**Request for Proposals for the State of Wisconsin**

**ETJ0043**

**Third Party Administration of the State of Wisconsin Income Continuation Insurance (ICI) Program**

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Issued by the State of Wisconsin

Department of Employee Trust Funds

On behalf of the Group Insurance Board

 Release Date: June 19, 2020

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# General Information

## Introduction

The purpose of this Request for Proposals (RFP) is to solicit proposals from interested and qualified income continuation insurance providers that possess the resources and expertise to administer the Wisconsin Income Continuation Insurance Program (Program). Proposals from brokers will not be considered.

The State of Wisconsin Department of Employee Trust Funds (Department) intends to use the results of this solicitation to award a Contract for the administration of the Program. The Contract will be administered and managed by the Department, with oversight by the State of Wisconsin Group Insurance Board (Board). This RFP document, its attachments, and the awarded Proposal will be incorporated into the Contract.

## Program Overview - Background Information

The Department administers the Wisconsin Retirement System (WRS), the group health insurance program for State Employees and many local governments, and a variety of other public employee benefit programs. The WRS is the 8th largest public pension fund in the nation and the Department’s largest program, providing retirement benefits for more than 641,000 current and former State and local government Employees on behalf of approximately 1,500 employers. WRS participants include public school teachers, current and former Employees of State agencies, and Employees of most local governments. The Department is overseen by independent governing boards and funds are held on behalf of the benefit program beneficiaries in the Public Employee Trust Fund created and regulated under Chapter 40 of the Wisconsin State Statutes.

**Income Continuation Insurance Program**

The Program is a voluntary, self-insured, income replacement program available to all WRS-enrolled State Employees and Employees of all Wisconsin local government entities that resolve to participate in the Program. The Program is authorized by Wisconsin Statute §40.62 and is currently administered by The Hartford Life and Accident Insurance Company. The Program offers both short-term and long-term benefits for Employees who develop disabilities that prevent them from working, either temporarily or permanently. At of the beginning of 2020, there were a total of 320 Employers participating in the Program with 60,119 insured Employees. The Program is funded solely by premiums paid by Employers and Employees and investment earnings. The Contractor has no role in investment of premiums.

The Program will pay benefits to any insured individual who becomes disabled while employed by a WRS participating Employer. The Program will pay 75% of the Employee’s average monthly earningsand offers Standard and Supplemental coverage:

* Standard Coverage – Covers up to $64,000 of annual earnings. The maximum benefit is $4,000 per month. Premiums are shared by Employers and Employees.

* Supplemental Coverage – Available to Employees whose annual salary exceeds $64,000. Covers between $64,000 and $120,000 of annual earnings. The maximum benefit is $7,500 per month. Premiums are paid entirely by the Employee.

Program benefits continue until the recipient turns age 65 (with some exceptions), recovers, returns to full-time work, or dies, whichever occurs first. A $75 supplemental benefit is added to the monthly benefit amount when the benefit transitions to long-term ICI after one year.

Program benefits will begin after a State Employee serves an elimination period or exhausts sick leave up to a maximum of 130 working days, whichever is longer. All State Employees (other than University of Wisconsin faculty and academic staff) have a 30-Calendar Day elimination period. UW faculty and academic staff choose an elimination period of 30, 90, 125, or 180 Calendar Days.

Local Employees, like UW faculty and academic staff, select their own elimination period, up to 180 Calendar Days. The local ICI plan does not require Employees to exhaust sick leave prior to receiving benefits.

In the State ICI plan, premiums are determined by an Employee’s salary and amount of accumulated sick leave. The Employee’s accumulated sick leave level determines which of the six premium rate categories they fall into. ICI premiums for UW faculty and academic staff are determined by an Employee’s salary and the Employee-selected elimination period. Premiums for local Employees are also based on an Employee’s salary and Employee-selected elimination period.

Employer contributions to the State ICI plan are based on percentages established in Wis. Stat. §40.05 (5). The Employee share of the premium is determined by reducing the total premium by the Employer share. The highest rate category, Category 6, is 100% paid by Employers. For UW faculty and academic staff and for local Employees, Employers pay 100% of the premium for a 180-Calendar Day elimination period. If an Employee wishes to enroll with a shorter elimination period, they will pay the premium differential. Additionally, there is no Employer contribution for UW faculty and academic staff until they have 12 months of State employment under the WRS.

ICI benefits will not duplicate certain benefits available from other sources, including the WRS, Social Security Administration, workers’ compensation, and unemployment compensation. Duplicate benefit payments must be paid back to the Program.

The Program paid 19.4 million in benefits in 2019, a 2% decrease from 2018. The number of claimants receiving an ICI benefit (State and local) was approximately 1,230 as of December 31, 2019, which is an increase of 0.7% from the previous year.

Table 1 provides ICI claim data from the past five years. Active ICI claims are broken down by short-term disability (STD) and long-term disability (LTD). The LTD claims are ones that have transitioned from the STD claim period.

***Table 1. Claim Data***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **YEAR** | **Initial & Deferred Enrollment Applications** | **Evidence of Insurability Applications** | **Active STATE ICI Claims at end of year** | **Active LOCAL ICI Claims at end of year** |
| **STD** | **LTD** | **STD** | **LTD** |
| 2019 | 8,555 | 250 | 194 | 946 | 27 | 63 |
| 2018 | 10,861 | 300 | 189 | 951 | 22 | 59 |
| 2017 | 9,327 | 283 | 233 | 980 | 18 | 63 |
| 2016 | 11,427 | 364 | 260 | 976 | 18 | 62 |
| 2015 | 9,356 | 292 | 289 | 933 | 26 | 48 |

## Additional Background Information

Table 2 below provides links to additional resources. This information is provided to assist Proposers in completing an RFP response.

Table 2. Resources

|  |  |
| --- | --- |
| **Title** | **Web Address** |
| Employee Trust Funds Website | [http://etf.wi.gov](http://etf.wi.gov/) |
| Wisconsin Administrative Code: Chapter ETF 11 Appeals | <http://docs.legis.wisconsin.gov/code/admin_code/etf/11> |
| Wisconsin State Statutes: Chapter 40 | <http://www.legis.state.wi.us/statutes/Stat0040.pdf> |
| ETF Insurance Complaint Information | <http://etf.wi.gov/publications/et2405.pdf> |
| Income Continuation Insurance-State Brochure | <https://etf.wi.gov/resource/income-continuation-insurance-state> |
| Income Continuation Insurance-Local Brochure | <https://etf.wi.gov/resource/income-continuation-insurance-local> |
| Income Continuation Insurance Plan Language* Attachment A - State Employees Plan
* Attachment B - Local Employees Plan
 | <https://etf.wi.gov/media/5171/direct> |
| Income Continuation Insurance Actuarial Valuations (State and local plans) | <https://etf.wi.gov/about-etf/reports-and-studies/actuarial-reports-and-studies#ICIstate> |

## Procuring and Contracting Agency

This RFP is issued by the Department on behalf of the Board. The Department is the sole point of contact for the State in the selection process. The terms “State,” “ETF,” and “Department” may be used interchangeably in this RFP and its attachments.

Prospective Proposers are prohibited from contacting any person other than the individual listed below regarding this RFP. Violation of this requirement may result in the Proposer being disqualified from further consideration.

Dept. of Employee Trust Funds

Attention: Beth Bucaida

**RFP ETJ0043**

P.O. Box 7931

Madison, WI 53707-7931

Telephone: 608-267-3933

E-mail: ETFSMBProcurement@etf.wi.gov

## Definitions and Acronyms

Words and terms shall be given their ordinary and usual meanings. Words and terms not defined below shall have the meanings provided by Wis. Stat. § 40.02 and Wis. Admin. Code § ETF 10.01 unless otherwise clearly and unambiguously defined by the context of their usage in this RFP. Where capitalized in this RFP, the following definitions and acronyms shall have the meanings indicated unless otherwise noted. The meanings shall be applicable to the singular, plural, masculine, feminine, and neutral forms of the words and terms.

**Board** means State of Wisconsin Group Insurance Board.

**Business Day** means each Calendar Day except Saturday, Sunday, and official State of Wisconsin holidays (see also: Calendar Day, Day).

**Calendar Day** refers to a period of twenty-four hours starting at midnight.

**Calendar Year** means the time period from January 1 to December 31.

**Confidential Information** means all tangible and intangible information and materials being disclosed in connection with the Contract, in any form or medium without regard to whether the information is owned by the State of Wisconsin or by a third party, which satisfies at least one of the following criteria: (i) Individual Personal Information; (ii) Personally Identifiable Information under Wis. Stat. § 19.62(5); (iii) Protected Health Information under HIPAA, 45 CFR 160.103; (iv) proprietary information; (v) non-public information related to the State of Wisconsin’s employees, customers, technology (including data bases, data processing, and communications networking systems), schematics, specifications, and all information or materials derived therefrom or based thereon; (vi) information expressly designated as confidential in writing by the State of Wisconsin; (vii) all information that is restricted or prohibited from disclosure by State or federal law, including Individual Personal Information and Medical Records as governed by Wis. Stat. § 40.07, Wis. Admin. Code ETF 10.70(1) and 10.01(3m); or (viii) any material submitted by the Proposer in response to this RFP that the Proposer designates confidential and proprietary information and which qualifies as a trade secret, as provided in Wis. Stat. § 19.36 (5) or material which can be kept confidential under the Wisconsin public records law.

**Contract** means the written agreement resulting from the successful Proposal and subsequent negotiations that shall incorporate, among other things, this RFP and all Exhibits and Forms, the successful Proposer's Proposal as accepted by the Department, an updated and executed Appendix 1 Pro Forma Contract, its exhibits, and subsequent amendments, the Income Continuation Insurance Plan Language (see Section 9.5), and other documents as agreed upon by the Department and the Contractor.

**Contractor** means a Proposer who is awarded a Contract.

**Cost Proposal** means the document submitted by a Proposer that includes Proposer’s costs to provide the Services. FORM I – Cost Proposal Workbook is one of the required documents all Proposers must submit. The Cost Proposal is described in Section 8 and elsewhere in this RFP.

**Day** means Calendar Day unless otherwise indicated.

**Department** or **ETF** means the State of Wisconsin Department of Employee Trust Funds.

**Employee** means an eligible employee of the State of Wisconsin as defined under [Wis. Stat. § 40.02 (25) (a),](https://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/25)  or [Wis. Stat. § 40.02 (25) (d)](https://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/25/d). As used herein, a State Employee is an Employee of a State Employer and a local government Employee is an Employee of a local State government.

**Employer** means the State, including each State agency, any county, city, village, town, school district, other governmental unit or instrumentality of two or more units of government as defined in [Wis. Stat. § 40.02 (28)](https://docs.legis.wisconsin.gov/statutes/statutes/40/I/02/28).

**HIPAA** means the Health Insurance Portability and Accountability Act of 1996. See Appendix 2 – Department Terms and Conditions.

