



**State Term Contract 80111502-19-1  
For  
Benefits Consulting, Actuarial and Claims Auditing Services**

This Contract is between the State of Florida, Department of Management Services (Department), an agency of the State of Florida and Myers and Stauffer LC (Contractor), with its principal place of business at 700 W 47<sup>th</sup> Street Suite 1100 Kansas City, MO 64112 collectively referred to herein as the “Parties.”

The Contractor was awarded to provide the following Service Category(ies): Service Category 3 – Claims Auditing.

Accordingly, the Parties agree as follows:

**I. Initial Contract Term.**

The Initial Contract Term shall be for five years. The Initial Contract Term shall begin on December 17, 2019. The Contract shall expire on December 16, 2024, unless terminated earlier in accordance with the incorporated Special Contract Conditions.

**II. Renewal Term.**

Upon mutual written agreement, the Parties may renew this Contract, in whole or in part, for a Renewal Term not to exceed the Initial Contract Term, pursuant to the incorporated Special Contract Conditions.

**III. Contract.**

As used in this document, “Contract” (whether or not capitalized) shall, unless the context requires otherwise, include this document and all incorporated Exhibits, which set forth the entire understanding of the Parties and supersedes all prior agreements. All modifications to this Contract must be in writing and signed by all Parties.

All Exhibits listed below are incorporated in their entirety into, and form part of, this Contract. The Contract Exhibits shall have priority in the order listed:

- a) Special Contract Conditions, Exhibit A
- b) Addenda to Solicitation (in reverse order of issuance), Exhibit B
- c) RFP and RFP attachments (includes Scope of Work), Exhibit C
- d) Contractor’s Cost Proposal, for each Service Category(ies), Exhibit D
- e) Contractor’s Technical Proposal for each Service Category(ies), Exhibit E

**State Term Contract No. 80111502-19-1  
For  
Benefits Consulting, Actuarial and Claims Auditing Services**

**IV. Contract Management.**

**Department's Contract Manager:**

Christia Nunnery  
Division of State Purchasing  
Florida Department of Management Services  
4050 Esplanade Way, Suite 360.8X  
Tallahassee, Florida 32399-0950  
Telephone: (850) 488-8367  
Email: [Christia.Nunnery@dms.myflorida.com](mailto:Christia.Nunnery@dms.myflorida.com)

**Contractor's Contract Manager:**

Keith R. Sorensen  
Myers and Stauffer LC  
700 W 47<sup>th</sup> Street Suite 1100  
Kansas City, MO 64112  
Telephone: (919) 829-7306  
Email: [ksorensen@mslc.com](mailto:ksorensen@mslc.com)

**IN WITNESS THEREOF**, the Parties hereto have caused this Contract, which includes the incorporated Exhibits, to be executed by their undersigned officials as duly authorized. This Contract is not valid and binding until signed and dated by the Parties.

**MYERS AND STAUFFER LC**

**STATE OF FLORIDA,  
DEPARTMENT OF  
MANAGEMENT SERVICES**

\_\_\_\_\_

\_\_\_\_\_  
**Rosalyn Ingram,  
Chief Procurement Officer and Director of State  
Purchasing**

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

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

**State Term Contract No. 80111502-19-1**  
**For**  
**Benefits Consulting, Actuarial and Claims Auditing Services**

**IV. Contract Management.**

**Department's Contract Manager:**

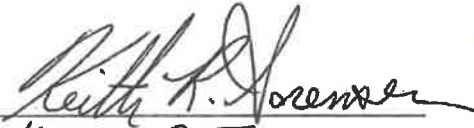
Christia Nunnery  
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Florida Department of Management Services  
4050 Esplanade Way, Suite 360.8X  
Tallahassee, Florida 32399-0950  
Telephone: (850) 488-8367  
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Telephone: (919) 829-7306  
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**IN WITNESS THEREOF**, the Parties hereto have caused this Contract, which includes the incorporated Exhibits, to be executed by their undersigned officials as duly authorized. This Contract is not valid and binding until signed and dated by the Parties.

**MYERS AND STAUFFER LC**

  
\_\_\_\_\_  
KEITH R. SORENSEN  
MEMBER

12/17/2019  
\_\_\_\_\_  
Date:

**STATE OF FLORIDA,  
DEPARTMENT OF  
MANAGEMENT SERVICES**

  
\_\_\_\_\_  
Rosalyn Ingram,  
Chief Procurement Officer and Director of State  
Purchasing

12/17/19  
\_\_\_\_\_  
Date:

**EXHIBIT A**  
**SPECIAL CONTRACT CONDITIONS**  
**JULY 1, 2019 VERSION**

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**In accordance with Rule 60A-1.002(7), F.A.C., Form PUR 1000 is included herein by reference but is superseded in its entirety by these Special Contract Conditions.**

## **SECTION 1. DEFINITION.**

The following definition applies in addition to the definitions in Chapter 287, Florida Statutes (F.S.), and Rule Chapter 60A-1, Florida Administrative Code (F.A.C.):

### **1.1 Customer.**

The agency or eligible user that purchases commodities or contractual services pursuant to the Contract.

## **SECTION 2. CONTRACT TERM AND TERMINATION.**

### **2.1 Initial Term.**

The initial term will begin on the date set forth in the Contract documents or on the date the Contract is signed by all Parties, whichever is later.

### **2.2 Renewal.**

Upon written agreement, the Department and the Contractor may renew the Contract in whole or in part only as set forth in the Contract documents, and in accordance with section 287.057(13), F.S.

### **2.3 Suspension of Work and Termination.**

#### **2.3.1 Suspension of Work.**

The Department may, at its sole discretion, suspend any or all activities under the Contract, at any time, when it is in the best interest of the State of Florida to do so. The Customer may suspend a resulting contract or purchase order, at any time, when in the best interest of the Customer to do so. The Department or Customer will provide the Contractor written notice outlining the particulars of the suspension. After receiving a suspension notice, the Contractor must comply with the notice and will cease the performance of the Contract or purchase order. Suspension of work will not entitle the Contractor to any additional compensation. The Contractor will not resume performance of the Contract or purchase order until so authorized by the Department.

#### **2.3.2 Termination for Convenience.**

The Contract may be terminated by the Department in whole or in part at any time, in the best interest of the State of Florida. If the Contract is terminated before performance is completed, the Contractor will be paid only for that work satisfactorily performed for which costs can be substantiated. Such payment, however, may not exceed an amount which is the same percentage of the Contract price as the amount of work satisfactorily performed. All work in progress will become the property of the Customer and will be turned over promptly by the Contractor.

#### **2.3.3 Termination for Cause.**

If the performance of the Contractor is not in compliance with the Contract requirements or the Contractor has defaulted, the Department may:

- (a) immediately terminate the Contract;
- (b) notify the Contractor of the noncompliance or default, require correction, and specify the date by which the correction must be completed before the Contract is terminated; or
- (c) take other action deemed appropriate by the Department.

## **SECTION 3. PAYMENT AND FEES.**

### **3.1 Pricing.**

The Contractor will not exceed the pricing set forth in the Contract documents.

### **3.2 Price Decreases.**

The following price decrease terms will apply to the Contract:

**3.2.1 Quantity Discounts.** Contractor may offer additional discounts for one-time delivery of large single orders;

**3.2.2 Preferred Pricing.** The Contractor guarantees that the pricing indicated in this Contract is a maximum price. Additionally, Contractor's pricing will not exceed the pricing offered under comparable contracts. Comparable contracts are those that are similar in size, scope, and terms. In compliance with section 216.0113, F.S., Contractor must annually submit an affidavit from the Contractor's authorized representative attesting that the Contract complies with this clause.

**3.2.3 Sales Promotions.** In addition to decreasing prices for the balance of the Contract term due to a change in market conditions, the Contractor may conduct sales promotions involving price reductions for a specified lesser period. The Contractor must submit documentation identifying the proposed: (1) starting and ending dates of the promotion, (2) commodities or contractual services involved, and (3) promotional prices compared to then-authorized prices.

### **3.3 Payment Invoicing.**

The Contractor will be paid upon submission of invoices to the Customer after delivery and acceptance of commodities or contractual services is confirmed by the Customer. Invoices must contain sufficient detail for an audit and contain the Contract Number and the Contractor's Federal Employer Identification Number.

### **3.4 Purchase Order.**

A Customer may use purchase orders to buy commodities or contractual services pursuant to the Contract and, if applicable, the Contractor must provide commodities or contractual services pursuant to purchase orders. Purchase orders issued pursuant to the Contract must be received by the Contractor no later than the close of business on the last day of the Contract's term. The Contractor is required to accept timely purchase orders specifying delivery schedules that extend beyond the Contract term even when such extended delivery will occur after expiration of the Contract. Purchase orders shall be valid through their specified term and performance by the Contractor, and all terms and conditions of the Contract shall survive the termination or expiration of the Contract and apply to the Contractor's performance. The duration of purchase orders for recurring deliverables shall not exceed the expiration of the Contract by more than twelve months. Any purchase order terms and conditions conflicting with these Special Contract Conditions shall not become a part of the Contract.

