. Premiums are to be quoted on a PEPM basis (i.e. per contract by tier).

Monthly Premiums				
Enrollment Tier	Enrollment Assumption	Contract Year 1 and 2	Contract Year 3 and 4	Contract Year 5 and 6
Employee Only	1,873			
Employee + Spouse	1,102			
Employee + Child(ren)	378			
Employee + Family	1,211			

Projected Total Cost				
Enrollment Tier		Contract Year 1 and 2	Contract Year 3 and 4	Contract Year 5 and 6
Employee Only		\$ -	\$ -	\$ -
Employee + Spouse		\$ -	\$ -	\$ -
Employee + Child(ren)		\$ -	\$ -	\$ -
Employee + Family		\$ -	\$ -	\$ -
Projected Total Cost		\$ -	\$ -	\$ -

B. Alternative Plan Design I

Instructions: Please complete the table below with the Offeror's proposed monthly premiums by enrollment tier for Alternative Plan Design I as described in **Attachment A-3: Vision Plan Design**. Premiums are to be quoted on a PEPM basis (i.e. per contract by tier).

Monthly Premiums				
Enrollment Tier	Enrollment Assumption	Contract Year 1 and 2	Contract Year 3 and 4	Contract Year 5 and 6
Employee Only	1,873			
Employee + Spouse	1,102			
Employee + Child(ren)	378			
Employee + Family	1,211			

Projected Total Cost				
Enrollment Tier		Contract Year 1 and 2	Contract Year 3 and 4	Contract Year 5 and 6
Employee Only		\$ -	\$ -	\$ -
Employee + Spouse		\$ -	\$ -	\$ -
Employee + Child(ren)		\$ -	\$ -	\$ -
Employee + Family		\$ -	\$ -	\$ -
Projected Total Cost		\$ -	\$ -	\$ -

C. Alternative Plan Design II

Instructions: Please complete the table below with the Offeror's proposed monthly premiums by enrollment tier for the Alternative Plan Design II described in **Attachment A-3: Vision Plan Design**. Premiums are to be quoted on a PEPM basis (i.e. per contract by tier).

Monthly Premiums				
Enrollemnt Tier	Enrollment Assumption	Contract Year 1 and 2	Contract Year 3 and 4	Contract Year 5 and 6
Employee Only	1,873			
Employee + Spouse	1,102			
Employee + Child(ren)	378			
Employee + Family	1,211			

Projected Total Cost			
Enrollement Tier	Contract Year 1 and 2	Contract Year 3 and 4	Contract Year 5 and 6
Employee Only	\$ -	\$ -	\$ -
Employee + Spouse	\$ -	\$ -	\$ -
Employee + Child(ren)	\$ -	\$ -	\$ -
Employee + Family	\$ -	\$ -	\$ -
Projected Total Cost	\$ -	\$ -	\$ -

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment B-3: Premium Breakdown

Representations made by the Offeror in this proposal become contractual obligations that must be met during the contract term.

Instructions: It is the intent of NDPERS that the items listed below be included within the premiums offered in **Attachment B-2: Financial Proposal**. In the table below, please enter the applicable percentage of the total premium attributable to the component of the premium listed. For any item for which the Offeror enters 0%, it will be assumed that the service is included in the premium, however, the Offeror is unable to provide a separate percentage attributable to that item. Percentages should add up to a total of 100%.

In addition, percentages shown below will be consistent regardless of the aggregate enrollment or the contract year. Offerors should not use this exhibit to propose additional pricing for any component of the premium listed below.

Component		Percentage
1.	Claims	
2.	IBNR	
3.	Profit	
4.	Risk Charge	
5.	Premium Taxes	
6.	Margin	
7.	Commissions and Fees	
8.	Network Access Fees	
9.	Administrative Activities	
a.	ID Card Production and Delivery	
b.	Online Network Listing	
c.	Printing and Mailing Costs	
d.	Electronic Charge for On-line Adjudication / Electronic Claims Processing	
e.	Toll-Free Number for Participants	
f.	Toll-Free Number for Providers	
g.	Standard Reporting Package and Reporting required by NDPERS	
h.	Access to Web-based Reporting	
i.	Ad Hoc reporting requests	
j.	Member Online Access	
k.	Claim Forms	
l.	Explanation of Benefits	
m.	Customer Service	
n.	Attendance at Annual Enrollment Meetings and Benefit Fairs	
o.	HIPAA Compliance	
p.	Satisfaction Survey	
q.	Account Management	
r.	Abuse/Fraud program development and management	
s.	Network Management	
10.	Other (please specify B-6: Deviations)	
Total		0.0%

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment B-4: Network Composition

Instructions: For the Offeror's total book of business, please complete the table for each ZIP code for calendar year 2009 using the network proposed for Alternative Plan Design II as show in **Attachment A-3: Vision Plan Design**. NDPERS eligibility information is as of February 2010.