**Individual Personal Information** or **IPI** has the meaning ascribed to it at Wis. Admin. Code ETF § 10.70 (1). See Appendix 2 Department Terms and Conditions.

**Mandatory** means the least possible threshold, functionality, degree, performance, etc. needed to meet a compulsory requirement.

**Personally Identifiable Information** or **PII** means information that is capable of identifying a particular individual through one or more identifiers or other information or circumstances. See Appendix 2 Department Terms and Conditions.

**Program** means the Wisconsin Income Continuation Insurance Program created and regulated under Chapter 40 of the Wisconsin State Statutes.

**Proposal** means the complete response of a Proposer, submitted in the format specified in this RFP, which sets forth the Services offered by a Proposer and Proposer’s pricing for providing the Services described in this RFP.

**Proposer** means any individual, firm, company, corporation, or other entity that submits a Proposal in response to this RFP.

**Protected Health Information** or **PHI** has the meaning ascribed to it under 45 CFR 160.103. See Appendix 2 Department Terms and Conditions.

**RFP** means this Request for Proposals ETJ0043.

**Secure/Secured/Securely** means the confidentiality, integrity, and availability of the Department’s data is of the highest priority and must be protected at all times. All related hardware, software, firmware, protocols, methods, policies, procedures, standards, and guidelines that govern, store, or transport the data must be implemented in manners consistent with the Department’s terms and conditions and current industry standards, such as, but not limited to HIPAA, Genetic Information Nondiscrimination Act (GINA), National Institute of Standards and Technology (NIST) 800-53, and Center for Internet Security (CIS) Critical Security Controls to ensure the protection of all Department data.

**Services** means all work performed, and labor, actions, recommendations, plans, research, and documentation provided by the Contractor necessary to fulfill that which the Contractor is obligated to provide under the Contract.

**State** means the State of Wisconsin.

**State Statutes** or **Wisconsin Statutes** or **Wis. Stats.** means Wisconsin State Statutes referenced in this RFP, viewable at: <http://www.legis.state.wi.us/rsb/stats.html>.

**Subcontractor** means a person or company hired by the Contractor to perform a specific task or provide Services as part of the Contract.

**WRS** means the Wisconsin Retirement System.

## Clarification of the Specifications and Requirements

Proposers must submit all questions concerning this RFP via e-mail (no phone calls) to ETFSMBProcurement@etf.wi.gov. The subject of the e-mail must state “**ETJ0043**” and the e-mail must be received on or before the date identified in Section 1.10 Calendar of Events, *Proposer Questions and Letter of Intent Due Date*. Proposers are expected to raise any questions they have concerning this RFP at this point in the process. Do not include any information within your questions that would identify your company, as all submitted questions will be shared with all vendors who submit questions.

Proposers are encouraged to submit any assumptions or exceptions during the above process. All assumptions and exceptions listed must contain a rationale as to the basis for the assumption/exception. The Department will inform Proposers what assumptions/exceptions are acceptable to the Department.

Questions must be submitted as a Microsoft Word document (not a .pdf or scanned image) using the format specified below:

Table 3. Format for Submission of Clarification Questions

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Q # | RFP Section | RFP Page | Question/Rationale | Department Answer |
| Q1 |  |  |  |  |
| Q2 |  |  |  |  |
| Q3 |  |  |  |  |
| Q4 |  |  |  |  |

Q = Proposer’s question

Proposer’s e-mail must include the name of the Proposer’s company and the person submitting the question(s). A compilation of all questions and answers, along with any RFP updates, will be posted to the **Department web site** at <https://etf.wi.gov/vendors-and-third-party-administrators> on or about the date indicated in Section 1.10 Calendar of Events, *Department Posts Responses to Proposer Questions*.

If a Proposer discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the Proposer should immediately notify the individual identified in Section 1.5 Procuring and Contracting Agency, of such error and request modification or clarification of this RFP document.

If it becomes necessary to update any part of this RFP, updates will be published on the Department’s web site listed above and will not be mailed. Electronic versions of this RFP and its attachments are available on the Department web site.

## Proposer Conference

No Proposer conference is scheduled for this RFP. If the Department decides to hold a Proposer conference, a notice will be posted on the Department’s web site at:

<https://etf.wi.gov/procurement>. Click on the name of this RFP.

**NOTE:** unless a notice is posted, no conference will be held.

## Reasonable Accommodations

The Department will provide reasonable accommodations, including the provision of informational material in an alternative format, for qualified individuals with disabilities, upon request.

## Calendar of Events

Listed below are the important dates by which actions related to this RFP must be completed. If the Department finds it necessary to change any of the specific dates and times in the Calendar of Events listed below, it will do so by posting a supplement to this RFP on the Department’s web site with the URL listed above. No other formal notification will be issued for changes in the estimated dates.

Table 4. Calendar of Events\*

|  |  |
| --- | --- |
| Date | Event |
| June 19, 2020 | Department Issues RFP (Release Date) |
| July 8, 2020 | Vendor Questions and Letter of Intent Due Datesend to: ETFSMBProcurement@etf.wi.gov |
| July 2020 | Department Posts Responses to Proposer Questions |
| August 12, 2020 | FORM J – ETF SFTP Vendor Access Request Due Datesend to: ETFSMBProcurement@etf.wi.gov |
| Wednesday, September 2, 2020 by 2:00 p.m. Central Standard Time | **Proposal Due Date** |
| October/November 2020 | Proposer Presentations to RFP Evaluation Team (if required) |
| November 18, 2020 | Group Insurance Board meeting including Finalist Proposer Presentations to the Board |
| By February 2021 | Execute Contract |
| By March 2021 | Begin implementation and transition process |
| January 1, 2022 | Contractor-provided ICI benefits begin |

***\*All dates are estimated except for due dates for: Proposer Questions, Letter of Intent, FORM J and Proposals.***

## Contract Term

The Department expects the Contract to be executed by February 2021, after Contract negotiations have been successfully completed. The initial Contract term will commence on the date the Contract is executed by all parties thereto. Thereafter, unless earlier terminated, the term of the Contract shall continue for an initial term ending on December 31, 2026. The Board retains the option to renew the Contract for one additional two (2)-year term.

**NOTE:** The Contractor will assist the Department with Program implementation, transition, and member communication prior to the start of the 2022 benefit period. This implementation and transition period will begin after the Contract is executed and continue until implementation and transition is complete. The Contractor will begin providing Program benefits on January 1, 2022 (the start of the 2022 benefit period).

## Letter of Intent

A letter of intent indicating that a Proposer intends to submit a response to this RFP is requested (see Section 1.10 Calendar of Events for the due date). In the letter, identify the Proposer’s organization/company name, list the name, location, telephone number, and email address of one or more persons authorized to act on the Proposer’s behalf. Submit the letter of intent via email to the address listed in Section 1.5 Procuring and Contracting Agency. The RFP number and title must be referenced in the subject line of Proposer’s email. The letter of intent does not obligate the Proposer to submit a Proposal.

## No Obligation to Contract

The Board reserves the right to cancel this RFP for any reason prior to the issuance of a notice of intent to award a Contract. The Board does not guarantee to purchase any specific dollar amount. Proposals that stipulate that the Board shall guarantee a specific quantity or dollar amount will be disqualified.

##  WI Department of Administration eSupplier Registration

The Wisconsin Department of Administration’s eSupplier Portal is available to all businesses and organizations that want to do business with the State. The eSupplier Portal allows vendors to see details about pending invoices and payments, allows vendors to receive automatic, future official notices of bid opportunities, and, in some cases, allows vendors to respond to State solicitations.

**Note:** the eSupplier Portal is not being used for this solicitation for Proposer responses.

For more information on the eSupplier Portal, go to: <https://esupplier.wi.gov/psp/esupplier/SUPPLIER/ERP/h/?tab=WI_BIDDER>

## Retention of Rights

All Proposals become the property of the Department upon receipt. All rights, title, and interest in all materials and ideas prepared by the Proposer for the Proposal, and provided to the Department, shall be the exclusive property of the Department and may be used by the State at its discretion.

# Preparing and Submitting a Proposal

## General Instructions

The evaluation and selection of a Contractor will be based on the information received in the submitted Proposal(s) plus the following optional review methods, at the Department’s discretion: reference checks, Proposer presentations, interviews, demonstrations, responses to requests for additional information or clarification, any on-site visits, and/or best and final offers (BAFOs), where requested. Such methods may be used to clarify and substantiate information in the Proposals.

Failure to respond to each of the requirements in this RFP may be the basis for rejecting a Proposal.

Elaborate Proposals (e.g., expensive artwork, extensive marketing materials), beyond that sufficient to present a complete and effective Proposal, are neither necessary nor desired. Marketing or promotional materials should only be provided where specifically requested. If providing such materials, please indicate which question the materials apply to.

All Proposals must be in English.

## Incurring Costs

The State of Wisconsin and the Department are not liable for any costs incurred by Proposers in replying to this RFP or making requested oral presentations or demonstrations.

## Submitting a Proposal

#### ****2.4.1 Proposal Submission to the Department’s secure file transfer protocol (SFTP) site****

**Proposers must submit the following, including all required materials as specified herein:**

* **A completed FORM J – ETF** SFTP Vendor Access Request **to must be submitted to** ETFSMBProcurement@etf.wi.gov**. FORM J should be submitted no later than three (3) weeks prior to the Proposal due date specified in Section 1.10 Calendar of Events.**

**Note: The Department will provide instructions for Proposal file submission to ETF’s SFTP site after receipt of FORM J.**

* **All Proposer files must be submitted to the Department’s SFTP server no later than the Proposal Due Date and Time listed in RFP Section 1.10 Calendar of Events. Proposer’s submission shall include three (3) file folders:**
* **Folder 1 containing all electronic Proposal files in Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 (or above) format. The Department requires that all files have optical character recognition (OCR) capability (not a scanned image). OCR is the conversion of all images typed, handwritten or printed text into machine-encoded text. The file folder must be labeled “[Proposer Name] PROPOSAL.” Do not include the Cost Proposal in this folder.**
* **Folder 2 (only required if Proposer includes confidential or proprietary information within its Proposal) containing all electronic Proposal files in Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 (or above) format EXCLUDING or REDACTING all confidential and proprietary information/documents. This folder must be labeled “[Proposer Name] REDACTED PROPOSAL.” This is the file that will be submitted to requestors for open records requests. Note that no matter what the method the Proposer uses to redact documents, the Department is not responsible for checking that the redactions match the Proposer’s FORM G – Designation of Confidential and Proprietary Information. Proposers should be aware that the Department may need to electronically send the redacted materials to members of the public and other Proposers when responding appropriately to open records requests. The Department is not responsible for checking that redactions, when viewed on-screen via electronic file, cannot be thwarted. The Department is not responsible for responding to open records requests via printed hard copy, even if redactions are only effective on printed hard copy. The Department may post redacted Proposals on the Department’s public website in exactly the same file format the Proposer provides, and the Department is not responsible if the redacted file is copied and pasted, uploaded, emailed, or transferred via any electronic means, and somehow loses its redactions in that process. Do not include the Cost Proposal in this folder.**
* **Redact only material the Proposer authored. For example, do not redact the requirement or question the Proposer is responding to, only the answer.**
* **Do not redact page numbers. Page numbers should remain visible at all times, even if the whole page is being redacted.**
* **Sign FORM G – Designation of Confidential and Proprietary Information only once. Add as many lines/pages as necessary.**
* **Folder 3 containing FORM I – Cost Proposal Workbook labeled “[Proposer Name] COST PROPOSAL.” Note: costs provided in Proposer’s Cost Proposal shall NOT be redacted for confidentiality.**

**IMPORTANT:**

* **Do not lock or password protect any Proposal folders or files.**
* Include the Proposer’s name and the RFP number in each folder name and each file name.
* Files must be free of all malware, ransomware, viruses, spyware, worms, Trojans, or anything that is designed to perform malicious operations on a computer.
* It is helpful if the files in each folder specified in Section 2.4.1 above are zipped together in a separate folder, i.e. one zip folder for each of the three folders specified above. This allows you to upload, and the Department to download, the files quicker.