### **3.5 Travel.**

Travel expenses are not reimbursable unless specifically authorized by the Customer in writing and may be reimbursed only in accordance with section 112.061, F.S.

### 3.6 Annual Appropriation.

Pursuant to section 287.0582, F.S., if the Contract binds the State of Florida or an agency for the purchase of services or tangible personal property for a period in excess of one fiscal year, the State of Florida's performance and obligation to pay under the Contract is contingent upon an annual appropriation by the Legislature.

### 3.7 Transaction Fees.

The State of Florida, through the Department of Management Services, has instituted MyFloridaMarketPlace, a statewide eProcurement system pursuant to section 287.057(22), F.S. All payments issued by Customers to registered Vendors for purchases of commodities or contractual services will be assessed Transaction Fees as prescribed by rule 60A-1.031, F.A.C., or as may otherwise be established by law. Vendors must pay the Transaction Fees and agree to automatic deduction of the Transaction Fees when automatic deduction becomes available. Vendors will submit any monthly reports required pursuant to the rule. All such reports and payments will be subject to audit. Failure to comply with the payment of the Transaction Fees or reporting of transactions will constitute grounds for declaring the Vendor in default and subject the Vendor to exclusion from business with the State of Florida.

### 3.8 Taxes.

Taxes, customs, and tariffs on commodities or contractual services purchased under the Contract will not be assessed against the Customer or Department unless authorized by Florida law.

### 3.9 Return of Funds.

Contractor will return any overpayments due to unearned funds or funds disallowed pursuant to the terms of the Contract that were disbursed to the Contractor. The Contractor must return any overpayment within forty (40) calendar days after either discovery by the Contractor, its independent auditor, or notification by the Department or Customer of the overpayment.

## **SECTION 4. CONTRACT MANAGEMENT.**

### 4.1 Composition and Priority.

The Contractor agrees to provide commodities or contractual services to the Customer as specified in the Contract. Additionally, the terms of the Contract supersede the terms of all prior agreements between the Parties on this subject matter.

### 4.2 Notices.

All notices required under the Contract must be delivered to the designated Contract Manager in a manner identified by the Department.

### 4.3 Department's Contract Manager.

The Department's Contract Manager, who is primarily responsible for the Department's oversight of the Contract, will be identified in a separate writing to the Contractor upon Contract signing in the following format:

Department's Contract Manager Name

Department's Name  
Department's Physical Address  
Department's Telephone #  
Department's Email Address

If the Department changes the Contract Manager, the Department will notify the Contractor. Such a change does not require an amendment to the Contract.

#### 4.4 Contractor's Contract Manager.

The Contractor's Contract Manager, who is primarily responsible for the Contractor's oversight of the Contract performance, will be identified in a separate writing to the Department upon Contract signing in the following format:

Contractor's Contract Manager Name  
Contractor's Name  
Contractor's Physical Address  
Contractor's Telephone #  
Contractor's Email Address

If the Contractor changes its Contract Manager, the Contractor will notify the Department. Such a change does not require an amendment to the Contract.

#### 4.5 Diversity.

##### 4.5.1 Office of Supplier Diversity.

The State of Florida supports its diverse business community by creating opportunities for woman-, veteran-, and minority-owned small business enterprises to participate in procurements and contracts. The Department encourages supplier diversity through certification of woman-, veteran-, and minority-owned small business enterprises and provides advocacy, outreach, and networking through regional business events. For additional information, please contact the Office of Supplier Diversity (OSD) at [osdinfo@dms.myflorida.com](mailto:osdinfo@dms.myflorida.com).

##### 4.5.2 Diversity Reporting.

Upon request, the Contractor will report to the Department its spend with business enterprises certified by the OSD. These reports must include the time period covered, the name and Federal Employer Identification Number of each business enterprise utilized during the period, commodities and contractual services provided by the business enterprise, and the amount paid to the business enterprise on behalf of each agency purchasing under the Contract.

#### 4.6 RESPECT.

Subject to the agency determination provided for in section 413.036, F.S., the following statement applies:

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ANY ARTICLES THAT ARE THE SUBJECT OF, OR REQUIRED TO CARRY OUT, THIS CONTRACT SHALL BE PURCHASED FROM A NONPROFIT AGENCY FOR THE BLIND OR FOR THE SEVERELY HANDICAPPED THAT IS QUALIFIED PURSUANT TO CHAPTER 413, FLORIDA STATUTES, IN THE SAME MANNER AND UNDER THE SAME PROCEDURES SET FORTH IN SECTION 413.036(1) AND (2), FLORIDA STATUTES;



AND FOR PURPOSES OF THIS CONTRACT THE PERSON, FIRM, OR OTHER BUSINESS ENTITY CARRYING OUT THE PROVISIONS OF THIS CONTRACT SHALL BE DEEMED TO BE SUBSTITUTED FOR THE STATE AGENCY INSOFAR AS DEALINGS WITH SUCH QUALIFIED NONPROFIT AGENCY ARE CONCERNED.

Additional information about RESPECT and the commodities or contractual services it offers is available at <https://www.respectofflorida.org>.

#### 4.7 PRIDE.

Subject to the agency determination provided for in sections 287.042(1) and 946.515, F.S., the following statement applies:

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT ANY ARTICLES WHICH ARE THE SUBJECT OF, OR REQUIRED TO CARRY OUT, THIS CONTRACT SHALL BE PURCHASED FROM THE CORPORATION IDENTIFIED UNDER CHAPTER 946, F.S., IN THE SAME MANNER AND UNDER THE SAME PROCEDURES SET FORTH IN SECTION 946.515(2) AND (4), F.S.; AND FOR PURPOSES OF THIS CONTRACT THE PERSON, FIRM, OR OTHER BUSINESS ENTITY CARRYING OUT THE PROVISIONS OF THIS CONTRACT SHALL BE DEEMED TO BE SUBSTITUTED FOR THIS AGENCY INSOFAR AS DEALINGS WITH SUCH CORPORATION ARE CONCERNED.

Additional information about PRIDE and the commodities or contractual services it offers is available at <https://www.pride-enterprises.org>.

### **SECTION 5. COMPLIANCE WITH LAWS.**

#### 5.1 Conduct of Business.

The Contractor must comply with all laws, rules, codes, ordinances, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and authority. For example, the Contractor must comply with section 274A of the Immigration and Nationality Act, the Americans with Disabilities Act, Health Insurance Portability and Accountability Act, if applicable, and all prohibitions against discrimination on the basis of race, religion, sex, creed, national origin, handicap, marital status, or veteran's status. The provisions of subparagraphs 287.058(1)(a)-(c), and (g), F.S., are hereby incorporated by reference.

#### 5.2 Dispute Resolution, Governing Law, and Venue.

Any dispute concerning performance of the Contract shall be decided by the Department's designated Contract Manager, who will reduce the decision to writing and serve a copy on the Contractor. The decision of the Contract Manager shall be final and conclusive. Exhaustion of this administrative remedy is an absolute condition precedent to the Contractor's ability to pursue legal action related to the Contract or any other form of dispute resolution. The laws of the State of Florida govern the Contract. The Parties submit to the jurisdiction of the courts of the State of Florida exclusively for any legal action related to the Contract. Further, the Contractor hereby waives all privileges and rights relating to venue it may have under Chapter 47, F.S., and all such venue privileges and rights it may have under any other statute, rule, or case law, including, but not limited to, those based on convenience. The Contractor hereby submits to venue in the county chosen by the Department.

#### 5.3 Department of State Registration.

Consistent with Title XXXVI, F.S., the Contractor and any subcontractors that assert status, other than a sole proprietor, must provide the Department with conclusive evidence of a certificate of status, not subject to qualification, if a Florida business entity, or of a certificate of authorization if a foreign business entity.

#### 5.4 Suspended, Convicted, and Discriminatory Vendor Lists.

In accordance with sections 287.042, 287.133, and 287.134, F.S., an entity or affiliate who is on the Suspended Vendor List, Convicted Vendor List, or Discriminatory Vendor List may not perform work as a contractor, supplier, subcontractor, or consultant under the Contract. The Contractor must notify the Department if it or any of its suppliers, subcontractors, or consultants have been placed on the Suspended Vendor List, Convicted Vendor List, or Discriminatory Vendor List during the term of the Contract.

#### 5.5 Scrutinized Companies - Termination by the Department.

The Department may, at its option, terminate the Contract if the Contractor is found to have submitted a false certification as provided under section 287.135(5), F.S., or been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or been engaged in business operations in Cuba or Syria, or to have been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel.