Network identifier Indicate whether will be using its own commercial network or renting a network for coverage in that area. If no network is available in the zip code provided, please indicate 'N/A'.

Lives Covered The number of lives that covers in its total book of business within that ZIP code.

Number of Vision Care Providers Number of providers contracted by within that ZIP code.

Number of Retail-Chain Providers Number of retail chains contracted by within that ZIP code.

Vision Provider Paid Amount The total claims paid by to vision providers during calendar year 2009.

Retail Chain Paid Amount The total claims paid by to retail chains during calendar year 2009.

Provider Allowed Total Allowed for Provider Charges within that ZIP code during calendar year 2009.

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
North Dakota Zip Codes									
58001	3	2							
58004	1								
58005	15	3							
58006	2	1							
58008	3	2							
58009	2								
58011	5	1							
58012	27	9							
58015	6	1							
58016	3	3							
58017	3								
58018	6	1							
58021	5	4							
58027	18	13							
58029	2								
58030	7	2							
58031	2								
58032	6	1							
58033	2	3							
58036	5								
58038	5								
58040	7	4							
58041	11	6							
58042	29	5							
58043	3								
58045	35	29							
58046	1	3							
58047	41	11							
58048	3	3							
58049	3	2							
58051	19	7							
58052	7	2							
58053	4	12							
58054	84	53							
58056	1	1							
58057		2							
58058	1								
58059	22	5							
58060	9	5							
58061	13								
58062	2	1							
58063	9	1							
58064	3								
58067	3								
58068	2	4							
58069		2							
58071	3	3							
58072	225	87							
58074	6	5							
58075	189	90							
58076	1								
58077	11	7							

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
58078	369	156							
58079	4	1							
58081	5	6							
58102	766	202							
58103	675	257							
58104	454	100							
58105	20	1							
58106	4	2							
58107	4	2							
58108	9								
58201	1,652	353							
58202	22								
58203	745	129							
58204	1								
58206	16	1							
58208	23	4							
58210	7	7							
58212	8	6							
58214	12	1							
58218	18	4							
58220	20	41							
58222	5								
58223	5	2							
58224	1								
58225	26	15							
58227	10	3							
58228	25	7							
58229	2								
58230	4	5							
58231	10	12							
58233	10	3							
58235	13	2							
58237	282	206							
58238	2	1							
58240	20	6							
58243	12	2							
58244	7	1							
58249	21	21							
58250	2	4							
58251	48	18							
58254	6	6							
58256	50	2							
58257	111	18							
58258	6	2							
58259	6	3							
58260	1	2							
58261	44	20							
58262		2							
58265		2							
58266	4	1							
58267	13	7							
58269	2	1							
58270	44	51							
58271	1	2							
58272	2	3							
58273	7	3							
58274	31	7							
58275	31	8							
58276	20	12							
58277	1	2							
58278	93	19							
58282	5	14							
58301	298	162							
58316	7	19							
58318	78	72							
58321	1	2							
58324	14	3							
58325	4	2							
58327	10	2							
58329	5	14							

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
58330	4	4							
58332		1							
58335	1								
58338	1								
58341	12	21							
58343	2								
58344	10	17							
58345	1	3							
58346	5	6							
58348	10	1							
58351	7	10							
58352	1								
58353	2								
58355	1								
58356	16	19							
58357	1	1							
58361		5							
58362	5	2							
58363	1	1							
58365	1	1							
58366	7	9							
58367	24	14							
58368	21	31							
58369	2	5							
58370	1	3							
58374	2	3							
58377	8	5							
58380	4	3							
58381	4	3							
58382	1	1							
58384	6	3							
58385	1								
58401	651	371							
58402	36	19							
58413	6	13							
58415	1								
58416	1	6							
58418	1	3							
58420	11	4							
58421	48	18							
58422		1							
58424	9	12							
58425	11	22							
58426	7	1							
58428	2	1							
58429	5	3							
58430	1								
58431	1	2							
58433	17	7							
58436	6	27							
58438	5	10							
58440		1							
58441	1	2							
58442	11	8							
58443	1								
58444		1							
58445	1								
58448	3	2							
58451	2	1							
58454	5	4							
58455	3	4							
58456	5	7							
58458	4	23							
58460	1								
58461	7	3							
58463	11	8							
58464	1	2							
58466	4								
58467	16	1							
58472	20	4							