#### ****2.4.2 Proposal Due Date and Time****

**Proposals posted to the Department’s SFTP site after the date and time specified in Section 1.10 Calendar of Events will not be accepted and will be disqualified. All required parts of the Proposal must be submitted by the specified due date and time; if any portion of the Proposal is submitted late, the entire Proposal will be disqualified. Proposers may request, via an email to the address listed in Section 1.5 Procuring and Contracting Agency, the time and date their Proposal was posted to the Department’s SFTP site.**

## Proposal Organization and Format

Proposers responding to this RFP must comply with the following format requirements. The Department reserves the right to exclude any Proposals from consideration that do not follow the required format as instructed below.

#### 2.5.1 Format Requirements

* Only provide promotional materials if they are relevant to a specific requirement of this RFP. If provided, the materials must be clearly labeled indicating to which RFP question or requirement number the materials apply. Clearly identify all such materials as “promotional materials.” Electronic access to such materials is preferred, which includes web links.

|  |  |
| --- | --- |
| **FRONT COVER** | **Front Cover Requirements**Include at a minimum the following information:* **Proposer's company name**
* The RFP number and name: *RFP ETJ0043 Third Party Administration of the State of Wisconsin Income Continuation Insurance (ICI) Program*
* **Proposal submission** date
 |
| **TABLE OF CONTENTS** | **Table of Contents Requirements**Include at a minimum the following information:* Listing of each Proposal tab number
* Listing of each Proposal tab description
* Listing of each Proposal tab page number
 |
| **TAB 1** | **General Information and Forms**Within your Proposal, provide the following information and documents in the following order:* TRANSMITTAL LETTER: A signed transmittal letter must accompany the Proposal. The transmittal letter must be written on the Proposer’s official business stationery and signed by an official that is authorized to legally bind the Proposer. Include in the letter:
* RFP number and name: *RFP ETJ0043 Third Party Administration of the State of Wisconsin Income Continuation Insurance (ICI) Program*
* Name and address of company
* Name, title and signature of Proposer’s authorized representative
* Name, title, telephone number and e-mail address of Proposer representatives who may be contacted by the Department if questions arise regarding the Proposal
* Executive Summary
* FORM A – Proposal Checklist
* FORM B – Mandatory Proposer Qualifications
* FORM C – Subcontractor Information
* FORM D – Request for Proposal Signature Page
* FORM E – Vendor Information
* FORM F – Vendor References
* FORM G – Designation of Confidential and Proprietary Information
* FORM H – Non-Disclosure Agreement
* Current Form W-9 Request for Taxpayer Identification Number and Certification (from the Department of the Treasury, Internal Revenue Service: <https://www.irs.gov/pub/irs-pdf/fw9.pdf>)

**NOTE: FORM I – Cost Proposal Workbook must be submitted as noted in Section 2.4.1 and 2.4.2 above. Also see Section 8 Cost Proposal.** **FORM J – ETF SFTP Vendor Request should be submitted as noted in Section 2.4.1 above.** |
| **TAB 2** | **Response to Section 5 Program Specifications and Requirements, Section 6 General Questionnaire, and Section 7 Technical Questionnaire**Per Section 5 Program Specifications and Requirements, Proposer must include an attestation in its Proposal indicating that Proposer is able to provide all of the benefits and services described in this RFP and the Income Continuation Insurance Plan Language document linked in Table 2 (also see Section 9.5) and that if awarded the Contract will provide such benefits and services.Provide a point-by-point response to each and every statement, request or question in Section 6 and Section 7. The response must follow the same numbering system, use the same headings, and address each point or sub-point listed in the applicable RFP. Include the documents requested in Sections 6 and 7 at the end of the section in your Proposal that corresponds to the section in the RFP in which the document is requested. Label the document provided with the RFP section and question or requirement number it applies to.  |
| **TAB 3** | **Assumptions and Exceptions**If the Proposer has no assumptions or exceptions to any RFP term, condition, appendix, or form, provide a statement in Tab 3 of the Proposal to that effect.**NOTE: If the Proposer has assumptions and/or exceptions to any RFP term, condition, appendix, or form, follow the instructions below.** |

#### 2.5.2 Instructions for Submitting Assumptions and Exceptions

* Regardless of any proposed assumption or exception, the Proposal as presented must include all Services requested.
* If the Proposer cannot agree to a Department term or condition included in Appendix 2 Department Terms and Conditions, which is not listed below in Table 5 “No Assumptions or Exceptions Allowed to the following Department Terms and Conditions,” the Proposer must make its specific required revision to the language of the provision by striking out words or inserting required language to the text of the provision. Any new text and deletions of original text must be clearly marked/highlighted or red-lined. Proposers shall avoid complete deletion and substitution of entire provisions, unless the deleted provision is rejected in its entirety and substituted with substantively changed provisions. Wholesale substitutions of provisions shall not be made in lieu of strategic edits required to reflect Proposer-required modifications.
* Immediately after a proposed revision, the Proposer shall add a concise explanation concerning the reason or rationale for the required revision. Such explanations shall be separate and distinct from the marked-up text and shall be bracketed, formatted in italics and preceded with the term “[*Explanation:*].”
* All provisions on which no changes are noted shall be assumed to be accepted by the Proposer as written and shall not be subject to further negotiation or change of any kind unless otherwise proposed by the Department.
* Submission of any standard Proposer contracts as a substitute for language in the terms and conditions is not a sufficient response to this requirement and may result in rejection of the Proposal. An objection to terms or conditions without including proposed alternative language will be deemed to be an acceptance of the language as applicable.
* The Department reserves the right to negotiate contractual terms and conditions when it is in the best interest of the State of Wisconsin to do so.
* Exceptions to any RFP terms and conditions may be considered by the Department during Contract negotiations if it is beneficial to the Department.
* The Department may or may not consider any of the Proposer’s suggested revisions. The Department reserves the right to reject any proposed assumptions or exceptions.
* Clearly label each assumption and exception with one of the following labels, as applicable:
* Department Terms and Conditions assumptions and exceptions
* RFP/Appendix assumptions and exceptions (excluding Section 8 Cost Proposal assumptions and exceptions)
* Cost Proposal assumptions and exceptions

#### 2.5.3 IMPORTANT: Supplemental Information Department Terms and Conditions

The Department will not allow any assumptions or exceptions by the Proposer to any of the items listed in Table 5 below. Any Proposal with an assumption or exception to any of the items listed in Table 5 will be rejected unless the Proposer recants each such assumption or exception in writing.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Table 5. No Assumptions or Exceptions Allowed to the FollowingDepartment Terms and Conditions

|  |  |  |
| --- | --- | --- |
| Ref. No. | Document | Section |
| 1 | Appendix 2, Department Terms and Conditions | 3.0 Legal Relations |
| 2 | Appendix 2, Department Terms and Conditions | 13.0 Contract Dispute Resolution |
| 3 | Appendix 2, Department Terms and Conditions | 14.0 Controlling Law |
| 4 | Appendix 2, Department Terms and Conditions | 16.0 Termination of the Contract |
| 5 | Appendix 2, Department Terms and Conditions | 17.0 Termination for Cause |
| 6 | Appendix 2, Department Terms and Conditions | 18.0 Remedies of the Department |
| 7 | Appendix 2, Department Terms and Conditions | 22.0 Confidential Information and HIPAA Business Associate Agreement\* |
| 8 | Appendix 2, Department Terms and Conditions | 23.0 Indemnification |
| 9 | Appendix 2, Department Terms and Conditions | 39.0 Assignment |

 |

\*Section 22.0 of the Department Terms and Conditions (Appendix 2) acts as the Department’s Business Associate Agreement (BAA). The BAA ensures compliance with the federal regulations implementing the Health Insurance Portability and Accountability Act of 1996 (HIPAA) concerning the privacy, security and transaction standards on the confidentiality of personal information.

## 2.5 Multiple Proposals

Multiple Proposals from a Proposer will not be accepted.

## 2.6 Withdrawal of Proposals

Proposals shall be irrevocable until the Contract is awarded unless the Proposal is withdrawn. Proposers may withdraw a Proposal in writing at any time up to the date and time listed in Section 1.10 Calendar of Events, for the Proposal Due Date or upon expiration of three (3) Calendar Days after the Proposal Due Date and time, if received by the Department. To accomplish this, the written request must be signed by an authorized representative of the Proposer’s company and submitted to the contact listed in Section 1.5 Procuring and Contracting Agency. If a previously submitted Proposal is withdrawn before the Proposal Due Date, the Proposer may submit another Proposal at any time up to the Proposal Due Date and time.

# Proposal Selection and Award Process

## Preliminary Evaluation

Proposals may initially be reviewed to determine if FORM B - Mandatory Proposer Qualifications are met, to the extent the Department can make that determination, and if all required Proposal components are received. Failure to:

* submit a complete Proposal following the instructions for completing the Proposal specified in this RFP, or
* meet the Mandatory Proposer Qualifications as stated in FORM B, or
* provide a complete response to FORM I – Cost Proposal Workbook

may result in rejection of the Proposal regardless of when the Department makes such discovery. In the event that all Proposers do not meet one or more of the Mandatory requirements, the Department reserves the right to continue the evaluation of the Proposals and to select the Proposal which most closely meets the requirements specified in this RFP. Also see Section 2.5.3 regarding the prohibition of assumptions and exceptions to the clauses in Table 5.

## Clarification Process

The Department may request Proposers to clarify ambiguities or answer questions related to information presented in their Proposal. Clarifications may occur throughout the Proposal evaluation process. Clarification requests will include appropriate references to this RFP or the Proposal. Responses shall be submitted to the Department in writing within the time required. Failure to provide responses as instructed may result in rejection of a Proposal.