#### 5.6 Cooperation with Inspector General and Records Retention.

Pursuant to section 20.055(5), F.S., the Contractor understands and will comply with its duty to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing. Upon request of the Inspector General or any other authorized State official, the Contractor must provide any information the Inspector General deems relevant to the Contractor's integrity or responsibility. Such information may include, but will not be limited to, the Contractor's business or financial records, documents, or files of any type or form that refer to or relate to the Contract. The Contractor will retain such records for the longer of five years after the expiration of the Contract, or the period required by the General Records Schedules maintained by the Florida Department of State, at the Department of State's Records Management website. The Contractor agrees to reimburse the State of Florida for the reasonable costs of investigation incurred by the Inspector General or other authorized State of Florida official for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the State of Florida which results in the suspension or debarment of the Contractor. Such costs will include but will not be limited to: salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor agrees to impose the same obligations to cooperate with the Inspector General and retain records on any subcontractors used to provide goods or services under the Contract.

### **SECTION 6. MISCELLANEOUS.**

#### 6.1 Subcontractors.

The Contractor will not subcontract any work under the Contract without prior written consent of the Department. The Contractor is fully responsible for satisfactory completion of all its subcontracted work. The Department supports diversity in its procurements and contracts, and requests that the Contractor offer subcontracting opportunities to certified woman-, veteran-, and minority-owned small businesses. The

Contractor may contact the OSD at [osdhelp@dms.myflorida.com](mailto:osdhelp@dms.myflorida.com) for information on certified small business enterprises available for subcontracting opportunities.

#### 6.2 Assignment.

The Contractor will not sell, assign, or transfer any of its rights, duties, or obligations under the Contract without the prior written consent of the Department. However, the Contractor may waive its right to receive payment and assign same upon notice to the Department. In the event of any assignment, the Contractor remains responsible for performance of the Contract, unless such responsibility is expressly waived by the Department. The Department may assign the Contract with prior written notice to the Contractor.

#### 6.3 Independent Contractor.

The Contractor and its employees, agents, representatives, and subcontractors are independent contractors and not employees or agents of the State of Florida and are not entitled to State of Florida benefits. The Department and Customer will not be bound by any acts or conduct of the Contractor or its employees, agents, representatives, or subcontractors. The Contractor agrees to include this provision in all its subcontracts under the Contract.

#### 6.4 Inspection and Acceptance of Commodities.

##### 6.4.1 Risk of Loss.

Matters of inspection and acceptance are addressed in section 215.422, F.S. Until acceptance, risk of loss or damage will remain with the Contractor. The Contractor will be responsible for filing, processing, and collecting all damage claims. To assist the Contractor with damage claims, the Customer will: record any evidence of visible damage on all copies of the delivering carrier's bill of lading; report damages to the carrier and the Contractor; and provide the Contractor with a copy of the carrier's bill of lading and damage inspection report.

##### 6.4.2 Rejected Commodities.

When a Customer rejects a commodity, Contractor will remove the commodity from the premises within ten (10) calendar days after notification of rejection, and the risk of loss will remain with the Contractor. Commodities not removed by the Contractor within ten (10) calendar days will be deemed abandoned by the Contractor, and the Customer will have the right to dispose of such commodities. Contractor will reimburse the Customer for costs and expenses incurred in storing or effecting removal or disposition of rejected commodities.

#### 6.5 Safety Standards.

Performance of the Contract for all commodities or contractual services must comply with requirements of the Occupational Safety and Health Act and other applicable State of Florida and federal requirements.

#### 6.6 Ombudsman.

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this office are found in section 215.422, F.S., which include disseminating information relative to prompt payment and assisting contractors in receiving their payments in a timely manner from a Customer. The Vendor Ombudsman may be contacted at (850) 413-5516.

#### 6.7 Time is of the Essence.

Time is of the essence regarding every obligation of the Contractor under the Contract. Each obligation is deemed material, and a breach of any such obligation (including a breach resulting from untimely performance) is a material breach.

#### 6.8 Waiver.

The delay or failure by the Department or the Customer to exercise or enforce any rights under the Contract will not constitute waiver of such rights.

#### 6.9 Modification and Severability.

The Contract may only be modified by written agreement between the Department and the Contractor. Should a court determine any provision of the Contract is invalid, the remaining provisions will not be affected, and the rights and obligations of the Parties will be construed and enforced as if the Contract did not contain the provision held invalid.

#### 6.10 Cooperative Purchasing.

Pursuant to their own governing laws, and subject to the agreement of the Contractor, governmental entities that are not Customers may make purchases under the terms and conditions contained herein, if agreed to by Contractor. Such purchases are independent of the Contract between the Department and the Contractor, and the Department is not a party to these transactions. Agencies seeking to make purchases under this Contract are required to follow the requirements of Rule 60A-1.045(5), F.A.C.

### **SECTION 7. LIABILITY AND INSURANCE.**

#### 7.1 Workers' Compensation Insurance.

The Contractor shall maintain workers' compensation insurance as required under the Florida Workers' Compensation Law or the workers' compensation law of another jurisdiction where applicable. The Contractor must require all subcontractors to similarly provide workers' compensation insurance for all of the latter's employees. In the event work is being performed by the Contractor under the Contract and any class of employees performing the work is not protected under Workers' Compensation statutes, the Contractor must provide, and cause each subcontractor to provide, adequate insurance satisfactory to the Department, for the protection of employees not otherwise protected.

#### 7.2 General Liability Insurance.

The Contractor must secure and maintain Commercial General Liability Insurance, including bodily injury, property damage, products, personal and advertising injury, and completed operations. This insurance must provide coverage for all claims that may arise from performance of the Contract or completed operations, whether by the Contractor or anyone directly or indirectly employed by the Contractor. Such insurance must include the State of Florida as an additional insured for the entire length of the resulting contract. The Contractor is responsible for determining the minimum limits of liability necessary to provide reasonable financial protections to the Contractor and the State of Florida under the resulting contract.

#### 7.3 Florida Authorized Insurers.

All insurance shall be with insurers authorized and eligible to transact the applicable line of insurance business in the State of Florida. The Contractor shall provide Certification(s) of Insurance evidencing that all appropriate coverage is in place and showing the Department to be an additional insured.

#### 7.4 Performance Bond.

Unless otherwise prohibited by law, the Department may require the Contractor to furnish, without additional cost to the Department, a performance bond or irrevocable letter of credit or other form of security for the satisfactory performance of work hereunder. The Department shall determine the type and amount of security.

#### 7.5 Indemnification.

To the extent permitted by Florida law, the Contractor agrees to indemnify, defend, and hold the Customer and the State of Florida, its officers, employees, and agents harmless from all fines, claims, assessments, suits, judgments, or damages, including consequential, special, indirect, and punitive damages, including court costs and attorney's fees, arising from or relating to violation or infringement of a trademark, copyright, patent, trade secret, or intellectual property right or out of any acts, actions, breaches, neglect, or omissions of the Contractor, its employees, agents, subcontractors, assignees, or delegates related to the Contract, as well as for any determination arising out of or related to the Contract that the Contractor or Contractor's employees, agents, subcontractors, assignees, or delegates are not independent contractors in relation to the Customer. The Contract does not constitute a waiver of sovereign immunity or consent by the Customer or the State of Florida or its subdivisions to suit by third parties. Without limiting this indemnification, the Customer may provide the Contractor (1) written notice of any action or threatened action, (2) the opportunity to take over and settle or defend any such action at Contractor's sole expense, and (3) assistance in defending the action at Contractor's sole expense.

#### 7.6 Limitation of Liability.

Unless otherwise specifically enumerated in the Contract or in the purchase order, neither the Department nor the Customer shall be liable for special, indirect, punitive, or consequential damages, including lost data or records (unless the Contract or purchase order requires the Contractor to back-up data or records), even if the Department or Customer has been advised that such damages are possible. Neither the Department nor the Customer shall be liable for lost profits, lost revenue, or lost institutional operating savings. The Department or Customer may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor as may be necessary to satisfy any claim for damages, penalties, costs, and the like asserted by or against them. The State may set off any liability or other obligation of the Contractor or its affiliates to the State against any payments due the Contractor under any contract with the State.

### **SECTION 8. PUBLIC RECORDS, TRADE SECRETS, DOCUMENT MANAGEMENT, AND INTELLECTUAL PROPERTY.**

#### 8.1 Public Records.

##### 8.1.1 Termination of Contract.

The Department may terminate the Contract for refusal by the Contractor to comply with this section by not allowing access to all public records, as defined in Chapter 119, F. S., made or received by the Contractor in conjunction with the Contract.