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
58474	18	23							
58475	1								
58476	3	3							
58477	3								
58478		2							
58479		1							
58480	5	2							
58481	11	5							
58482	13	4							
58483	14	3							
58486	3	1							
58487	11	2							
58488	1								
58490		1							
58492	6	6							
58494	4	4							
58495	4	6							
58496	1								
58497	11	4							
58501	1,279	692							
58502	61	16							
58503	1,323	442							
58504	964	361							
58505	3								
58506	5	2							
58507	11	3							
58520	4	2							
58521	28	8							
58523	13	24							
58524		2							
58528		1							
58529	4	4							
58530	17	6							
58531	1	4							
58532		1							
58533	4	10							
58535	6	3							
58538	2								
58540	16	26							
58541	2	2							
58544	5	2							
58545	11	23							
58549	2	2							
58552	15	12							
58554	731	278							
58558	28	10							
58559	5	4							
58560	2	3							
58561	7	16							
58562	2	1							
58563	34	5							
58564	2								
58565	9	3							
58566	2	1							
58568	3	3							
58569		1							
58570	7	4							
58571	2								
58572	6	4							
58573	2	5							
58575	8	6							
58576	8	6							
58577	30	18							
58579	31	15							
58580		2							
58581		1							
58601	425	222							
58602	13	6							
58620	2	5							
58621	7	8							

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
58622	9	15							
58623	14	22							
58626		2							
58627		2							
58630	10	7							
58631	9	9							
58634		4							
58636	2	3							
58638	4	2							
58639	18	18							
58640	10	21							
58642	9	3							
58643		1							
58644	1								
58645	4	5							
58646	6	20							
58647	14	8							
58650	3	5							
58651	3	1							
58652	10	9							
58653	1	2							
58654	1	1							
58655	11	2							
58656	2	2							
58701	381	242							
58702	21	9							
58703	334	158							
58704	7								
58707	4								
58710		2							
58711	1	3							
58713	1								
58716	1	1							
58718	11	2							
58721	6	3							
58722	23	5							
58723	1	2							
58725	1								
58727		1							
58730	12	24							
58731	2								
58733	2	2							
58734	1	1							
58735	5	2							
58736	1	4							
58737		2							
58740	8	5							
58741	9	7							
58746	8	8							
58750	3	1							
58755		1							
58756		3							
58757		6							
58758	1								
58759	9	5							
58760	1	4							
58761	10	9							
58762	2	1							
58763	8	17							
58765	1	4							
58768	6	2							
58769	2								
58770	7	4							
58771		1							
58773		3							
58775		3							
58776	1	3							
58778		1							
58779	1								
58781	4	4							

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
58782	2	3							
58783	2	3							
58784	9	34							
58785	18	9							
58787		1							
58788	19	13							
58789	3	2							
58790	9	11							
58792	2	2							
58793	2	9							
58794	1								
58795		2							
58801	233	147							
58802	23	16							
58830	2								
58831	2	1							
58835	1	2							
58838	1								
58843	6	2							
58844		2							
58845	2	1							
58847	1	1							
58849	1	3							
58852	9	17							
58853	3	2							
58854	12	28							
Other Zip Codes									
01301		1							
02896		1							
03215		1							
07506		1							
08054		1							
08515		1							
10006	1								
10301		1							
12845		1							
13440		1							
17044		1							
19341		2							
19446		1							
21035		1							
21045		1							
21117		1							
21207		1							
21409		1							
23089		1							
23139		1							
27504		1							
27511		1							
27517		1							
27705		1							
28092		1							
28150		1							
28311		1							
28327		1							
28445		1							
29212		1							
29466		1							
29642		1							
29706		1							
30606		1							
31405		1							
31419		1							
31522	1								
32082		1							
32159		1							
32174		1							
32246		1							
32444		1							
32514		1							

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
32570		1							
32605		1							
32608		1							
32726		1							
32735		1							
32757		1							
32904		1							
32940		1							
32955		1							
33066		1							
33597		1							
33637		1							
33706		1							
33801		3							
33823		1							
33881		2							
33903		1							
33919		1							
33948		1							
33982		1							
33983		1							
34104		1							
34203		1							
34209		1							
34292		1							
34293		1							
34609		1							
34613		1							
34684		1							
35603		1							
37046		1							
37122		1							
37174		2							
37604		1							
37616		1							
37743		1							
40258		1							
43402		2							
43920	1								
43947		1							
44667		1							
44714		2							
45247		1							
45502		1							
45680		1							
46350		1							
46544		1							
46835		1							
46985		1							
47909		1							
48025		1							
49058		1							
49546		1							
49837		1							
49913	1								
50325		1							
50401		1							
50597		1							
50658		1							
51028		1							
51503		1							
51526		1							
52001		1							
52101		1							
52241		1							
53132	1								
53207		1							
53546		1							
53559		1							
53597		1							