## Proposal Scoring

Proposals that pass the preliminary evaluation may be reviewed by an evaluation committee. The evaluation committee may review written Proposals, references, additional clarifications, oral presentations or demonstrations (top scoring Proposers only), site visits, and other information to score Proposals. The Department may request reports on a Proposer’s financial stability (this includes the Department’s request for Proposers to furnish audited financial statements), and if financial stability is not substantiated, may reject a Proposer’s Proposal. The Department may request presentations or demonstrations of the Proposer’s proposed products(s) and/or service(s) (top scoring Proposers only), and review results of past awards to the Proposer by the State.

A Proposer may not contact any member of the RFP evaluation committee.

The evaluation committee's scoring will be tabulated, and Proposals will be ranked based on the numerical scores received.

The evaluation committee reserves the right to stop reviewing a Proposal at any point during the evaluation process and remove the Proposal from further consideration.

## Evaluation Criteria

Proposals will be evaluated based upon the proven ability of the Proposer to satisfy the requirements specified herein in an efficient, cost-effective manner, taking into account quality of services proposed. Proposals will be scored using the following criteria:

Table 6. Evaluation Criteria\*

|  |
| --- |
| **Evaluation Criteria**  |
| **RFP Section** | **Description** | **Total Points** | **%** |
| 6 | General Questionnaire | 300 | 30% |
| 7 | Technical Questionnaire | 500 | 50% |
| 8 | Cost Proposal | 200 | 20% |
|   | Total\* | 1,000 | 100% |

\*If Proposer presentations or demonstrations are required, Proposer presentation or demonstration scores will be added to the final Proposal score. See Section 3.7 below.

## Method to Score Cost Proposals

## The lowest Cost Proposal will receive the maximum number of points available for the cost category. Other Cost Proposals will receive prorated scores based on the proportion that the costs of the Proposals vary from the lowest Cost Proposal. The scores for the cost category will be calculated by the Department’s consulting actuary.

## Oral Presentations, Demonstrations, and/or Site Visits

**Presentations/Demonstrations will be scored if they are required. (500 total points)**

The top scoring Proposers, based on the evaluation of their written Proposal in the general and technical questions of the RFP (Sections 6 and 7), may be required to participate in oral presentations or demonstrations, interviews, and/or site visits to supplement the Proposals, if requested by the Department. This may include presentations to supplement or clarify information in the Proposal, demonstrations of Proposer’s key tools and reporting capabilities, and interviews with key Department staff, evaluation committee members, and Board members.

The Department will make every reasonable attempt to schedule each oral presentation or demonstration at a time that is agreeable to the Proposer. Presentations will be held online. Failure of a Proposer to interview or permit a site visit on the date scheduled may result in rejection of the Proposer's Proposal.

By submitting a Proposal in response to this RFP, the Proposer grants rights to the Department to contact or arrange a visit with any or all of the Proposer’s clients, Subcontractors, and/or references.

## Best and Final Offer (BAFO)

The Department reserves the right to solicit a BAFO and conduct Proposer discussions, request more competitive pricing, clarify Proposals, and contact references with the finalists, should it be in the State’s best interest to do so. The Department is the sole determinant of its best interests.

If a BAFO is solicited, it will contain the specific information on what is being requested, as well as submission requirements, and a timeline with due date for submission. Any BAFO responses received by the Department after the stated due date may not be accepted. Proposers that are asked to submit a BAFO may refuse to do so by submitting a written response, indicating their Cost Proposal remains as originally submitted. Refusing to submit a BAFO will not disqualify the Proposer from further consideration.

## Contract Award

The evaluation committee may conduct Proposer discussions, clarify Proposals, contact the references of Proposers, and request a Best and Final Offer (BAFO) from Proposers. Information regarding the Proposals will be presented to the Board. One or more Proposals may be presented to the Board for award based on the results of the general, technical, and initial cost evaluations. If the evaluation committee conducted oral presentations or demonstrations, the award will be based on the results of the presentations or demonstrations, as well. The Proposal(s) determined to best meet the goals of the State’s benefits program may be selected by the Board for further action, including oral presentations or demonstrations to the Board. The Board reserves the right not to award a Contract. If contract negotiations cannot be concluded successfully with the selected Proposer(s), the Board may negotiate a Contract with another Proposer.

## Right to Reject Proposals and Negotiate Contract Terms

This RFP does not commit the Board to awarding a Contract, or paying any cost incurred in the preparation of a Proposal in response to the RFP. The Board retains the right to accept or reject any or all Proposals or accept or reject any part of a Proposal deemed to be in the best interest of the Board. The Board shall be the sole judge as to compliance with the instructions contained in this RFP.

The Board may negotiate the terms of the Contract(s), including the award amount and the Contract length, with the selected Proposer(s) prior to entering into a Contract. The Board reserves the right to add contract terms and conditions to the Contract during contract negotiations and subsequent renewals.

##  Notification of Intent to Award

All Proposers who respond to this RFP will be notified in writing of the Board’s intent to award a Contract(s) as a result of this RFP. All decisions and actions under this RFP are solely under the authority of the Board.

##  Appeals Process

Protests (appeals) of the Board’s intent to award a contract must be made in writing and according to the Board’s Policy for Vendor Procurement Appeals located at <http://etf.wi.gov/boards/gov-manual-gib/vendor.pdf>. A vendor who wants to appeal the award must first send a written notice indicating that the vendor wants to appeal the award decision. The notice must be received in the Department office listed below no later than five (5) Business Days after the notice of intent to award is issued. Fax and e-mail documents will not be accepted.

A written notice of intent to appeal, and a formal written appeal, must be filed with:

|  |  |
| --- | --- |
| **Express/Common Carrier Delivery:** | **United States Postal Service Delivery** |
| Group Insurance Board  | Group Insurance Board  |
| c/o Robert J. Conlin, Secretary | c/o Robert J. Conlin, Secretary |
| Wisconsin Department of Employee Trust Funds | Wisconsin Department of Employee Trust Funds |
| 4822 Madison Yards Way | PO Box 7931 |
| Madison, WI 53705-9100 | Madison WI 53707-7931 |

Following the notice of intent to appeal, the formal written appeal must be submitted to the Board, c/o the Secretary of the Department at the address listed above, within ten (10) Business Days after the notice of intent to award the contract is issued. Appeal rights are lost if no formal appeal is timely received. The formal appeal must state the RFP number, detailed factual grounds for the objection to the Contract award, and must identify any sections of the Wisconsin Statutes and Wisconsin Administrative Code that are alleged to have been violated. The vendor can appeal only once per award. Email a copy of each notice submitted to ETFSMBProcurement@etf.wi.gov.

The subjective judgment of evaluation committee members is not appealable. Following Board action, a written decision will be sent to the vendor. The decision of the Group Insurance Board regarding any appeals is final.

# Mandatory Proposer Qualifications

**This section is pass/fail. (0 points)**

**Use FORM B – Mandatory Proposer Qualifications to respond.**

The requirements in FORM B are Mandatory for any Proposer who submits a Proposal. Failure to comply with one or more of the Mandatory qualifications may disqualify the Proposer. A response to each item in FORM B – Mandatory Proposer Qualifications is Mandatory.

**NOTE: If the Proposer cannot agree to each item listed in FORM B, the Proposer must so specify and provide the reason for the disagreement in Tab 3 – Assumptions and Exceptions, of the Proposer’s response (see Section 2.5.2, above).**

Conditions of the RFP that have the word “must” or “shall” describe a Mandatory qualification.

# PROGRAM SPECIFICATIONS and Requirements

**This section is pass/fail. (0 points)**

The requirements contained in this RFP are the minimum requirements that the Contractor shall meet. All Services must be provided within the United States. If the Proposer cannot agree to all requirements, or the requirement to provide Services in the United States, the Proposer must so specify and provide the reason for the disagreement in Tab 3 – Assumptions and Exceptions, of Proposer’s response (see Section 2.5.2, above).

**NOTE: Proposer must include an attestation in its Proposal indicating Proposer is able to, and will, if awarded the Contract, provide all of the benefits and services described in this RFP and the Income Continuation Insurance Plan Language document listed in Table 2 and that if awarded the Contract will provide such benefits and services.**

# General Questionnaire

**This section is scored. (300 total points)**

The purpose of this section is to provide the Department and the Board with a basis for determining the Proposer’s capability to undertake the Contract.

All Proposers must respond to the questions/requirements in this section by restating each question or statement and providing a detailed written response. Instructions for formatting the written response to this section are found in Section 2.5 Proposal Organization and Format.

The Proposer must be able to perform Services according to the requirements contained in this RFP.

Information described in the Proposal regarding programming and capabilities must be available to all eligible members unless otherwise noted in the Proposal.

The Proposer must provide sufficient detail for the evaluation committee and the Department to understand how the Proposer will comply with each requirement. If the Proposer believes that the Proposer’s qualifications go beyond the minimum requirements or add value, the Proposer should indicate those capabilities in the appropriate section of the Proposal.

**NOTE: Fees related to any proposed services must be noted in the Cost Proposal only. Do not include cost/pricing information in any other section of the Proposal.**

## Company Information

6.1.1 Provide a description of your organization, including:

1. Legal company name
2. Mailing address
3. State in which the company is domiciled
4. Primary line(s) of business
5. Number of employees
6. Address of the following: your organization headquarters, customer service, claims processing, IT support, implementation team, and other key staff
7. Using FORM C – Subcontractor Information, provide the same information above for any Subcontractors that will provide services as part of your Proposal. Provide the name and location of each Subcontractor and services for which they are contracted. If no Subcontractors will be used, please so indicate.

6.1.2 Describe fully your organization’s corporate or other business entity structure, including company ownership information.

1. Attach an organizational chart showing principal officers, directors, managers, and staff members who will be associated with providing services related to this RFP
2. What year was your organization established?
3. Is your organization a subsidiary or affiliate of another company? If yes, name the affiliate or parent company.
4. Provide full disclosure of any direct or indirect ownership or control by any administrative service agency and/or financial institution and describe the relationship fully.

6.1.3 Describe any acquisitions and/or mergers or other material developments (e.g. Changes in ownership, personnel, business, etc.) pending now or that occurred in the past five (5) years with your organization. Disclose any potential mergers or acquisitions that have been recently discussed by senior officials and could potentially take place within three (3) years after the Contract starts. If this is confidential information, designate the information as such in FORM G – Designation of Confidential and Proprietary Information.