#### 8.1.2 Statutory Notice.

Pursuant to section 119.0701(2)(a), F.S., for contracts for services with a contractor acting on behalf of a public agency, as defined in section 119.011(2), F.S., the following applies:

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT THE TELEPHONE NUMBER, EMAIL ADDRESS, AND MAILING ADDRESS PROVIDED IN THE RESULTING CONTRACT OR PURCHASE ORDER.**

Pursuant to section 119.0701(2)(b), F.S., for contracts for services with a contractor acting on behalf of a public agency as defined in section 119.011(2), F.S., the Contractor shall:

- (a) Keep and maintain public records required by the public agency to perform the service.
- (b) Upon request from the public agency's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, F.S., or as otherwise provided by law.
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure are not disclosed except as authorized by law for the duration of the Contract term and following the completion of the Contract if the Contractor does not transfer the records to the public agency.
- (d) Upon completion of the Contract, transfer, at no cost, to the public agency all public records in possession of the Contractor or keep and maintain public records required by the public agency to perform the service. If the Contractor transfers all public records to the public agency upon completion of the Contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the Contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

#### 8.2 Protection of Trade Secrets or Otherwise Confidential Information.

##### 8.2.1 Contractor Designation of Trade Secrets or Otherwise Confidential Information.

If the Contractor considers any portion of materials to be trade secret under section 688.002 or 812.081, F.S., or otherwise confidential under Florida or federal law, the Contractor must clearly designate that portion of the materials as trade secret or otherwise confidential when submitted to the Department. The Contractor will be

responsible for responding to and resolving all claims for access to Contract-related materials it has designated trade secret or otherwise confidential.

#### 8.2.2 Public Records Requests.

If the Department receives a public records request for materials designated by the Contractor as trade secret or otherwise confidential under Florida or federal law, the Contractor will be responsible for taking the appropriate legal action in response to the request. If the Contractor fails to take appropriate and timely action to protect the materials designated as trade secret or otherwise confidential, the Department will provide the materials to the requester.

#### 8.2.3 Indemnification Related to Confidentiality of Materials.

The Contractor will protect, defend, indemnify, and hold harmless the Department for claims, costs, fines, and attorney's fees arising from or relating to its designation of materials as trade secret or otherwise confidential.

#### 8.3 Document Management.

The Contractor must retain sufficient documentation to substantiate claims for payment under the Contract and all other records, electronic files, papers, and documents that were made in relation to this Contract. The Contractor must retain all documents related to the Contract for five (5) years after expiration of the Contract or, if longer, the period required by the General Records Schedules maintained by the Florida Department of State available at the Department of State's Records Management website.

#### 8.4 Intellectual Property.

##### 8.4.1 Ownership.

Unless specifically addressed otherwise in the Contract, the State of Florida shall be the owner of all intellectual property rights to all property created or developed in connection with the Contract.

##### 8.4.2 Patentable Inventions or Discoveries.

Any inventions or discoveries developed in the course, or as a result, of services in connection with the Contract that are patentable pursuant to 35 U.S.C. § 101 are the sole property of the State of Florida. Contractor must inform the Customer of any inventions or discoveries developed or made through performance of the Contract, and such inventions or discoveries will be referred to the Florida Department of State for a determination on whether patent protection will be sought. The State of Florida will be the sole owner of all patents resulting from any invention or discovery made through performance of the Contract.

##### 8.4.3 Copyrightable Works.

Contractor must notify the Department or State of Florida of any publications, artwork, or other copyrightable works developed in connection with the Contract. All copyrights created or developed through performance of the Contract are owned solely by the State of Florida.

### **SECTION 9. DATA SECURITY.**

The Contractor will maintain the security of State of Florida data including, but not limited to, maintaining a secure area around any displayed visible data and ensuring data is stored and secured when not in use. The Contractor and subcontractors will not perform any of the services from outside of the United States, and the Contractor will not allow any State of Florida data to be sent by any medium, transmitted, or accessed outside the United States due to Contractor's action or inaction. In the event of a security breach involving State of Florida data, the Contractor shall give notice to the Customer and the Department within one business day. "Security breach" for purposes of this section will refer to a confirmed event that compromises the confidentiality, integrity, or availability of data. Once a data breach has been contained, the Contractor must provide the Department with a post-incident report documenting all containment, eradication, and recovery measures taken. The Department reserves the right in its sole discretion to enlist a third party to audit Contractor's findings and produce an independent report, and the Contractor will fully cooperate with the third party. The Contractor will also comply with all HIPAA requirements and any other state and federal rules and regulations regarding security of information.

## **SECTION 10. GRATUITIES, LOBBYING, AND COMMUNICATIONS.**

### 10.1 Gratuities.

The Contractor will not, in connection with this Contract, directly or indirectly (1) offer, give, or agree to give anything of value to anyone as consideration for any State of Florida officer's or employee's decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty, or (2) offer, give, or agree to give to anyone anything of value for the benefit of, or at the direction or request of, any State of Florida officer or employee.

### 10.2 Lobbying.

In accordance with sections 11.062 and 216.347, F.S., Contract funds are not to be used for the purpose of lobbying the Legislature, the judicial branch, or the Department. Pursuant to section 287.058(6), F.S., the Contract does not prohibit the Contractor from lobbying the executive or legislative branch concerning the scope of services, performance, term, or compensation regarding the Contract after the Contract is executed and during the Contract term.

### 10.3 Communications.

#### 10.3.1 Contractor Communication or Disclosure.

The Contractor shall not make any public statements, press releases, publicity releases, or other similar communications concerning the Contract or its subject matter or otherwise disclose or permit to be disclosed any of the data or other information obtained or furnished in compliance with the Contract, without first notifying the Customer's Contract Manager and securing the Customer's prior written consent.

#### 10.3.2 Use of Customer Statements.

The Contractor shall not use any statement attributable to the Customer or its employees for the Contractor's promotions, press releases, publicity releases, marketing, corporate communications, or other similar communications, without first notifying the Customer's Contract Manager and securing the Customer's prior written consent.



## **SECTION 11. CONTRACT MONITORING.**

### 11.1 Performance Standards.

The Contractor agrees to perform all tasks and provide deliverables as set forth in the Contract. The Department and the Customer will be entitled at all times, upon request, to be advised as to the status of work being done by the Contractor and of the details thereof.

### 11.2 Performance Deficiencies and Financial Consequences of Non-Performance.

#### 11.2.1 Proposal of Corrective Action Plan.

In addition to the processes set forth in the Contract (e.g., service level agreements), if the Department or Customer determines that there is a performance deficiency that requires correction by the Contractor, then the Department or Customer will notify the Contractor. The correction must be made within a time-frame specified by the Department or Customer. The Contractor must provide the Department or Customer with a corrective action plan describing how the Contractor will address all performance deficiencies identified by the Department or Customer.

#### 11.2.2 Retainage for Unacceptable Corrective Action Plan or Plan Failure.

If the corrective action plan is unacceptable to the Department or Customer, or implementation of the plan fails to remedy the performance deficiencies, the Department or Customer will retain ten percent (10%) of the total invoice amount. The retainage will be withheld until the Contractor resolves the performance deficiencies. If the performance deficiencies are resolved, the Contractor may invoice the Department or Customer for the retained amount. If the Contractor fails to resolve the performance deficiencies, the retained amount will be forfeited to compensate the Department or Customer for the performance deficiencies.

### 11.3 Performance Delay.

#### 11.3.1 Notification.

The Contractor will promptly notify the Department or Customer upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion (or delivery) of any commodity or contractual service. The Contractor will use commercially reasonable efforts to avoid or minimize any delays in performance and will inform the Department or the Customer of the steps the Contractor is taking or will take to do so, and the projected actual completion (or delivery) time. If the Contractor believes a delay in performance by the Department or the Customer has caused or will cause the Contractor to be unable to perform its obligations on time, the Contractor will promptly so notify the Department and use commercially reasonable efforts to perform its obligations on time notwithstanding the Department's delay.

#### 11.3.2 Liquidated Damages.

The Contractor acknowledges that delayed performance will damage the Department/Customer, but by their nature such damages are difficult to ascertain. Accordingly, the liquidated damages provisions stated in the Contract documents will apply. Liquidated damages are not intended to be a penalty and are solely intended to compensate for damages.

### 11.4 Force Majeure, Notice of Delay, and No Damages for Delay.

The Contractor will not be responsible for delay resulting from its failure to perform if neither the fault nor the negligence of the Contractor or its employees or agents contributed to the delay, and the delay is due directly to fire, explosion, earthquake, windstorm, flood, radioactive or toxic chemical hazard, war, military hostilities, terrorism, civil emergency, embargo, riot, strike, violent civil unrest, or other similar cause wholly beyond the Contractor's reasonable control, or for any of the foregoing that affect subcontractors or suppliers if no alternate source of supply is available to the Contractor. The foregoing does not excuse delay which could have been avoided if the Contractor implemented any risk mitigation required by the Contract. In case of any delay the Contractor believes is excusable, the Contractor will notify the Department in writing of the delay or potential delay and describe the cause of the delay either (1) within ten (10) calendar days after the cause that created or will create the delay first arose, if the Contractor could reasonably foresee that a delay could occur as a result, or (2) if delay is not reasonably foreseeable, within five (5) calendar days after the date the Contractor first had reason to believe that a delay could result. The foregoing will constitute the Contractor's sole remedy or excuse with respect to delay. Providing notice in strict accordance with this paragraph is a condition precedent to such remedy. No claim for damages will be asserted by the Contractor. The Contractor will not be entitled to an increase in the Contract price or payment of any kind from the Department for direct, indirect, consequential, impact or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency, arising because of delay, disruption, interference, or hindrance from any cause whatsoever. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this paragraph, after the causes have ceased to exist the Contractor will perform at no increased cost, unless the Department determines, in its sole discretion, that the delay will significantly impair the value of the Contract to the State of Florida or to Customers, in which case the Department may (1) accept allocated performance or deliveries from the Contractor, provided that the Contractor grants preferential treatment to Customers and the Department with respect to commodities or contractual services subjected to allocation, or (2) purchase from other sources (without recourse to and by the Contractor for the related costs and expenses) to replace all or part of the commodity or contractual services that are the subject of the delay, which purchases may be deducted from the Contract quantity, or (3) terminate the Contract in whole or in part.