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
53711		1							
53717		1							
53920		1							
54002		1							
54011		1							
54016		2							
54107		1							
54151		1							
54447	1								
54449		1							
54636		1							
54650		2							
54701		1							
54810		1							
54813		1							
54814		1							
54880		1							
55016		1							
55024		5							
55025		2							
55033		2							
55038		1							
55040		1							
55041		1							
55044		2							
55057		1							
55066		1							
55068		3							
55075	1	1							
55076		1							
55082		1							
55102		2							
55104		1							
55105	1	1							
55113	1	1							
55116	1								
55117		1							
55118		1							
55119		1							
55122		2							
55124		1							
55125		2							
55126	1								
55127	1								
55301		1							
55303		1							
55309		1							
55311	3	1							
55330		1							
55337		3							
55340		1							
55344		1							
55346		1							
55350	1	2							
55372		4							
55376		1							
55378		1							
55379		1							
55386		1							
55387	1								
55408	1								
55414	1								
55416		1							
55418	2								
55419		1							
55421		1							
55422	1	3							
55423		1							
55427		2							
55428		1							

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
55431		1							
55434		2							
55435		1							
55443		2							
55445		1							
55446	1	1							
55448		2							
55449		1							
55721	1								
55734		1							
55769		1							
55803	1	1							
55804		1							
55901		4							
55902		1							
55904		1							
55944		1							
55962		1							
55964		1							
55967		1							
55987		1							
56001		1							
56003		1							
56062	1								
56164		1							
56221		1							
56237	1								
56256		1							
56258	1								
56267	1								
56288		1							
56296	1								
56301		3							
56308	2	10							
56309		1							
56310		1							
56315		1							
56324	2	1							
56345		1							
56347		2							
56360	1								
56361		1							
56367		1							
56377	1								
56379		2							
56381		1							
56387		3							
56425	1								
56431	1								
56433		1							
56441		1							
56461		1							
56464		2							
56467	1	1							
56468		1							
56470	1	10							
56472		2							
56473	1								
56474		1							
56482		1							
56484		2							
56501	11	26							
56502	1	1							
56510	3	1							
56511	4	8							
56514	28	3							
56515	3	4							
56519	2								
56520	50	24							
56522	5	2							

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
56523	6	3							
56524		1							
56525		2							
56528	1	6							
56529	31	12							
56534	2								
56535		4							
56536	2	2							
56537	16	6							
56540	1	1							
56542		1							
56543	1								
56544	2	2							
56545	1								
56546	2	1							
56547	9	6							
56549	26	3							
56550		1							
56551	1								
56552	3								
56553	3								
56554	17	7							
56556	1	1							
56560	292	97							
56561	5	1							
56562	1								
56565	1								
56567		1							
56570	1	2							
56571		3							
56572	8	11							
56573		10							
56574	2	1							
56575		2							
56576	1	2							
56578	1	2							
56579	4	1							
56580	12	3							
56583	2								
56584	1	2							
56585	3	3							
56586	2	1							
56587	3								
56589	1	1							
56594	5	1							
56601	5	12							
56621		2							
56623		1							
56633		1							
56644	1								
56661		1							
56701	5	6							
56710	7	2							
56711		1							
56713	5								
56716	24	4							
56721	288	51							
56722	4	1							
56723	19	1							
56726	1	1							
56727	1	1							
56732		1							
56733	3	1							
56734		1							
56736	1	3							
56738	1								
56744	12	2							
56750	7								
56751		2							
56757	6								

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
56758	1								
56762	12	1							
56763		5							
57014		1							
57022	1								
57049		1							
57064		1							
57103		1							
57104		2							
57106		3							
57108		2							
57110		2							
57201		3							
57219		1							
57256		1							
57260	3								
57262	2	2							
57301		2							
57325		1							
57401		6							
57437		1							
57446		1							
57469	1	1							
57601		1							
57632	1								
57648		1							
57701		1							
57702		4							
57703	1								
57718		4							
57730		6							
57747		1							
57754		3							
57755	1								
57769		1							
57783	1	7							
57785	1	4							
59028		1							
59068		1							
59087		1							
59101		1							
59105		1							
59106		1							
59212	1	1							
59221	2	2							
59254		1							
59270		1							
59275	1								
59353		1							
59405		1							
59422		1							
59601		2							
59602	1	1							
59634		1							
59645		1							
59701		1							
59715		2							
59718		1							
59719		1							
59808		1							
59840		1							
59865		1							
59868		1							
59901		2							
59923		1							
59934		1							
60031		1							
60436		1							
61704		1							
61920		1							

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
62521		1							
62704		1							
62903	1								
63385		1							
64015		2							
64131		1							
64137		1							
65018		1							
65355		2							
65686		1							
65721		1							
66002		1							
66030		1							
66067		1							
66223		1							
67205		1							
67217		1							
68028		1							
68123		1							
68124	1								
68130		1							
68135		1							
68137		1							
68144		1							
68154		1							
68305		1							
68506		1							
68516		1							
68803		1							
68875		1							
69001		1							
69361		1							
70122		1							
70769		1							
71909		1							
72701		1							
72704		1							
72801		1							
73020		2							
73110		1							
74012		1							
74701		1							
75010		1							
75034		1							
75044		1							
75075		1							
75154		1							
75766		1							
76054		1							
76092		2							
76244		2							
76548		1							
78501		2							
78504		1							
78516		2							
78542		1							
78550		1							
78572		3							
78577		1							
78641		1							
78645		1							
78681		1							
78733		1							
78840	1								
80004	1	1							
80012		1							
80013		1							
80014		1							
80015	1								
80020	1	1							