6.1.4 List any relevant websites for your company and its offerings.

6.1.5 Provide the results of financial and market conduct exams your company received in the last five (5) years.

6.1.6 Indicate your rating as of December 31, 2019, provided by the companies listed below. Have there been any changes in your rating in the past two (2) years? If so, please explain.

|  |  |  |
| --- | --- | --- |
|  | **Rating** | **Rating Date**  |
| A.M. Best |  |  |
| Moody’s |  |  |
| Standard & Poor’s |  |  |

6.1.7 What is the financial size category assigned to your company by A.M. Best?

## 6.2 Experience and References

6.2.1 The RFP evaluation committee may contact the references of selected Proposers to determine the quality of services provided and work performed by the Proposer, customer satisfaction, etc. At least one reference should be an entity with enrollment of at least 10,000 employees for whom your organization provides services similar to those described in this RFP. Use FORM F – Vendor References to provide references. The results of the reference checks will be used to inform evaluation committee members about the Proposer’s past performance and ability to perform the Services.

6.2.2 Describe your organization’s client retention history. The response must address the following:

* 1. Client retention statistics for each of the last five (5) years
	2. Average client relationship duration
	3. For those clients that left, provide the percentage that left due to issues pertaining to services provided by your organization

6.2.3 Describe your organization’s experience in administering disability plans. The response must include the following:

* + 1. A list of plans that the vendor has administered, including the size of each and the number of years your organization has provided services to that client; include organization contact name, address, and telephone number
		2. The services provided, including the number of insured individuals or employees and whether these services were automated or manual
		3. Samples of any applicable administrative contracts
		4. Telecommunications network, including approach to providing online access to users

The Board specifically reserves the right to contact any of the listed organizations for information about the firm's performance under past and present contracts.

6.2.4 Provide information regarding past contract performance. The response must include specific, detailed information regarding the following:

1. Any and all situations where your organization has defaulted on a contract to administer an insurance program
2. Any and all litigation your organization has been involved in regarding contracts to administer an insurance program
3. Any and all situations where a contract has been canceled or where a contract was not renewed due to alleged fault on the part of your organization
4. Any and all litigation involving a contract dispute in which your organization has been or is involved

6.2.5 Provide specific, detailed information regarding any and all situations where your organization has been cited, or threatened with a citation, by any state or federal regulatory agency within the last five (5) years.

6.2.6 Provide specific, detailed information regarding any and. all situations where your organization or any of its officers and directors has been under indictment or court order, the subject of an investigation, or subject to an order issued by a government agency. The response must include all such situations including the date such action was initiated, the date such action was adjudicated, and how the matter was resolved.

## 6.3 Staff Qualifications

During the course of the Contract, the Department reserves the right to approve or disapprove the Contractor’s and Subcontractor’s staff assigned to the Contract, to approve or disapprove any proposed changes in this staff, or to require the reassignment/removal of any Contractor, employee, or Subcontractor found unacceptable by the Department.

6.3.1 Describe your proposed staffing for the Program. Provide an organizational chart that indicates number of staff, job titles, and current or proposed positions that will be assigned to service the Program. Indicate responsibilities for each staff (recordkeeping, customer service, business analysis, IT, printing, mailing, management, rehabilitative services, etc.) and required qualifications and experience of all proposed personnel. Describe the scope of authority of the proposed staff to conduct day-to-day contacts with the Department. Indicate the percentage of each position’s time that will be solely devoted to the Program. Take into consideration the staffing needs involved with an annual earnings statement mailing and review for all Employees receiving long-term ICI benefits.

6.3.2 Indicate why you believe the proposed level of staffing is appropriate.

6.3.3 Describe how proposed staff will be supervised and coordinated.

6.3.4 Describe how the proposed staff will be trained on the specific details and requirements of the Program.

6.3.5 Describe your organization’s plan (include timelines) for ongoing coverage and replacement of personnel in the event of loss of personnel or absence due to vacation, illness, etc. A discussion of your organization’s contingency plan for allocation of additional resources to perform the Services in the event of a missed deadline or inability to meet agreed upon Contract performance standards must also be included. Address your organization’s capabilities to provide personnel replacements/additions with comparable experience and how these individuals will be trained.

6.3.6 Identify the dedicated Account Manager(s) who will be responsible for day to day contacts with the Department and provide their resume. In your description, include the following:

1. The skills and attributes that will ensure that the requirements of the Contract are met
2. Information about their professional qualifications, including length of tenure with your organization and number of years in the insurance industry
3. A detailed description of the types of large and/or complex employer groups similar to the state of Wisconsin that the Account Manager has been, or currently is, managing
4. The number of other accounts and size which the Account Manager will oversee when also assigned to manage the State of Wisconsin Program

# Technical Questionnaire

**This section is scored. (500 total points)**

The purpose of this section is to provide the Department and the Board with a basis for determining the Proposer’s capability to undertake the Contract.

All Proposers must respond to the questions/requirements by restating each question or statement and providing a detailed written response. Instructions for formatting the written responses to this section are found in Section 2.5 Proposal Organization and Format.

The Proposer must be able to perform Services according to the requirements contained in this RFP.

Information described in the Proposal responses regarding programming and capabilities must be available to all eligible WRS members unless otherwise noted in the Proposal.

The Proposer must provide sufficient detail for the Board and the Department to understand how the Proposer will comply with each requirement. If the Proposer believes their qualifications go beyond the minimum requirements or add value, the Proposer should indicate those capabilities in each section. Associated costs should be listed in the Cost Proposal only.

**NOTE: Fees related to any Services should not be noted in this section but must be included in the Cost Proposal.**

The Proposer must provide a written response to each of the requirements listed below that reflects the Proposer’s understanding of the stated requirements.

The Proposer must describe the procedures it will use to ensure the requirement will be met.

The Proposer must describe its current operating environment and experience in providing the required Services.

**NOTE: Proposals must be based on the current Program design as outlined in the Income Continuation Insurance Plan Language document, for both the local and State plans, which is linked in Table 2 and Section 9.5 Income Continuation Insurance Plan Language. Proposers may include alternatives to the current Program design, procedures, reporting, etc. for discussion purposes and such alternatives may be discussed during Contract negotiations if such alternatives are of interest to the Department.** Scoring will be based on the quality of the Proposer’s approach and the ability of the Proposer to meet the needs of the Program.

**NOTE: At the discretion of the Department, Proposers reasonably apt to receive an award after the initial review of Proposals may be required to provide the following:**

**a. a copy of their organization’s SOC 1 Type 2 Report. See Appendix 2 Department Terms and Conditions, Section 6 Audit Provisions, for details**

**b. a copy of their organization’s audited financial statements for the two (2) most recent fiscal years including the audit opinion, balance sheet, statement of operations and notes to the financial statements**

**c. information requested in Appendix 2 Department Terms and Conditions, Section 28.0(f)2**

If a Proposer receives a request for the above documents from the Department, the Proposer must furnish such documents to the Department within five (5) Business Days of the Proposer’s receipt of the Department’s request. If such documents are confidential, the Proposer may submit a revised FORM G – Designation of Confidential and Proprietary Information with the documents. The Department may reject a Proposal if the requested documentation is not provided or if the documentation provided does not assure the Department that the Proposer is able to provide the Services for the life of the Contract to the Department’s satisfaction.

## 7.2 Computer and Data Processing Facilities, Data Policies

7.2.1 Provide an overview of your organization’s business continuity/disaster recovery plan (BC/DRP). The Contractor will be required to provide evidence it tests and updates its business continuity plans regularly to ensure that they are up to date and effective.

7.2.2 Provide an overview of your organization’s Incident Response Plan (IRP).

7.2.3 Provide a copy of your organization’s most recent SOC 2 / Type 2 report along with a Letter of Attestation indicating your organization’s receipt of management’s assertion of control compliance from your organization’s Subcontractors. If your organization does not have a SOC 2 / Type 2 report, other alternatives are possible. See Section 28.0 of Appendix 2 Department Terms and Conditions.

7.2.4 Provide a summary of the results of your organization’s most recent vulnerability test.

7.2.5 Provide a summary of the results of your organization’s most recent penetration test.

7.2.6 Provide confirmation that your organization conducts an annual security risk assessment in accordance with generally accepted principles.

7.2.7 Describe what software applications and supporting platform your organization will use to secure Department and Employee-related records and data. Provide information on how information is secured in transit and at rest.

7.2.8 Provide a summary of the policies or guidelines your organization has in place related to security/privacy (e.g. annual training, confidentiality agreement).

7.2.9 Describe in detail the computer and data processing facilities your organization currently uses (owned or otherwise used) and would make available for administering the Program. Include a description of any mainframe, distributive servers, cloud services, and network structures that you will use for providing the Services.

7.2.10 What additional computer/data processing resources would your organization acquire in order to provide the Services, if any?

7.2.11 Describe your organization’s policy for preventing data loss in the collection, use, storage, and disclosure of personal data.

7.2.12 Describe in detail the measures you use to protect the security and privacy of program data, records, forms, participant information, and data processing operations. Include information about the physical security measures used to control access to your organization’s systems and internal controls that are in place to reduce loss that may occur through fraud, negligence, incompetence, or system errors. Indicate whether emergency simulation testing is performed and how often. Include the results of the last simulation if applicable. Describe the physical location for each of the following functions:

1. Enrollment application processing
2. Case management and processing (including integration of benefits, return to work activities, and annual processes)
3. Cash handling and financial operations
4. Data management and report generation
5. Medical and vocational/rehabilitation review
6. Underwriting (evidence of insurability)

During the term of the Contract, the Contractor shall seek the Department’s approval prior to changing the location of where Contractor and its Subcontractors perform the Services.

7.2.13 Provide confirmation that your organization conducts annual risk assessments in accordance with the HIPAA Security Rule.

7.2.14 Has your organization had, or has your organization been involved with a business partner who has had, a privacy breach or investigation in the last three (3) years?  If so, provide a brief description.

7.2.15 Provide a copy of your organization’s policy related to responding to unauthorized disclosure of personal data.

7.2.16 Provide the number of unauthorized disclosures of personal information your organization has experienced in the last two (2) years.

7.2.17 Provide the number of unauthorized disclosures of personal information your organization has reported to the Office for Civil Rights (OCR) in the last two (2) years.

7.2.18 Provide a copy of your organization’s auditing policy. Describe how and when audits are conducted and by whom.

7.2.19 The Department must have real-time access to the Contractor’s system via the Internet. Access includes the ability to view data and to generate standard reports. Please describe your organization’s experience in the following areas:

1. Explain in detail how changes to meet specific Program requirements and performance standards will be addressed, including the proposed timeline(s) for design, construction, testing, and implementation.
2. Describe in detail your organization’s online capabilities for use by department staff. At a minimum, explain how staff can view each claim, input data, etc. List the information/data and reports available.
3. Describe the method of maintaining Program participant and claim history in your system including access to historical information.
4. Describe how your system will process claims and make appropriate payments, including audit steps taken to assure accuracy.
5. Describe how your system will handle the change in benefit amounts due to integration of benefits.
6. Describe in detail how your organization’s system handles federal and state tax reporting and withholding, including, but not limited to, security measures in place to ensure the proper withholding of state and federal taxes from each distribution and reporting to the participant and the IRS. Explain what safeguards are in place to make certain the mandatory federal withholding is withheld from taxable benefits.
7. Describe how data will be securely transmitted between your system and the Department’s system including the types of transmission used, encryption applied, and any possible integration points between our systems.