## **SECTION 12. CONTRACT AUDITS.**

### **12.1 Performance or Compliance Audits.**

The Department may conduct or have conducted performance and/or compliance audits of the Contractor and subcontractors as determined by the Department. The Department may conduct an audit and review all the Contractor's and subcontractors' data and records that directly relate to the Contract. To the extent necessary to verify the Contractor's fees and claims for payment under the Contract, the Contractor's agreements or contracts with subcontractors, partners, or agents of the Contractor, pertaining to the Contract, may be inspected by the Department upon fifteen (15) calendar days' notice, during normal working hours and in accordance with the Contractor's facility access procedures where facility access is required. Release statements from its subcontractors, partners, or agents are not required for the Department or its designee to conduct compliance and performance audits on any of the Contractor's contracts relating to this Contract. The Inspector General, in accordance with section 5.6, the State of Florida's Chief Financial Officer, the Office of the Auditor General also have authority to perform audits and inspections.

## 12.2 Payment Audit.

Records of costs incurred under terms of the Contract will be maintained in accordance with section 8.3 of these Special Contract Conditions. Records of costs incurred will include the Contractor's general accounting records, together with supporting documents and records of the Contractor and all subcontractors performing work, and all other records of the Contractor and subcontractors considered necessary by the Department, the State of Florida's Chief Financial Officer, or the Office of the Auditor General.

## **SECTION 13. BACKGROUND SCREENING AND SECURITY.**

### 13.1 Background Check.

The Department or Customer may require the Contractor to conduct background checks of its employees, agents, representatives, and subcontractors as directed by the Department or Customer. The cost of the background checks will be borne by the Contractor. The Department or Customer may require the Contractor to exclude the Contractor's employees, agents, representatives, or subcontractors based on the background check results. In addition, the Contractor must ensure that all persons have a responsibility to self-report to the Contractor within three (3) calendar days any arrest for any disqualifying offense. The Contractor must notify the Contract Manager within twenty-four (24) hours of all details concerning any reported arrest. Upon the request of the Department or Customer, the Contractor will re-screen any of its employees, agents, representatives, and subcontractors during the term of the Contract.

### 13.2 E-Verify.

The Contractor must use the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired during the term of the Contract for the services specified in the Contract. The Contractor must also include a requirement in subcontracts that the subcontractor must utilize the E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the Contract term. In order to implement this provision, the Contractor must provide a copy of its DHS Memorandum of Understanding (MOU) to the Contract Manager within five (5) calendar days of Contract execution. If the Contractor is not enrolled in DHS E-Verify System, it will do so within five (5) calendar days of notice of Contract award and provide the Contract Manager a copy of its MOU within five (5) calendar days of Contract execution. The link to E-Verify is <https://www.uscis.gov/e-verify>. Upon each Contractor or subcontractor new hire, the Contractor must provide a statement within five (5) calendar days to the Contract Manager identifying the new hire with its E-Verify case number.

### 13.3 Disqualifying Offenses.

If at any time it is determined that a person has been found guilty of a misdemeanor or felony offense as a result of a trial or has entered a plea of guilty or nolo contendere, regardless of whether adjudication was withheld, within the last six (6) years from the date of the court's determination for the crimes listed below, or their equivalent in any jurisdiction, the Contractor is required to immediately remove that person from any position with access to State of Florida data or directly performing services under the Contract. The disqualifying offenses are as follows:

- (a) Computer related crimes;
- (b) Information technology crimes;

- (c) Fraudulent practices;
- (d) False pretenses;
- (e) Frauds;
- (f) Credit card crimes;
- (g) Forgery;
- (h) Counterfeiting;
- (i) Violations involving checks or drafts;
- (j) Misuse of medical or personnel records; and
- (k) Felony theft.

#### 13.4 Confidentiality.

The Contractor must maintain confidentiality of all confidential data, files, and records related to the commodities or contractual services provided pursuant to the Contract and must comply with all state and federal laws, including, but not limited to sections 381.004, 384.29, 392.65, and 456.057, F.S. The Contractor's confidentiality procedures must be consistent with the most recent version of the Department security policies, protocols, and procedures. The Contractor must also comply with any applicable professional standards with respect to confidentiality of information.

#### **SECTION 14. WARRANTY OF CONTRACTOR'S ABILITY TO PERFORM.**

The Contractor warrants that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish the Contractor's ability to satisfy its Contract obligations. The Contractor warrants that neither it nor any affiliate is currently on the Suspended Vendor List, Convicted Vendor List, or the Discriminatory Vendor List, or on any similar list maintained by any other state or the federal government. The Contractor shall immediately notify the Department in writing if its ability to perform is compromised in any manner during the term of the Contract.



## Exhibit B

# **Benefits Consulting, Actuarial, and Claims Auditing Services Request for Proposals**

**No. 19-80111502-A**

**Addendum No. 2 – Timeline and RFP Revision**

Contained herein are revisions to the timeline and RFP. The Department hereby amends RFP No. 19-80111502-A as noted within this Addendum. All revisions are underlined or in strikethrough and are highlighted. In the event of a conflict between information contained in RFP No. 19-80111502-A previously released on the Vendor Bid System on July 30, 2019, and the information contained herein, the information herein shall control. The information included in this addendum is now made part of this RFP No. 19-80111502-A solicitation. Please Note: This Addendum No. 2 does not need to be returned with a vendor's proposal.

1. The timeline is revised as follows:

**Timeline of Events**

The table below contains the timeline of events for this solicitation. It is the responsibility of the Respondent to check for any changes. The dates and times within the Timeline of Events may be subject to change. All changes to the Timeline of Events will occur through an addendum to the solicitation and will be noticed on the [Vendor Bid System \(VBS\)](#).

Respondents shall not rely on the MyFloridaMarketPlace (MFMP) Sourcing time clock. It is not the official submission date and time deadline. The official solicitation closing time and deadlines are reflected in the Timeline of Events listed below.

| Timeline of Events   | Event Time<br>(Eastern Time) | Event Date           |
|--|------------------------------|----------------------|
| Solicitation posted on the VBS and in MFMP Sourcing  |                              | 7/30/2019            |
| Deadline to submit questions in MFMP Sourcing  | 10:00 AM                     | 8/12/2019            |
| Department's anticipated posting of answers on the VBS   |                              | 8/27/2019            |
| Deadline to submit proposal and all required documents in MFMP Sourcing                          | 10:00 AM                     | 9/10/2019            |
| Public Opening<br><br>Meeting location: 4050 Esplanade Way, Room 101, Tallahassee, FL 32399-0950 | 10:30 AM                     | 9/10/2019            |
| Formal evaluations conducted   |                              | 9/24/2019-10/31/2019 |

| Timeline of Events   | Event Time<br>(Eastern Time) | Event Date |
|--|------------------------------|------------|
| <del>Public Meeting for Evaluators to confirm technical scores</del><br><br>Meeting location: 4050 Esplanade Way, Room 101, Tallahassee, FL 32399-0950 | 10:00 AM                     | 11/12/2019 |
| Anticipated date to post Notice of Intent to Award   |                              | 11/19/2019 |
| Anticipated Contract start date  |                              | 12/17/2019 |

2. Section 5.4 of the RFP is revised as follows:

~~5.4 Technical Evaluation and Evaluator's Public Meeting~~

The Evaluators will independently review and score the responsive and responsible technical proposals using the evaluation criteria described in Attachment D - Technical Proposal and Technical Proposal Evaluation Criteria. ~~The Department will then hold a public meeting in which the evaluators will confirm their technical scores in accordance with the Timeline of Events.~~

FAILURE TO FILE A PROTEST WITHIN THE TIME PRESCRIBED IN SECTION 120.57(3), FLORIDA STATUTES, OR FAILURE TO POST THE BOND OR OTHER SECURITY REQUIRED BY LAW WITHIN THE TIME ALLOWED FOR FILING A BOND SHALL CONSTITUTE A WAIVER OF PROCEEDINGS UNDER CHAPTER 120, FLORIDA STATUTES.