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
80031	1								
80110	1								
80121		1							
80122		1							
80123	1								
80125	1								
80127	1								
80129		2							
80227	2								
80304		1							
80403	2								
80439	1								
80465	1								
80503		1							
80504		1							
80521		2							
80524		1							
80525	1	3							
80528		1							
80550		1							
80601		1							
80631		1							
80634		2							
80643	1								
80909	1								
80919		1							
80920		1							
81005		1							
81007		1							
81252		1							
81504		1							
81505		1							
81652		1							
82009		1							
82520		2							
82601	1								
82604	1	1							
82609	1								
82801		1							
82901		1							
83333		1							
83404		1							
83501		1							
83616		1							
83646		1							
83687		1							
83716		1							
83858		1							
84032		1							
84093	1								
84094		1							
84319	1								
84720		1							
84738		1							
84770		1							
85024		3							
85028		2							
85032		1							
85044		1							
85118		2							
85119		1							
85120		11							
85122		3							
85139		1							
85140		1							
85142		1							
85194		1							
85205		4							
85206		7							
85207		1							

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
85208		3							
85209		5							

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
85215		6							
85220		1							
85236	1								
85248		3							
85250		1							
85257		1							
85297		1							
85335		1							
85338		1							
85345		2							
85346	1								
85348		1							
85351		1							
85364		1							
85365		2							
85373		3							
85374		2							
85375		4							
85382		3							
85392		2							
85396		1							
85614		1							
85629		1							
85635		1							
85650		1							
85712		1							
85713		1							
85730		1							
85933		1							
85940		1							
86001		1							
86301		1							
86322	1								
86326		1							
86327		1							
86335		1							
86351		1							
86406		1							
86440		1							
86442		1							
87120		1							
87701		1							
87901		2							
88005		1							
88030		1							
88203		1							
88220		1							
88345		1							
89012		1							
89016		2							
89030		2							
89061		2							
89130		1							
89134		1							
89502		1							
89523		2							
91040		1							
91361		1							
91750		1							
92007		1							
92056		1							
92074		1							
92075		1							
92117		1							
92211		2							
92363		1							
92656		1							
92692		1							
92694		1							
92868		1							

General Information			Network Description						
Zip	Number of Eligible Actives	Number of Eligible Retirees	Network Identifier	Lives Covered	Number of Vision Care Providers	Number of Retail-Chain Providers	Vision Provider Paid Amount	Retail Chain Provider Paid Amount	Other Allowed
93110		1							
93534	1								
93631		1							
93710		1							
94039		1							
94301		1							
94595		1							
95037		1							
95252		1							
95355		1							
95610	1								
95747		1							
95901	1								
96003		1							
96204		1							
96717		1							
96789	1								
97006		2							
97062		1							
97071		1							
97220		1							
97267		1							
97302		1							
97305		1							
97306		1							
97317		1							
97322		2							
97355		1							
97361		1							
97401		1							
97402		1							
97520	1								
97523		1							
97527		1							
97701		1							
97760		1							
97801		1							
98022		1							
98032	1								
98038		2							
98109		1							
98116		1							
98168		1							
98225		1							
98233		1							
98270		1							
98290		1							
98370		1							
98502		1							
98503		1							
98512		1							
98589		1							
98675		2							
98683	1								
98802		1							
98901		1							
99114		1							
99206		1							
99223		1							
99336		1							
99338		1							
99354		1							
99503		1							
99577	1								

Request for Proposal for Voluntary Vision Plan Administrative Services
Attachment B-5: Provider Network

Instructions: NDPERS has provided data for a representative sample of 10 vision provider procedures. Using provider agreements proposed for the NDPERS vision program please provide the allowed charge (reimbursement) and pricing methodology used in each of the three-digit ZIP Codes indicated. When more than one reimbursement amount is utilized in a ZIP Code, provide the most prevalent reimbursement.

Code	Description	Zip Code - 580		Zip Code -581		Zip Code - 582		Zip Code -583		Zip Code -584	
		Pricing Methodology	Allowed Charges								
V2020	Eye Glass Frame										
V2781	Progressive (eyeglass) lens, per lens										
S0621	Routine exam including refraction										
V2500	Contract lens, spherical, per lens										
92012	Exam, intermediate, new patient										
V2100	Single vision, (eyeglass) lens, per lens										
92014	Exam intermediate, established patient										
V2520	Contact lens, hydrophylic, spherical, per lens										
92004	Comprehensive exam, new patient										
92310	Contact lens fitting (pays as a contact lens expense, not an exam)										

Request for Proposal for Voluntary Vision Plan Administrative Serv
Attachment B-5: Provider Network

Instructions: NDPERS has provided data for a representative sample of 10 vision provider procedures. Using provider agreements proposed for the NDPERS vision program please provide the allowed charge (reimbursement) and pricing methodology used in each of the three-digit ZIP Codes indicated. When more than one reimbursement amount is utilized in a ZIP Code, provide the most prevalent reimbursement.