## Implementation, Transition, and Turnover Requirements

7.3.1 Provide a detailed description and history of similar program implementations your organization has performed, and references for whom services were provided. Include the average number of Business Days it has taken to complete the transition after receipt of reconciled items.

7.3.2 Provide a list and description of the information your organization will need for an effective implementation. Include details on how your organization would work with the current contractor to provide a smooth implementation.

7.3.3 Provide a draft implementation plan. This plan will outline the major tasks (including systems development, testing, and data conversion), deliverables and deadlines for full implementation and operation of the Services (including transition from the current contractor to your organization). Include any assumptions or constraints regarding Department resources. No Department positions are dedicated solely to this implementation.

7.3.4 Describe, in detail, the steps that would be taken to ensure a smooth implementation when your organization:

a. Assumes administration of the Program from a predecessor contractor; and

b. Relinquishes responsibilities at termination of the Contract.

7.3.5 Describe your organization’s experience managing the typical causes of delays or problems (software malfunctions, claims processing, payment problems, etc.) during an implementation. The response should include a listing of the types of delays/problems and how your organization intends to address these. The response must also indicate the steps your organization would take to minimize the inconvenience and confusion for Program participants.

7.3.6 Describe how ICI enrollment and claims will be handled to accommodate the continuity of payments to Program participants during the implementation phase.

7.3.7 Provide a turnover plan that would be implemented in the event the Contract with your organization is terminated; the requirements below must be included in such plan.

An updated turnover plan (including a schedule for turning over any Program documentation and files) must be provided to the Department on an annual basis during the Contract term. An updated turnover plan must be provided to the Department within thirty (30) Calendar Days of the date that either party terminates the Contract.

### Contractor Turnover Requirements:

a. Staffing

i. The Contractor will provide all required staff to successfully transition the services to the successor contractor.

ii. The Contractor shall not restrict Contractor’s experienced staff from becoming employees of the successor contractor or the Department; however, the Contractor may restrict such staff from becoming employees of the successor contractor or the Department to the extent necessary to fulfill its obligations under the Contract.

b. Management

i. The Contractor will provide management and turnover assistance in full cooperation with the successor contractor, the Department, and other parties deemed necessary by the Department for the successful turnover.

c. Documents

i. The Contractor will transfer the most current and complete version of all supporting documentation and all claimant, Employer, and Employee files to the Department or its designee in a format approved by the Department.

ii. The Contractor will transfer a seven-year history of claim payments to the Department or its designee in a format approved by the Department.

## Customer Service Requirements

7.4.1 The Contractor shall be required to perform all of the following Services:

1. The Contractor shall provide toll-free telephone customer service to Program participants between the hours of 7:45 a.m. and 4:30 p.m. Central Standard Time (CST) every Business Day. The Contractor’s toll-free customer service telephone number must be operational by the start of the 2022 benefit period (January 1, 2022), and the Contractor’s customer service staff shall be fully trained to respond appropriately to Program participant inquiries, correspondence, complaints, and issues regarding the Program by the same date.
2. The Contractor’s call center must be equipped with Telephone Device for the Deaf (TDD) in order to serve the hearing-impaired population.
3. The Contractor shall conduct a customer satisfaction survey of all Program participants and provide a detailed summary of those surveys to the Department within thirty (30) Calendar Days following the end of each Calendar Year.
4. The Contractor shall notify the Department Program Manager of any disruption in customer service availability or toll-free access, regardless of reason for disruption, within one (1) hour of realization that a problem exists.
5. The Contractor must monitor and report to the Department the performance standards for the Program that include call answer timeliness and call abandonment rate. Targets for the customer service performance standards and associated penalties are specified in Appendix 3 Performance Standards and Penalties and are based on the dedicated toll-free number for the Program.
6. The Contractor must have a customer service inquiry system for inquiries received by phone and email and/or website. The system must maintain a history of inquiries for performance management, quality management, and audit purposes. Related correspondence and calls shall be indexed and properly recorded to allow for reporting and analysis based on a distinct transaction.
7. At the Department’s request, the Contractor must provide the policies and procedures related to the operation of the Contractor’s customer service department.
8. The Department reserves the right to require changes to the policies and procedures that directly impact Program participants.
9. The Contractor must have and implement procedures for monitoring and ensuring the quality of services provided by its customer service representatives. At least five percent (5%) each month of all Program participant inquiries made by each submission type (e.g. phone, email, website) must be audited by the Contractor’s management staff (e.g. lead worker, supervisor, manager) to ensure accurate information was given to Program participants and appropriate coaching and training is given to customer service representatives who failed to accurately respond to Program participants. The Contractor must provide a summary of the participant inquiry audit results to the Department on a quarterly basis within thirty (30) Calendar Days following the end of each quarter.
10. The Contractor must respond directly to Program participants upon the Department’s request. For matters designated as urgent by the Department, the Contractor must contact the Program participant within one (1) Business Day of receiving a request from the Department, and actively communicate to the Department’s Program Manager or designee on issue resolution status until the issue is resolved.

7.4.2 Describe your organization’s ability to perform Program customer service responsibilities, which include, but are not limited to the following:

* 1. Storing and distributing program materials (forms and brochures)
	2. Providing TTY and foreign language translation capability
	3. Providing live person toll-free telephone customer service each Business Day between 7:45 a.m. and 4:30 p.m. CST, Monday – Friday
	4. Providing Internet customer service
	5. Providing automated telephonic customer service 24 hours a day, 7 days a week
	6. Establishing and maintaining FAX, email and Internet capacity to send and receive documents and files

7.4.3 The Contractor must provide a web-portal. The web-portal will be used to present and track participant-level information, such as claim status and benefit payments. Describe the features of the web-portal you provide to your current clients.

7.4.4 The Contractor must host and maintain a web-portal for Program participants.

* 1. The Contractor must provide the Department with access to the web-portal for review prior to implementation/go-live.
	2. The web-portal must be available (throughout the Contract term) via the three (3) most recent versions of each of the popular browsers available in the market which include Internet Explorer, Microsoft Edge, Mozilla Firefox, Chrome, and Safari.
	3. The web-portal must be simple, intuitive, and easy to use and navigate.
	4. The web-portal must be able to render effectively on any form factor for mobile devices which include smartphones and tablets.
	5. The web-portal must have mobile capabilities. At a minimum, the mobile capabilities must allow the participant to access account management information.
	6. The web-portal must ensure response time averaging two (2) seconds or better, and never more than a three (3) second response time, from the time the Contractor receives the request to the time the response is sent from the Contractor’s system, for all on-line activities.
	7. The solution must use SSL/TLS for end-to-end encryption for all connections between the user devices and the portal with the use of browsers or smartphone applications.
	8. The web-portal must be Secured with a minimum of SHA2-256 bit EV certificates to provide the latest in encryption and cryptography.
	9. The web-portal must disable SSL/TLS negotiations which are using non-SECURE protocols and weak ciphers.
	10. The Contractor must provide the Department reports on the current security safeguards enabled for the web-portal upon the Department’s request.
	11. The Contractor must obtain prior approval from the Department Program Manager for the inclusion of any links from the web-portal to an external (governmental and non-governmental) website/portal or webpage.
	12. The Contractor will notify the Department Program Manager of any substantial changes being made to the web-portal prior to implementation.
	13. To ensure accessibility among persons with a disability, the Contractor’s web-portal must comply with Section 508 of the Rehabilitation Act of 1973 (29 USC Section 794d) and implementing regulations at 36 CFR 1194 Subparts A-D. The website must also conform to W3C’s Web Content Accessibility Guidelines (WCAG) 2.0 (see <https://www.w3.org/WAI/standards-guidelines/wcag/>).
	14. The web-portal must be hosted in a Secure data center with system monitoring, managed firewall services and managed backup services within the United States and available twenty-four (24) hours a day, seven (7) days a week, except for regularly scheduled maintenance.

o. The data center network shall include robust firewall, intrusion prevention and intrusion detection systems to prevent and detect unauthorized access. Any scheduled maintenance must occur between the hours of midnight and 5:00 a.m. CST/CDT or another time agreed to by the Department Program Manager and must be scheduled in advance with a notification on the Program website and web-portal. The web-portal must be available at least ninety-nine percent (99%) of the time, including scheduled maintenance. Unscheduled disruption to the availability of the website or web-portal must be communicated to the Department Program Manager within one (1) hour of realization that a problem occurred.

p. The Contractor must have a regular patch management process defined for the web-portal infrastructure. The Contractor must have a defined maintenance time window for system patches, software upgrades. Outages in the system must be communicated through the web-portal or via alerts.

q. The Contractor must have web-portal content and functionality updated, tested and approved by the Department Program Manager or designee at least fourteen (14) Calendar Days prior to the benefit period start date. The web-portal will Securely authenticate the user. After the user is authenticated, all web-portal features must be available without the need for an additional login. Available features must include:

* Username and password creation and recovery
* Secure upload functionality for submitting program required documentation
* Communication functions that allow users to submit SECURE questions to the Contractor and allow the Contractor to push general and targeted communications to users via USPS, e-mail, text and other standard communication vehicles, as requested by the Department

7.4.5 Describe how the web portal would transition to use single sign-on functionality to facilitate ease of use by members if that became available.

## Enrollment Requirements

7.5.1 Describe your organization’s ability to perform Program enrollment responsibilities, which include, but are not limited to the following:

1. Processing initial enrollments, deferred enrollments, and Evidence of Insurability applications
2. Providing medical underwriting standards for Evidence of Insurability applications **NOTE: The Board must approve the standards.**
3. Processing reconsideration requests, based on medical review, within processing standards
4. Participating in legal appeals; the Contractor shall be responsible for costs related to Contractor’s staff and Subcontractors’ participation in administrative hearings

7.5.2 The Department is currently upgrading its insurance administration systems (see <https://etf.wi.gov/node/15551>), which will result in the need for the Contractor to interface with the selected solution(s). Contractor shall cooperate with the Department’s insurance administration system vendor to determine the best solution for providing the required ICI data. The Department estimates it will have an enrollment system in place near the end of 2022.

a. Describe how your system would be able to interface with a third party insurance administration and enrollment system.

b. Describe how your system would be able to interface with an API Gateway Management system to send or receive data from the Department’s Master Data Management system or other legacy systems.

## ICI Benefit Administration Requirements

The Contractor shall be required to perform all of the Services below.