Any protest must be timely filed with the Department of Management Services' Agency Clerk. Protests may be filed by courier, hand delivery, or U.S. mail at Department of Management Services, Office of the General Counsel, Attention: Agency Clerk, 4050 Esplanade Way, Suite 160, Tallahassee, FL 32399-0950. Protests may also be filed by fax at 850-922-6312 or by email at [agencyclerk@dms.myflorida.com](mailto:agencyclerk@dms.myflorida.com). It is the filing party's responsibility to meet all filing deadlines.



# **Benefits Consulting, Actuarial, and Claims Auditing Services Request for Proposals**

**No. 19-80111502-A**

**Addendum No. 1 – RFP Revisions and Questions and Answers**



Contained herein are revisions to the RFP, attachments, and the answers to the questions timely submitted to the Department of Management Services (Department). The Department hereby amends RFP No. 19-80111502-A as noted within this Addendum. All revisions are underlined or in strikethrough and are highlighted. In the event of a conflict between information contained in RFP No. 19-80111502-A previously released on the Vendor Bid System on July 30, 2019, and the information contained herein, the information herein shall control. The information included in this addendum is now made part of this RFP No. 19-80111502-A solicitation. Please Note: This Addendum No. 1 does not need to be returned with a vendor's proposal.

1. RFP No. 19-80111502-A is hereby amended as follows:
  - a. Attachment D, Technical Proposal and Technical Proposal Evaluation Criteria, is replaced in its entirety with the Attachment D, Revised Technical Proposal and Technical Proposal Evaluation Criteria, which is posted on the Vendor Bid System.
  - b. Attachment E, Responsive Requirements, is replaced in its entirety with the Attachment E, Revised Responsive Requirements, which is posted on the Vendor Bid System.
  - c. Subsection 1.6, Order of Precedence for Solicitation, is amended as follows:

In the event of a conflict, the conflict will be resolved in the following order of priority (highest to lowest):

    - a) Addenda to Solicitation, if issued (in reverse order of issuance)
    - b) Cost Proposal, Attachment A
    - c) Special Contract Conditions, Attachment B
    - d) Draft Contract, Attachment C
    - e) Revised Technical Proposal and Technical Proposal Evaluation Criteria, Attachment D
    - f) RFP all other RFP attachments
  - d. Subsection 2.1.1, Service Category 1 – Benefits Consulting, is amended as follows: Awarded Contractor(s) will provide services related to, and/or advise Customers on, insurance and/or employee benefits. This includes providing a range of advice, assistance, guidance, counseling, and support on selecting, purchasing, and administering employee benefits.
  - e. Subsection 2.5.1, Tasks, is amended as follows:

2.5.1.1 Tasks Applicable to all Service Categories. Tasks that may be permissible under this Contract include, but are not limited to:

    - Provide legislative support, including, but not limited to, presentation(s) to legislative staff, and any requested analyses.
    - Provide testimony as a witness in a court proceeding.
    - Review proposed legislation and determine potential program impacts.
    - Prepare fiscal impact notes and bill analyses.
    - Consult or advise Customer by phone, letter, email, or in person.
    - Conduct or assist presentations as requested.
    - Perform special projects, special studies, and special evaluations as needed.
    - Assist with the development and implementation of an educational and outreach strategy.
    - ~~Create and disseminate various educational materials, brochures, flyers (hard copy and online).~~

• ~~Perform reviews of actuarial valuations and impact statements.~~

- Review content and create necessary reports.
- Verify validity of reports and calculations.

f. Subsection 4.1.2, Attachment E – Responsive Requirements, is amended as follows:

4.1.2 Attachment E – Responsive Requirements

The Respondent must submit a completed Attachment E – **Revised** Responsive Requirements document.

g. Subsection 5.4, Technical Evaluation and Evaluator’s Public Meeting, is amended as follows:

The Evaluators will independently review and score the responsive and responsible technical proposals using the evaluation criteria described in Attachment D - **Revised** Technical Proposal and Technical Proposal Evaluation Criteria. The Department will then hold a public meeting in which the evaluators will confirm their technical scores in accordance with the Timeline of Events.

h. Subsection 5.5, Basis of Award, is amended as follows:

Contract(s) will be awarded to the responsive and responsible Vendor(s) per Service Category that is determined to be the most advantageous to the state with the highest **Service Category** total final score. The Department will issue an award per Service Category (i.e. 1) Benefits Consulting Services, 2) Actuarial Services, and 3) Claims Auditing Services) to the vendor with the highest **Service Category** total final score, which will be calculated by the Procurement Officer by combining the average of the evaluator technical scores **for a Service Category** and the cost proposal score. A Contract for a Service Category will be awarded to the responsive and responsible Respondent(s) whose proposal **for a Service Category** is determined in writing to be the most advantageous to the State, taking into consideration the price and other criteria set forth in this RFP. The Department will consider the total cost for each year of the Contract, including initial and renewal years as submitted by the Respondent. The Department reserves the right to make multiple awards per Service Category to Respondents whose total final score is within 20% of the highest total final score for that Service Category. The methodology for scoring each Service Category is outlined below:

| <b>Proposal</b>  | <b>Available Points</b> |
|--|-------------------------|
| A. Technical Proposal (Attachment D)                         | <b>130</b>              |
| B. Cost Proposal (Attachment A)                              | <b>70</b>               |
| <b>Total Available Points for a Service Category (A + B)</b> | <b>200</b>              |

A Respondent may receive awards for multiple proposed Service Categories in accordance with the terms of the RFP. The Department reserves the right to award multiple Contracts, for all or part of the work contemplated by this solicitation. The Department reserves the right to accept or reject any and all offers, and to waive any minor irregularity, technicality, or omission if the Department determines that doing so will serve the best interest of the state. However, the Department reserves the right to make no award in one or all Service Categories as determined to be in the best interest of the State.

i. Subsection 5.5.1 is amended as follows:

The Respondent shall be awarded up to 130 points for a Service Category based on its submitted Technical Proposal in accordance with the evaluation criteria outlined in Attachment D - Revised Technical Proposal and Technical Proposal Evaluation Criteria.

- j. Page 27 of the RFP, RFP Attachments, is amended as follows:
  - Attachment A - Cost Proposal (must be submitted prior to RFP opening)
  - Attachment B – Special Contract Conditions
  - Attachment C – Draft Contract
  - Attachment D – Revised Technical Proposal and Technical Proposal Evaluation Criteria (vendor response must be submitted prior to RFP opening)
  - Attachment E – Revised Responsive Requirements (must be submitted prior to RFP opening)
  - Attachment F – Vendor Information
  - Attachment G – No Offshoring
  - Attachment H – Certification of Drug-Free Workplace
  - Attachment I – Subcontracting

2. The Department’s responses to timely submitted questions are below:

| No. | Question   | Answer   |
|-----|--|--|
| 1.  | Who is/are the incumbent consultant(s) and how long have they been in place? | <p>The services sought in this procurement are not currently provided as a state term contract for the State of Florida.</p> <p>The Department of Management Services, Division of State Group Insurance has the following current contracts: DMS 13/14-018A with Foster and Foster to provide an independent benefits consultant, actuarial and auditing services; DMS 13/14-018B with Gabriel, Roeder and Smith to provide an independent benefits consultant, actuarial and auditing services and DMS 13/14-018C with Mercer to provide an independent benefits consultant, actuarial and auditing services.</p> <p>The contract effective dates for the Division of State Group Insurance contracts are:<br/>           DMS 13/14-018A: 7/23/2014<br/>           DMS 13/14-018B: 8/29/2014<br/>           DMS 13/14-018C: 7/23/2014</p> <p>The Department of Management Services, Division of Retirement has the following current contracts: DMS 17/18-004 with Gabriel, Roeder and Smith and DMS 10/11-015 with Milliman to provide actuarial services.</p> <p>The contract effective dates for the Division of Retirement contracts are:<br/>           DMS 17/18-004: 9/18/2018<br/>           DMS 10/11-015: 7/1/2011</p> |
| 2.  | Why did DMS decide to bid these services at this time?                       | Reference RFP subsection 1.1, Objective.   |