Code	Description	Zip Code - 585		Zip Code -587		Zip Code - 588	
		Pricing	Allowed	Pricing	Allowed	Pricing	Allowed
		Methodology	Charges	Methodology	Charges	Methodology	Charges
V2020	Eye Glass Frame						
V2781	Progressive (eyeglass) lens, per lens						
S0621	Routine exam including refraction						
V2500	Contract lens, spherical, per lens						
92012	Exam, intermediate, new patient						
V2100	Single vision, (eyeglass) lens, per lens						
92014	Exam intermediate, established patient						
V2520	Contact lens, hydrophylic, spherical, per lens						
92004	Comprehensive exam, new patient						
92310	Contact lens fitting (pays as a contact lens expense, not an exam)						

Financial Requirement Number	Response

Request for Proposal for Voluntary Vision Plan Administrative Services

Attachment B-7: Signature Page

In accordance with our attached proposal(s), hereby agrees, if selected by the North Dakota Public Employees Retirement System, to enter into negotiations for contract to provide administrative services for their vision care plan during the period from January 1, 2011 and ending December 31, 2012. I have read the RFP from which this page is taken and verify that the above named organization can meet the requirements outlined.

Printed Name of Individual Signing this Form:

[Redacted Name]

Address: [Redacted Address]

City: [Redacted City] State: [Redacted State] ZIP: [Redacted ZIP]

The primary contact person regarding this proposal is:

[Redacted Name]

Title: [Redacted Title]

Address: [Redacted Address]

City: [Redacted City] State: [Redacted State] ZIP: [Redacted ZIP]

Telephone #: [Redacted Telephone] Fax #: [Redacted Fax]

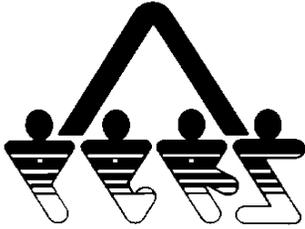
The Number of Addenda you received is: [Redacted Number]

I hereby certify that I have the authority to bind the above named company. As an officer of the Respondent, I have attached a copy of the document granting this authority and it is provided in **Response Attachment B-7: Authorization Documentation.**

Signature

Date

Title



North Dakota
Public Employees Retirement System
400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: PERS Board

FROM: Sparb Collins

DATE: May 13, 2010

SUBJECT: State Investment Board Update

Our state investment board members will give an update on the activities of the three committee's set up by the SIB.



North Dakota
Public Employees Retirement System
400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

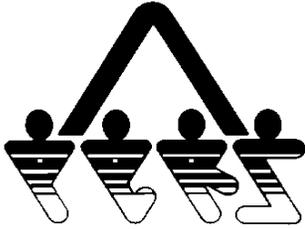
Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: PERS Board
FROM: Sparb Collins
DATE: May 13, 2010
SUBJECT: Asset Allocation Study

The investment subcommittee met since the last PERS Board meeting and reviewed our schedule relating to conducting an Asset Liability Study. The Board had decided earlier this year to begin work on this study this summer with the first step being retaining a consultant to do the study. The committee is recommending moving back the date to start this study until the SIB has had an opportunity to retain a new State Investment Officer.



**North Dakota
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FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: NDPERS Board

FROM: Kathy

DATE: May 13, 2010

SUBJECT: FlexComp Plan Amendment

Currently individuals that terminate employment have the option to elect to continue contributions to their FlexComp Plan medical spending account through the end of the plan year on an after tax basis either as a lump sum payment or by monthly payments. IRC Section 125 regulations also permit these payments to be made on a pre-tax basis as a lump sum deduction from the participant's final pay check.

Staff is recommending that our plan be amended to include the lump sum pretax option for participant's terminating employment that elect to remain in the plan through the end of the plan year. The proposed amendment is included for your information.

Board Action Requested

**AMENDMENT NO. 6
TO THE
STATE OF NORTH DAKOTA
FLEXCOMP PROGRAM
PLAN DOCUMENT**

Effective May 1, 2010, the Plan Document for THE STATE OF NORTH DAKOTA FLEXCOMP PROGRAM is hereby amended as follows:

ARTICLE III. section 3.05 Continuation Coverage.