7.6.1 Describe your organization’s ability to perform Program claims processing responsibilities, which include, but are not limited to:

1. Processing all new claims
2. Calculating and auditing benefit payments, including reporting to the appropriate tax authorities
3. Providing case management – gathering medical or income information and applying correctly to the benefit
4. Conducting an annual mailing of earnings statements and reviewing statements to determine if all earnings were properly offset from benefit payments
5. Providing rehabilitation services as prescribed in the Income Continuation Insurance Plan Language document, linked in Table 2 and in Section 9.5 Income Continuation Insurance, with the goal of returning the claimant to substantial gainful employment
6. Providing a social security facilitator to assist claimants who have been denied social security disability benefits
7. Participating in all administrative hearing processes, including providing medical consultant testimony; the Contractor shall be responsible for costs related to Contractor’s staff and Subcontractors’ participation in the administrative hearings
8. Computing and managing accounts receivables, including your process for identifying and collecting overpayments (including those made to ineligible persons)
9. Providing medical expertise for questionable claims
10. Establishing claim processing quality control reviews
11. Issuing monthly benefit payments through Automated Clearinghouse (ACH) Securely or by paper check (with the check dated the first of the month for the previous month’s benefit) and out-of-cycle payments/checks as necessary.
12. Referring all Office of the Commissioner of Insurance complaints to the Department within one (1) Business Day of receipt
13. Referring to the Department any suspected fraudulent or abusive practices by Employers or Employees the Contractor encounters in the performance of the Services
14. Notifying the Department in writing of all inquiries or requests by State or Federal legislators or their staff concerning Contractor’s performance under the Contract or Contractor’s processing, payment or denial of claims within one (1) Business Day of receipt of the request
15. Responding to Department inquiries within one (1) Business Day of receipt
16. Operating in conformity with the policies and procedures of the Program and all applicable State and Federal laws
17. Maintaining a working knowledge and understanding of all Federal and State laws, regulations, and administrative codes pertaining to the Program.
18. Providing an ombudsperson(s) for advocacy and troubleshooting of problematic claims
19. Developing and maintaining user manuals for all aspects of Program claims administration
20. Having system edits in place to assure a benefit period does not duplicate or conflict with benefits previously paid or exceeding the maximum benefit period and maximum benefit amount according to Program plan language
21. Providing individual Employer training (over the telephone) on completion of enrollment and claims documentation

7.6.2 Describe how you will keep member banking information in compliance with NACHA requirements.

##  Audit Requirements

In addition to the audit requirements specified in Section 6.0 of Appendix 2 Department Terms and Conditions, the Contractor shall maintain books, records, documents, and other evidence pertaining to the administrative costs and expenses of the Contract to the extent and in such detail as shall properly reflect all revenues; all net costs, direct and apportioned; and other costs and expenses, of whatever nature, which relate to performance of contractual duties under the provisions of the Contract. The Contractor’s accounting procedures and practices shall conform to generally accepted accounting principles, and the costs properly applicable to the Contract shall be readily ascertainable therefrom.

7.7.1 Please describe your experience relative to the audit responsibilities listed below:

1. Audit Report. The Contractor will furnish the Department with a copy of the report from Contractor’s annual SOC 1 Type 2 Report.
2. Annual Report. The Contractor will furnish the Department with an annual report, audited by an independent certified public accountant, of the financial status of the Contractor, disclosing the value of ICI plan assets, liabilities, an analysis of cash receipt and disbursements, and other relevant information as may be reasonably requested by the Department. Information must be supplied to satisfy all Government Accounting Standards Board (GASB) reporting requirements.
3. Items Open to Audit. All Contractor books, records, ledgers, and journals relating to the Program will be open for inspection and audit by Department internal audit staff or their designees, the State of Wisconsin Legislative Audit Bureau, or designated agents, attorneys, and accountants, at any time during normal working hours. Records requested shall be provided electronically in a format acceptable to the Department.
4. Plan Audits. The Contractor is required to submit to annual audits according to audit guidelines established by the Department. The audits will be completed by the firm contracted by the Department to complete third party contract audits. These audits will be in addition to the annual Legislative Audit Bureau audits and periodic audits by Department staff. The audits conducted by the Department’s designated firm will be based upon Department specifications. The firm will deliver to the Contractor and to the Department a report of findings and recommendations within the guidelines established by the Department. The report will be prepared in accordance with generally accepted auditing standards. The Department will use the findings and recommendations of each such report as part of its ongoing monitoring of the Program and the Contractor.

## Employer Services

The Contractor will assist all State and local Employers who participate in the Program in filling out forms and responding to questions regarding the Program.

7.8.1 Provide details of your organization's experience servicing programs with multiple employers.

## Record Keeping and Accounting Requirements

7.9.1 Describe your organization’s ability to perform Program recordkeeping and accounting responsibilities, which include, but are not limited to:

* 1. Issuing paper checks dated the 1st of the month for the previous month; checks must include void date of one year from the check date
	2. Maintaining separate accounts for State Employee ICI and local Employee ICI funds
	3. Maintaining a system to ensure all Contractor deductions (overpayment deduction) and checks are attributed to the correct plan (State or local) and the correct accounting category
	4. Forwarding all incoming checks to the Department within three (3) Business Days of receipt
	5. Processing and providing to the Department reports of all stop payment/manual checks and voided checks
	6. Updating claim history and cash files with deductions, credits, check number, date of payment, and amount
	7. Issuing stop payments for non-receipt of benefit checks no earlier than twelve (12) Business Days from the date of the check
	8. Withholding applicable taxes and transferring funds to the Internal Revenue Service (IRS), Social Security Administration (SSA), and Wisconsin Department of Revenue
	9. Creating W-2 tax forms and Letter of Right if applicable for claimants, and reporting to the IRS, SSA, and Wisconsin Department of Revenue
	10. Creating separate State and local Employer identification numbers for the plans for tax reporting purposes
	11. Preparing, submitting, and reconciling quarterly reports required by the IRS and SSA (e.g. 941)

**NOTE: The Contractor is responsible for paying all penalties assessed for Contractor’s late or inaccurate reporting.**

* 1. Conducting monthly reconciliation of Contractor’s Program claim deposits bank account and providing the Department with a monthly report on the status of the bank account, including any stale dated checks

## Reporting Requirements

The Contractor must submit reports at various times to the Department.

7.10.1 Describe how your organization will acquire the data and provide quality assurance for each of the required reports listed below in Section 7.10.3 E.

a. If electronically sending the reports, describe how the reports will be Securely transmitted?

b. Describe how data will be formatted and Securely transmitted for ingestion of the data into Department systems.

7.10.2 Provide sample reports closely related in scope to the reports in the following bulleted list (see report descriptions in Section 7.10.3 E):

* Claim Payments Report and Funding Request
* Claim Financial Statistics Report
* New Claim Demographic Statistics Report
* Claim Audit Results Report
* Annual Report covering program statistics, compliance with performance standards, trends, recommendations, etc.

7.10.3 Detail your organization’s ability to provide ad-hoc reports and whether such reports can be accessed by or delivered to the Department electronically within the time period specified in the Appendix 3 Performance Standards and Penalties. Provide information as to the flexibility within your organization’s recordkeeping system to provide customized reports that may be requested by the Department or the Board. Will the Department be allowed to access standardized reports and create ad-hoc reports within your system?

a. Definitions:

* Quarterly – First quarter will be January, February, and March; second quarter, April, May, and June; third quarter, July, August, and September; fourth quarter, October, November, and December
* Annual – Annual means a calendar year (January through December)

b. Report Terminology: All Contractor reports must include a terminology key specifying the definitions of key words and data. As applicable, the plan types must be labeled in all reports as:

* State ICI Plan; or
* Local ICI Plan

c. Due Dates: All reports are due by 5:00 p.m. CST on the date specified in Appendix 3 Performance Standards and Penalties. If the due date falls on a weekend or State holiday, the reports are due the next Business Day.

d. Other Reporting Requirements: The reports must only show data elements that have been required or requested by the Department. Supporting data must be available upon request by the Department for all required reports. All reports must be submitted electronically and in Excel format or other file format as agreed upon by the Department and the Contractor (excluding supporting documentation). The Department currently uses Office 365. Reports must be readable by the three most current versions of Office 365.

e. Required Reports:

**1. Monthly Reports:**

i. Claim Payments Report and Funding Request. Provides a list of benefits paid by check date for each claimant and is submitted upon Contractor’s request for the Department to transfer funds to Contractor’s banking account. Separate reports are required for State and local plans.

 Data elements:

* name
* ETF member ID
* claim number
* plan type
* gross check amount
* taxes (State, Federal, FICA)
* net pay
* benefit period (from/through dates)
* check date
* check number
* grand totals by plan type

ii. Overpayment Deduction Report. Provides a list of accounts that have overpayment deductions withheld from the benefit to repay outstanding ICI overpayments. The report will list the ICI Program plan type (State or local, with local plan at the bottom of the list).

Data elements:

* name
* ETF member ID
* amount
* plan type
* date deducted
* total by plan type
* grand total

iii. Bank Reconciliation Report.

* beginning balance
* deposits/credits and ACH returns/reversals
* total disability paid checks
* statement ending balance

iv. Accounts Receivable-No Means of Recovery Report. Provides a list of all accounts receivable that are thirty (30) Calendar Days or more overdue with no future means of recovery from a WRS benefit.

 Data elements:

* ETF member ID
* name
* accounts receivable Item ID
* date the accounts receivable was generated
* number of Calendar Days past due
* amount of the receivable

**2. Quarterly Reports:**

Quarterly reports must include all completed quarters and give a year-to-date summary total.

i. Reconsideration Processing Report. Provides statistics on requests from individuals for reconsideration of benefit determinations and compliance with the performance standard.

Data elements:

* name
* ETF member ID
* plan type
* date initial determination letter mailed
* date request for reconsideration received by Department
* date all information was available to issue finding
* date finding letter mailed
* number of days lapsed (between date all information was available and date the letter was mailed)
* finding (fixed list in alpha order: denial overturned, denial upheld, overpayment upheld, overpayment reduced, overpayment overturned)
* total number by plan and finding
* grand totals

ii. Overpayment/Underpayment Report. Provides accounts with over- or underpayments.

Data Elements:

* plan type
* name
* ETF member ID
* date over/underpayment identified,
* date all information was available to do over/underpayment calculation
* date letter was mailed
* number of days lapsed (between date all information was available and date the letter was mailed)
* over/underpayment amount
* reason for review (fixed list in alpha order: combination of offsets, duty disability offset, non-compliance estimated WRS disability offset, non-compliance estimated WRS retirement offset, WRS disability offset, WRS retirement offset, lump sum WRS benefit, paid beyond benefit end date, part-time earnings offset, social security disability offset, social security retirement offset, unemployment compensation, workers compensation)
* total number of accounts and amount by plan type
* total number of accounts and amount by reason
* grand totals

iii. Telephone Service Results Report. Provides telephone statistics, including whether the quarterly performance guarantees were met.