|    |   |   |
|----|---|---|
| 3. | Are the services outlined in RFP comparable to those currently being provided by the incumbent consultant(s)?   | The services sought in this procurement are not currently provided as a state term contract for the State of Florida. The Department's current contracts for independent benefits consultant, actuarial and auditing services are specific to the Department's needs. The three service categories have been broadened for this procurement to accommodate the needs of multiple customers under the awarded state term contract(s).  |
| 4. | What were the total consulting fees for these services during each of the last three years? What were the fees by Service Category – Benefits Consulting, Actuarial, and Claim Audit?             | <p>Reference RFP subsection 1.2, Background Information. The services sought in this procurement are not currently provided as a state term contract for the State of Florida.</p> <p>For the Department of Management Services, Division of State Group Insurance, the fees by Service Category are as follows:</p> <p>Independent Benefits Consultant –<br/> Fiscal Year 2016-2017 approximately \$734,000;<br/> Fiscal Year 2017-2018 approximately \$610,000; and Fiscal Year 2018-2019, approximately \$551,000.</p> <p>Actuarial Services –<br/> Fiscal Year 2016-2017 approximately \$20,000;<br/> Fiscal Year 2017-2018 approximately \$54,000; and<br/> Fiscal Year 2018-2019 approximately \$37,000.</p> <p>Auditing Services –<br/> Fiscal Year 2016-2017 approximately \$142,000;<br/> Fiscal Year 2017-2018 approximately \$128,000; and<br/> Fiscal Year 2018-2019 approximately \$95,000.</p> <p>For the Department of Management Services, Division of Retirement, the fees by Service Category are as follows:</p> <p>Independent Benefits Consultant –<br/> Fiscal Year 2016-2017 approximately \$25,000;<br/> Fiscal Year 2017-2018 approximately \$25,000; and<br/> Fiscal Year 2018-2019 approximately \$25,000. Actuarial Services –<br/> Fiscal Year 2016-2017 approximately \$190,000;<br/> Fiscal Year 2017-2018 approximately \$76,000; and<br/> Fiscal Year 2018-2019 approximately \$180,000.</p> |
| 5. | What were the total number of consulting hours for these services during each of the last three years? What were the hours by Service Category – Benefits Consulting, Actuarial, and Claim Audit? | The services sought in this procurement are not currently provided as a state term contract for the State of Florida. For the Department of Management Services, this information is unknown at this time.  |
| 6. | When do you anticipate each in-scope coverage (e.g., medical, dental, etc.) will next go out to bid?  | Upon award of resultant Contract(s), Customers can create a customer-specific scope of work on an as needed basis.  |

|     |   |   |
|-----|---|---|
| 7.  | Have there been any major changes to the employee benefit programs in the last three years? If so, please describe the changes and their impact.                            | <p>The services sought in this procurement are not currently provided as a state term contract for the State of Florida.</p> <p>For the Department of Management Services, Division of State Group Insurance, the last three years the Florida Legislature has made substantial changes to the State Group Insurance Program (Program), including requiring the Department to procure and implement three new benefits: an online transparency portal to allow employees to shop for healthcare services by cost and quality, a bundled medical services provider, and an administrator of a health reimbursement account. These benefits comprise the state's Shared Savings Program. With the help of benefits consultants, the Department conducted a comprehensive review of the Program, including a benchmarking analysis, and issued recommendations to the Legislature for implementation of metal tier-style health plans. In addition, the Department conducted a statewide dependent eligibility verification audit, implemented a weight management pilot, procured for Medicare-Advantage Prescription Drug plans, recently initiated a referral pattern analysis with a benefits consultant to help to set up regions for HMO services by rule, and is also implementing formulary management for the 2020 plan year.</p> |
| 8.  | How many subscribers and members are covered under medical, dental, vision, life, etc.? Please also provide subscribers and members by plan option for each coverage.       | <p>A list of subscribers can be found in Exhibit 1 to Addendum 1.</p> <p>A listing of subscribers and members by plan option for each coverage type does not exist.</p>   |
| 9.  | How many claims audits do you anticipate to be performed annually under this contract and of which vendors?   | The services sought in this procurement are for statewide use by any eligible Customer. For any resultant contract(s), needs and services will be determined by the Customers.  |
| 10. | What type of data will the selected consultant have access to and how will they receive it?   | The type of data is dependent upon the type of Customer and the Customer's needs. For the Department of Management Services, Division of State Group Insurance, aggregate medical and pharmacy claims data can be provided for analyses.  |
| 11. | Will the selected consultant(S) be required to receive and/or store PHI or other confidential data from DMS?  | The services sought in this procurement are for statewide use by any eligible Customer. For any resultant contract(s), needs and services will be determined by the Customers.  |
| 12. | Does the State of Florida currently have a health care data warehouse in place? If so, who is the data warehouse vendor and how many years of data are currently available? | The State of Florida does not have a contract for storing State of Florida health care data, however the Department of Management Services, Division of State Group Insurance has a contract with Benefitfocus to store health care data for members of the State Employees' Group Health Insurance Program. The Program covers all State agencies, State universities, a handful of other entities, and enrolled retirees. Health care data is available from January 2012 to present.   |

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| 13. | Please confirm whether DMS prefers a single Technical Proposal narrative that spans the requirements of all Service Categories being proposed on or a separate narrative by Service Category?   | See the posted Attachment D, Revised Technical Proposal and Technical Proposal Evaluation Criteria.  |
| 14. | Is there additional guidance DMS can provide regarding the content of the Technical Proposal, for example, is there interest in client references?  | See the response to question 13.   |
| 15. | What are the most important challenges facing your program that you wish to address through this contract?  | See the response to question 2 and question 11.<br><br>The Department relies on an independent benefits consultant(s) to help quantify and qualify member and financial impacts of benefit changes, as well as ensure fiscal integrity and accountability in its programs. |
| 16. | The last two bullets in RFP section 2.4.3 are typically requirements associated with vendors that conduct financial audits. Given that Service Category 3 refers to operational and claims audits of the State's third-party administrators which do not constitute a financial audit in the traditional sense, please confirm whether these requirements/preferences apply.  | Yes, the last two bullets in RFP subsection 2.4.3 are applicable to Service Category 3 – Claims Auditing Services.   |
| 17. | We request that the last paragraph of Section 2.1 of the RFP be modified as follows, to clarify that the Contractor and Customers can expressly agree to specific modifications to the terms and conditions established by the master contract, and those express agreements shall not be considered a "conflict" as that term is used elsewhere in the provision:<br><br>When creating a Customer specific scope of work, Customers are permitted to negotiate terms and conditions which supplement those contained in this Contract. Such additional terms shall be for similar or equivalent services contemplated in this Contract Scope of Work and shall not conflict with the terms and | RFP subsection 2.1 will not be modified.   |

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|     | <p>conditions established by this Contract (and any such conflicting terms shall be resolved in favor of terms most favorable to the Customer). <u>Notwithstanding the foregoing, the Customer and Contractor can agree within a Customer's scope of work, with express reference to specific sections in this Contract, to modify terms of this Contract and such modifications will not be considered a "conflict" under this paragraph.</u> Specific terms and conditions within a Customer's scope of work are only applicable to the Customer's Contract or Purchase Order.</p> <p>Alternatively, if the Department does not agree to modify Section 2.1 of the RFP as set forth above, we request the Department modify the RFP to permit an offeror to submit terms and conditions exceptions as part of its proposal. Examples of sections that would require modification to account for an exception process include Section 3.5 and Section 6.1.</p> |  |
| 18. | Please confirm if the State is willing to accept the Auto Liability based on Auto limits on any one accident or loss?   | No, the state is not willing to accept the Auto Liability based on Auto limits on any one accident or loss.  |
| 19. | Please confirm if the State is willing to accept that our professional liability limits are each wrongful act/annual aggregate and our policy has a \$5 million retention. Our annual report is available online for the State to review.   | Reference Attachment B, Special Contract Conditions, Section 7, Liability and Insurance, for insurance requirements. Also, the services sought in this procurement are for statewide use by any eligible Customer who may, when creating a Customer specific scope of work, negotiate terms and conditions which supplement those contained in the Contract. |
| 20. | With regards to WOS we would request that the waiver of the insurer's subrogation rights with WC, EL, GL and AI be removed or if not, will the State allow mutual waivers under the other party's policies?   | This question is not clear. See the response to question 19.   |
| 21. | Please confirm if the State would allow the Awardee to advise that a cancelled, or non-renewed policy would be replaced with no coverage  | Yes, reference Attachment B, Special Contract Conditions, subsection 7.3, Florida Authorized Insurers. The Department requires a current certificate of insurance (COI).   |

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|            | gap and a current COI would be provided and not provide a cancellation notice, since coverage will be replaced with no gap.  |   |
| <b>22.</b> | Please confirm that it is acceptable to name the State as an additional insured on our Commercial General Liability Policy, but it will be via a Certificate of Insurance, not endorsement? Is this acceptable to the State?   | Reference Attachment B, Special Contract Conditions, subsection 7.3, Florida Authorized Insurers.   |
| <b>23.</b> | Section 7.4 Performance Bond – Will a performance bond be required for this State Term Contract? If so, for what amount?   | No, a performance bond is not required for a Contractor awarded a Contract for this procurement.  |
| <b>24.</b> | Section 7.5 and 7.6 Indemnification: Please confirm if the State is willing to accept the indemnification be limited to losses and damages as a result of our negligence and covered under the terms of our general liability policy; any wrongful acts solely in rendering or failing to render professional services and covered under our professional liability policy; or, any claim alleging a security failure, privacy event or wrongful act and covered under our cyber liability policy (misappropriation of trade secret or, infringement of patent are exclusions in our cyber policy) | Attachment B, Special Contract Conditions will remain as written. Please reference RFP subsection 6.1, General Instructions, the modification to Section 9 of the PUR1001 which contains a Respondent’s Representations and Authorizations in submitting a response. Also see the posted Attachment E, Revised Responsive Requirements. |
| <b>25.</b> | Section 8.4 Intellectual Property - This section should make clear that we will retain sole and exclusive ownership of all right, title and interest in and to its intellectual property and derivatives thereof which no data or confidential information of the State was used to create and which was developed entirely using our own resources. To the extent our intellectual property is necessary for the State to use the services provided, we will grant to the State a non-exclusive, royalty-free license to our intellectual property solely for the State’s use of such services.   | Attachment B, Special Contract Conditions will remain as written.   |