3.05 Continuation Coverage.

- a. Eligibility. A Qualified Beneficiary may continue coverage under this section by making election to do so with the Employer and submitting the applicable self-payment contribution (subject to all conditions and limitations under the Consolidated Omnibus Budget Act of 1985). The amount of the monthly self-payment contribution will be established by the Executive Director and will be paid on an after-tax basis on a uniform and consistent basis. However, employees who elect COBRA are permitted to pre-tax the COBRA premiums and pre-pay the premium through the end of the current plan year from their final paychecks.

Dated: _____, 2010

By: _____
North Dakota Public Employees Retirement System

Title: _____



**North Dakota
Public Employees Retirement System**
400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
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FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: PERS Board
FROM: Sparb and Sharon
DATE: May 13, 2010
SUBJECT: Budget Items

We are starting the budget cycle for the 2011-2013 biennium. On May 5, the Governor released the budget guidelines for the 2011-13 biennium which require us to develop a hold-even budget with no increase in FTE.

I. Background

We have three areas that we need your guidance on before the budget can be prepared. These include:

- Health care reform
- Ongoing support and maintenance of PERSLink
- FTE - Positions

1. Health Care Reform

We do not know the extent to which health care reform will impact our agency. We do know there may be some provisions, such as auto enrollment and extending the age for covering dependent children, which will require programming changes to the PERSLink system. We also anticipate there could be an increase in costs for communicating these changes to members. Until we know the details, it is difficult to estimate how this could impact our budget. Rather than build in an increase in the operating line item to cover these unknown expenses, we are suggesting that we keep the contingency line item. Currently, we have \$250,000 of appropriation authority in the contingency line. We feel that this should adequately cover any unexpected costs that we may need to incur as a result of this new federal legislation.

2. PERSLink – Ongoing Maintenance/Support

Ongoing operations for PERSLink will affect the PERS budget in two ways. First will be the cost for maintenance fee and second will be the cost for operations support. A maintenance fee ensures that upgrades by the vendor to the system are also provided to our system as they occur. This allows our system to keep up-to-date on new functional features and prevent PERSLink from becoming technologically obsolete. The second is more specific to PERS and provides for enhancements relating to our business requirements and general operations support for our system.

The cost of the maintenance fee is \$200,000 per year.

The cost of system support depends on the approach used. As part of our transition plan for moving our business system from the mainframe to PERSLink, we looked at various models for providing on-going support. We analyzed the duties that are currently performed by our internal IT staff (3 FTE) and ITD (1.5 FTE) and compared that to the duties that will be required under PERSLink. It was estimated that we will need about 2.5 additional FTE to support the system. We then looked at various options for meeting this need.

- a) Add NDPERS IT staff. Although a long-term goal is for NDPERS staff to be able to fully support the PERSLink system, it would be difficult to fully train our existing IT staff by the time our warranty period with Sagitec expires. In addition, we would need to hire 2-3 new FTE to staff this effort appropriately and have them fully trained as well. Implementing this model by July 1, 2011 would not be realistic. In addition the budget guidelines for 2011-13 are asking for no increase in FTE.
- b) NDPERS IT staff and ITD. We are partnering with ITD to host the PERSLink application on their servers at ITD and provide disaster recovery services. We are also planning to utilize the ITD service desk to help support our external users experiencing technical problems (approximately .5 FTE of effort). These are services that ITD currently provides for a number of different agencies, therefore, we can benefit from cost efficiencies. However, in order for ITD to provide on-going programming support for PERSLink, they will need to be trained on PERSLink. Although the programming skills necessary to support PERSLink would be common, they will need to have a certain level of expertise that is specific to our system. We feel that a Sagitec developer, who works only with systems developed by Sagitec, will have a higher level of proficiency in maintaining our system. We also compared the hourly rates we would pay Sagitec and ITD. Sagitec's proposal has a rate of \$78/hour; the rate for ITD analysts range from \$67 - \$86 per hour.
- c) NDPERS IT staff, ITD and Sagitec. Sagitec has provided a proposal for 2 FTE to maintain the PERSLink application and provide support to the NDPERS staff for the production control and operations for the 2011-13 biennium. This would be at a cost of \$300,000 per year. We feel this provides us with the best continuity for supporting the system and allows a transfer of knowledge to take place from Sagitec to NDPERS IT staff. In addition, we would partner with ITD for hosting, disaster recovery and help desk services.

3. PERS Staffing

Our budget for the 2007-09 biennium included four additional FTE which were part of the funding request for the PERSLink project. Two FTE were added to the Accounting Division and two were added to the Benefits Division. In our testimony, we indicated that these

positions would be needed for at least four years and that at the conclusion of the project, some of these staff could be phased out, however not all. At this time, we do not have a good sense of how the efficiencies we are gaining through PERSLink will impact our staffing level. We do know that implementing new business processes throughout the agency will result in an initial slow down in our productivity, as everyone is learning how to perform their work in a completely different way and learning the new system. We also are expecting that with the introduction of employee and employer self-service, we will have new responsibilities for supporting our external users of PERSLink. In order to maintain continuity in the level of service we currently provide to our customers, we are proposing that we keep all four staff for the 2011-13 biennium. During the 2011-13 biennium we will be proposing at the next board planning meeting to bring a firm known as CEM which is used by many public sector plans to help us think through our staffing needs. CEM has a wealth of data that other state retirement plans use to help them benchmark what are the needed staffing levels to provide the needed services. With the assistance of this firm we can review our existing staffing levels and determine where we should be and incorporate that into our 2013-2015 budget.