Data elements:

* total calls by month
* number and percentage answered in 30 seconds or less
* number and percentage abandoned
* grand totals for the quarter
* year-to-date totals

iv. Claim Financial Statistics (for each Plan Type, split ICI into short-term and long-term). Provides basic claims statistics on all claims for which payments were made in the quarter.

Data elements:

* number of claims for which at least one payment was made in the quarter
* average cost per claim (gross) in that quarter
* total cost of claims in that quarter
* number of claims, average and total cost per disability type
* number of claims, average and total cost by employment category
* number of claims, average and total cost by Employer
* number of claims, average and total offset per offset type
* number of claims, average and total cost by gender

v. Enrollment Application Processing and Audit Report. Provides statistics on the following performance features: enrollment application processing accuracy and evidence of insurability (EOI) processing.

Data elements for enrollment application processing accuracy:

* number of applications processed
* number of applications audited
* percent of applications processed correctly
* corrective actions taken on applications with errors
* year-to-date totals

Data elements for EOI processing:

* name
* ETF member ID
* plan type
* date EOI application received by Department
* date all information was available to issue decision
* date decision letter mailed
* number of days lapsed (between date all information was available and date the letter was mailed)
* decision (fixed list – approved, denied)
* total number by plan type and decision
* grand total by decision
* year-to-date totals

vi. Claim Audit Results Report. Provides statistics on the following performance features: pursuit of medical evidence, evaluation of offsets, claim procedural accuracy, financial accuracy of claim payments, claim turnaround times and claim team telephone responsiveness. Report includes statistics which indicate the level of compliance with each of the Quarterly performance guarantees.

**3. Annual Reports:**

i. Claim Lag Report. Provides the amount paid for claims, by plan type for the calendar year, based upon the ICI disability begin date.

ii. New Claim Demographic Statistics (for each plan type). Provides basic claim demographic data for claims opened in the prior Calendar Year.

Data elements:

* age
* gender
* employment type
* disability type
* Employer
* claim status (i.e. approved, denied, withdrawn or pending)

iii. System and Organization Controls Report (SOC 1 Type 2 and SOC 2 Type 2)

iv. Open and Closed Claim Report. This report provides claims information by plan type to the Department’s Actuary for premium determinations.

Data elements:

**NOTE: The data must be as of December 31 of each year.**

* plan type
* name (last, first)
* social security number
* ETF member ID
* claim number
* employee category
* gender
* date of birth
* date of disability
* benefit begin date
* SBY (status at beginning of year)
* SEY (status at end of year)
* status (approved, denied, pending, etc.)
* check pay date
* check number
* salary, benefit percentage
* check amount
* gross benefit amount
* net benefit amount
* primary social security benefit amount
* primary social security benefit begin date
* primary social security benefit end date
* family social security benefit amount
* family social security benefit begin date
* family social security benefit end date
* workers compensation benefit amount
* workers compensation benefit begin date
* workers compensation benefit end date
* WRS benefit amount (e.g., LTDI, 40.63)
* WRS benefit begin date
* WRS benefit end date
* retirement benefit amount
* retirement benefit begin date
* retirement benefit end date
* partial earnings amount
* partial earnings begin date
* partial earnings end date
* other benefit amount
* other benefit begin date
* other benefit end date
* monthly overpayment deduction
* overpayment deduction begin date
* overpayment deduction end date
* underpayment
* taxes
* normal net
* diagnosis code (ICD9 or ICD10)

v. Annual Earnings Statement. Provides statistical information on the annual earnings process by plan type. Include a five (5) year comparison.

Data elements:

* number of income certifications sent (first notice)
* number of second notices
* number of third/final notices
* number of terminations
* number with earnings
* total earnings reported
* include the names of claimants by plan type whose benefits are suspended for not returning earnings statement

vi. Annual Report to the Group Insurance Board. This report should cover claim statistics, compliance with standards, trends, recommendations, etc.

**4. Ad Hoc Reports**

i. Pass-Through Report. Provides a summary of special service costs outside the administrative fee.

Data elements:

* type of payment/expense
* plan type (State or local)
* monthly totals by type of payment/expense
* year-to-date (YTD) total by type of payment/expense
* monthly and YTD totals by plan type

The following are allowed pass-through expenses (but must have prior approval by the Department):

* printing, storage, and distribution of forms ordered by WRS Employers
* functional capacity evaluations (FCE)
* independent medical examinations/evaluations (IME)
* social security advocate/facilitator
* rehabilitation services (vocational evaluations, labor market survey, job placement, employability assessments, etc.)
* other miscellaneous claim or other program-related services
* any expenses for actuarial and audit services

No pass-through charges will be paid in advance. Supporting documentation must accompany the pass-through report.

ii. Repayment Report. Provides a list of personal checks received by the Contractor that should have been sent to the Department.

 Data elements:

* name
* ETF member ID
* check date
* check number
* check amount
* date check received by Contractor
* date mailed to ETF
* tracking number

## Administrative Services

7.11.1 The Contractor must develop error resolution procedures, subject to ETF's approval, which will detail how errors by Employers, Employees, and the Contractor are handled. If the error is the result of actions by the Contractor (determined by ETF), participants will be made whole at the Contractor’s expense. Provide details of your organization’s error resolution procedure, including information on staff involved and the timeframe for completing corrections.

7.11.2 The Contractor must implement a grievance procedure to handle Program participant complaints. Provide a proposed, detailed, written complaint procedure for the Program.

## Performance Standards and Penalties

See Appendix 3 Performance Standards and Penalties.

7.12.1 Does your organization have any contracts with other clients which incorporate contractual performance standards? If yes, indicate the types of performance standards you have entered into, including the penalties associated with not meeting those performance standards, and your ability to provide these or similar arrangements to the Department.

# Cost PROPOSAL

**This section is scored. (200 total points)**

This section describes additional Proposal submission requirements.

**Submission of FORM I – Cost Proposal Workbook**

The Microsoft Excel file included with this RFP as FORM I – Cost Proposal Workbook is the required Cost Proposal document all Proposers must submit. Instructions on how to complete the Cost Proposal are provided in FORM I – Cost Proposal Workbook. Instructions on how to submit FORM I – Cost Proposal Workbook are provided in Section 2.4.2, above. The Cost Proposal must be returned to the Department in its original Microsoft Excel format (except where noted as possible in the Cost Proposal Workbook).

By completing the Cost Proposal, you agree to administer the Wisconsin Income Continuation Insurance Program according to the proposed fee schedule, if awarded a Contract. The Department will choose between the fee schedule for claims and annual retainer fee prior to the effective date of the Contract. Fees quoted must be inclusive of any travel costs and other expenses associated with providing Services under the Contract.

**NOTE: Costs provided in the Contractor’s final Cost Proposal or Best and Final Offer shall remain firm through December 31, 2024. Pricing beyond December 31, 2024 shall be negotiated by the Department and the Contractor in good faith prior to December 31, 2024.**

The Department reserves the right to clarify any pricing discrepancies related to assumptions on the part of the Proposers. Such clarifications will be solely to provide consistent assumptions from which an accurate cost comparison can be achieved for scoring.

Where indicated, only dollar and number values will be accepted on the Cost Proposal. Any description other than a dollar or number value such as, but not limited to: “no cost,” “included,” “see below,” “-“, “n/a,” etc., where a dollar value is required, will not be accepted. A cost value of $0.00 shall indicate the deliverable is no cost to the Department.

If a cost is not provided in a cell, it will indicate the Proposer does not provide the specific service.

# Contract Terms and Conditions

**This section is NOT scored. (0 points)**

The Department will execute a Contract with the awarded Contractor(s). A Pro Forma Contract is located in Appendix 1 and is attached as an example. The Contract and any subsequent renewal(s) will incorporate all terms and conditions included in this RFP, including all attachments, exhibits, forms, appendices, etc., made a part of this RFP, and Contractor’s Proposal. The Income Continuation Insurance Plan Language linked in Table 2, as may be updated for each benefit period, shall also become part of the Contract. The Department shall draft the Contract.

The Contractor shall be responsible for the performance of any obligations that may result from the Contract and shall not be relieved by the non-performance of any Subcontractor. Proposals must identify all proposed Subcontractors and describe the contractual relationship between the Proposer and each Subcontractor.

**NOTE: The Department will share Proposals with its consulting actuary. To that end, Proposers are required to complete and return FORM H – Non-Disclosure Agreement. FORM H must be included with all Proposals.**

## Board and Department Authority

This solicitation is authorized under Chapter 40 of the Wisconsin State Statutes. Procurement statutes and rules that govern other State agencies may not be applicable. All decisions and actions under this RFP are solely under the authority of the State of Wisconsin Group Insurance Board. The Department is acting as an agent of the Board in carrying out any directives or decisions relating to this RFP, the Contract and subsequent awards. The Department is the sole point of contact for Board contracting.

## Payment Terms

* Contractor must complete the State’s banking and payment forms to facilitate the Department’s payments to the Contractor.
* If Contractor invoices are required, Contractor shall submit invoices timely and no later than one (1) year after completion of Services.
* The Department will make payments to the Contractor within thirty (30) Calendar Days of the Department’s receipt of a proper, Department-approved invoice.
* All payment arrangements will be finalized during Contract negotiations.
* The Contractor shall perform the Services and all obligations under the Contract. The total cost to the Board for the Contractor’s performance of the Services shall not exceed the limitation set forth in the Contract. The Board shall not be obligated to reimburse the Contractor for billing in excess of the limits set forth in the Contract, and the Contractor shall not be obligated to continue performance of work under the Contract or to incur costs for additional requirements identified by the Board which are not specified in the Contract, unless and until an amendment to the Contract is approved by the Board and signed by the Contractor and the Board.
* Contractor’s payments for missed performance standards will be assessed as noted in Appendix 3 Performance Standards and Penalties.

## Piggyback Clause

Other institutions, such as state, local and public agencies, occasionally express interest in participating in Department contracts. The Department would like the Contractor to extend the terms, conditions, and prices of the Contract that results from this RFP to any such entity. Any such entity that would be interested in contracting with the Contractor for the goods/services provided under the Contract must contract with the Contractor directly. Should such a contract result, the Contractor agrees that the Department shall bear no responsibility or liability for any agreement between the Contractor and the other entity. If a Proposer does not agree to this clause, they should include an exception to this clause in their Proposal.

## Income Continuation Insurance Plan Language

The Income Continuation Insurance Plan Language document, listed in Table 2 and available at <https://etf.wi.gov/media/5171/direct>, contains:

* Attachment A - State of Wisconsin Income Continuation Insurance Plan (ICI) State Employees Plan
* Attachment B - Wisconsin Public Employers Income Continuation Insurance Plan (ICI) Local Employees Plan

Attachments A and B, listed above, contain the most current Program details. These documents become part of the Contract and may be updated from time to time as required due to changes to the Program. The Contractor shall administer the Program as required in Attachments A and B of the Income Continuation Insurance Plan Language document as may be updated as necessary.