II. Budget impact

We estimate that our hold even budget will be \$6.2 million. We know that as a result of PERSLink, we will be increasing our IT expenditures by approximately \$800,000 for the biennium, which will be offset by a reduction in project related operating expenses of approximately \$200,000. This will present a challenge to arrive at a hold even budget. We have reviewed several options:

1. In order to maintain a hold even budget we could:
 - a. Not provide any funds for the PERSLink project in our base budget and request the funding in our optional request thereby saying in our base budget that we are prepared to let the system deteriorate. Clearly this would not be reasonable after the investment we made.
 - b. Fund the full cost of the above ongoing maintenance and support costs in the hold even budget. To do this and meet the Governor's requirements we will need to reduce other areas in our existing budget. Since 70% of our budget is salary and benefits it means we will have to make significant reductions in our staffing levels to accomplish this.
 - c. Fund the maintenance fee through our appropriated budget and fund the ongoing support costs as a consulting expense through our continuing appropriation for consulting expenses. We have asked Aaron to review this and attachment #1 is his response.

Staff Recommendation:

In recognition of the above and Aarons review staff is recommending the following:

1. No additional increase for health care reform and that we use our contingency line for these costs as they are determined. The board presently has the authority to transfer this spending authority from contingency to the needed line item.
2. Maintain our staffing level for 2011-13

3. Select option I.2.c for the PERSLink system support model
4. Funding the maintenance fee as part of our appropriated budget (\$400,000).
Concerning the on going support costs (\$600,000) staff will be working with Aaron to better understand our options for the for and based upon this review we will develop our options and present a recommendation for this at the board meeting.

Board action requested:

Provide guidance for preparation of the 2011-13 budget request.

Sparb,

This email is in response to a question that you posed regarding whether the upcoming services to be provided by Sagitec would fall under the current appropriation authority found under NDCC § 54-52-04(6).

NDCC § 54-52-04(6) provides that "The funds necessary for paying prior service and service benefits, consultant fees, and making withdrawal payments and refunds are hereby appropriated from the retirement fund for those purposes." In addition, NDCC § 54-52.1-03 provides "The amount necessary to pay consultants retained by the board, any insurance costs associated with the medical spending account, and medical reimbursements for the medical spending account if funds are insufficient to pay claims are hereby appropriated from the savings and revenue generated by the program."

Since the term "consultant" is not defined under the chapter, it should be given a reasonable meaning. Under the Webster's Third New International Dictionary, the term "consultant" is defined as: "**1** : one who consults another **2** : one who gives professional advice or services regarding matters in the field of his special knowledge or training (a consulting physician or engineer)." In the second college edition of the American Heritage Dictionary, the term "consultant" is defined as: "**1**: A person who gives expert or professional advice **2**: A person who consults another". Finally, MacMillan Dictionary provides the following definition of "consultant": "an expert or a professional person whose job is to give help and advice on a particular subject". Clearly, the common requirement under all the definitions that I have reviewed, is that a consultant is a person who operates in an advisory role.

It is my understanding that the Sagitec firm will provide PERS with various services. One such service will be to be a consultant for the agency, in that Sagitec will provide advice and opinion regarding whether changes should be made to the current operation of the PERS computer system or whether the business process outside of the system should be changed. They will also provide advice as to the best way that changes can be implemented in the computer system. In addition, the firm will make recommendations as to solutions available in order to keep the PERS computer system running at an optimal level. It also appears that Sagitec will be providing a service component as well. This component will include maintenance on the system, including routine fixes, upgrades and enhancements along with testing on the system.

It is my opinion that in order to consider an arrangement to be wholly "consulting" in nature, the contract would have to be overwhelmingly based on receiving advice or opinion, and not based on a service component. By this, I mean that any service component of the contract would have to be de-minimus.

In contracts where a majority portion is based on a consulting function, yet there is a service component which is measurable (not de-minimus), I believe that under certain circumstances, an agency may be able to bifurcate the contract into a consulting component and a service component. However, this should only be done if the two areas are completely severable. I believe that a good test for this would be whether two companies could be hired and conduct these activities on a separate basis.

Based on the foregoing, I do not see that PERS would be able to define the overall contract as being consulting in nature. It would be up to PERS as to whether this contract is capable to being severable into a consulting component and a service component for the purpose of payment of fees.

If you have any other questions, let me know.

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