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| 26. | Page 6 – Introduction and Objective Section – How many state term contracts will be awarded through this RFP? Is the state looking for multiple consultants or just one?  | Reference RFP subsection 1.1, Objective, and subsection 5.5, Basis of Award.  |
| 27. | Page 15 – Diversity Report – Is the State looking for the awardee to include certified and other minority business enterprises? If yes, what has been the percentage of the contract provided towards these vendors?  | Reference RFP subsection 3.9, Commitment to Diversity in Government Contracting. RFP subsection 2.13 references reporting requirements for awarded Contractor(s).   |
| 28. | Can you provide the current agreements and annual compensation of the incumbent insurance consultants?  | See response to question 1.<br><br>Current Department of Management Services contracts can be found on the Florida Accountability Contract Tracking System: <a href="https://facts.fldfs.com/Search/ContractSearch.aspx">https://facts.fldfs.com/Search/ContractSearch.aspx</a> |
| 29. | RFP Due Date: Would the State consider extending the closing date?  | No, the Department has a firm timeline.   |
| 30. | Please confirm that Section 19 (Indemnification) of the PUR 1000 General Contract Conditions will pertain to contracts awarded under RFP No: 19-80111502-A for Benefits Consulting, Actuarial, and Claims Auditing Services. Retaining this language in the contract is important for our organization's ability to respond to the RFP.         | No. The PUR 1000 is superseded in its entirety by the Special Contract Conditions. Reference Attachment B, Special Contract Conditions, Table of Contents, and subsection 7.5, Indemnification.   |
| 31. | Please confirm that Section 20 (Limitation of Liability) of the PUR 1000 General Contract Conditions will pertain to contracts awarded under RFP No: 19-80111502-A for Benefits Consulting, Actuarial, and Claims Auditing Services. Retaining this language in the contract is important for our organization's ability to respond to the RFP. | No. The PUR 1000 is superseded in its entirety by the Special Contract Conditions. Reference Attachment B, Special Contract Conditions, Table of Contents, and subsection 7.6, Limitation of Liability.   |
| 32. | Please confirm that Section 31 (Dispute Resolution) of the PUR 1000 General Contract Conditions will pertain to contracts awarded under RFP No: 19-80111502-A for Benefits Consulting, Actuarial, and Claims Auditing Services. Retaining this language in the contract is important for our organization's ability to respond to the RFP.      | No. The PUR 1000 is superseded in its entirety by the Special Contract Conditions. Reference Attachment B, Special Contract Conditions, Table of Contents, and subsection 5.2, Dispute Resolution, Governing Law, and Venue. Also, see the response to question 13.             |

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|                   | <p>Attachment D, Section 2 (Proposed Solution) states: “The Respondent shall fully describe in the Technical Proposal their solution for carrying out the proposed Service Category(ies) which demonstrates the Respondent’s ability to provide the services for which Respondent is submitting a Proposal, including the ability to provide the services statewide.” There are a wide range of projects that may fit into the broad categories of Benefits Consulting, Actuarial, and Claims Auditing Services. Since there are no concrete projects listed in the RFP, should respondents describe their general approach for providing typical services in each category?</p> |  |
| <p><b>33.</b></p> | <p>Has the Department previously engaged consulting companies to perform similar tasks? If yes, please provide a sample of the work product including reports, outlines of presentations to be given to legislative bodies, etc.</p>   | <p>For the Department of Management Services, the following companies have been contracted to perform similar tasks: Mercer, Foster &amp; Foster, Milliman, and Gabriel, Roeder, Smith &amp; Company. Current Department of Management Services contracts, and the applicable terms and conditions, can be found on the Florida Accountability Contract Tracking System: <a href="https://facts.fldfs.com/Search/ContractSearch.aspx">https://facts.fldfs.com/Search/ContractSearch.aspx</a>.</p> <p>The question is unclear what specific documents are being requested. Public records requests can be submitted to: <a href="mailto:publicrecords@dms.myflorida.com">publicrecords@dms.myflorida.com</a>.</p> |
| <p><b>34.</b></p> | <p>There are three categories within the RFP: 1) Benefits Consulting; 2) Actuarial Services; and 3) Claims Auditing Services:</p> <p>Will any preference be given to a respondent who proposes to offer services in all three service categories?</p>  | <p>No preference will be given to vendors who propose all three Service Categories.</p>  |
| <p><b>35.</b></p> | <p>Section 2.5.1.4 <u>Service Category 3 – Claims Auditing Tasks</u>: among others that the tasks that may be permissible for Service Category 3 include, but are not limited to: “Audit Customer information processed during the audit period”</p>   | <p>The services sought in this procurement are for statewide use by any eligible Customer. Customer information and the time period(s) will be defined by the Customer specific scope of work.</p> <p>The Department of Management Services Division of State Group Insurance has previously requested post payment audits of medical and pharmacy claims.</p>   |

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|            | <p>Please provide a sample or further explanation of “Customer information”</p> <p>What time period(s) would be subject to “Audit”?</p>   | <p>The Department of Management Services has previously defined an audit period as July 1<sup>st</sup> through June 30<sup>th</sup> of a year.</p>   |
| <b>36.</b> | <p>What is the anticipated delivery deadline of a work product from a respondent subsequent to the conclusion of an audit period?</p>   | <p>The services sought in this procurement are for statewide use by any eligible Customer. Timelines and deliverables will be defined by the Customer specific scope of work.</p>  |
| <b>37.</b> | <p>Can you please provide details on the evaluation criteria for relevant Experience? As this is worth 75/130 points for the technical proposal, we would like to understand what specific information is required to confirm extensive relevant experience.</p>  | <p>See the response to question 13.</p>  |
| <b>38.</b> | <p>Can you please provide further detail on the evaluation criteria for Proposed Solution? The service categories, particularly “Benefits Consulting Services” are broad, and this aspect of these proposal consists of one open-ended question. Can you identify the specific benefits consulting services that The State of Florida will base the evaluation on? How will “exceptional ability to provides the services” be determined?</p> | <p>See the response to question 13.</p>  |
| <b>39.</b> | <p>What are your top 5 objectives/priorities for benefit consulting services?</p>   | <p>See the response to question 11.</p> <p>For the Department of Management Services, Division of State Group Insurance, priorities include, but are not limited to: consulting support for procurements related to Pharmacy Benefits Management Services, Health Maintenance Organization, and Preferred Provider Organization services; benchmarking and trend analyses; actuarial and financial analyses; plan design analyses; and claims, program, and financial audits.</p> <p>For the Department of Management Services, Division of Retirement, priorities include, but are not limited to, actuarial and financial analyses and plan design analyses.</p> |
| <b>40.</b> | <p>Are there existing State contracts with benefits consulting companies? If yes, do they reflect the services</p>  | <p>See the response to question 28.</p>  |

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|     | requested in this RFP? If yes, may we review them?   |  |
| 41. | <p>RFP pages 10-11 Section 2.5.1.</p> <p>2.5.1.1 Tasks Applicable to all Service Categories.</p> <p>Not all of the stated tasks applicable to all Service Categories seem to fit for Service Category 3 Claims Auditing specifically. Can you clarify if the following tasks will be expected for Service Category 3:</p> <p>Create and disseminate various educational materials brochures, flyers (hard copy and online)</p> <p>Perform reviews of actuarial valuations and impact statements.</p> | See Addendum 1, 1.d., revised sub-section 2.5.1.1, listed above.   |
| 42. | The RFP does not provide a required response format. Please describe what needs to be included in the Technical proposal besides Attachment D. For example, does the State want vendors to also provide organizational background information and/or references? Does it matter what proposal order we provide our Experience and Proposed Solution (Attachment D)?  | See the response to question 13.   |
| 43. | Is it the State's intent to award this work to different vendors? Who is the incumbent of the current contract?  | See the response to question 1 and question 26.  |
| 44. | Please list the entities (customers) that can utilize this contract and is it primarily for the state health plan? On page 6, the State says "Customers for this Contract include state agencies and eligible users". Please provide a list of the eligible users.   | <p>Customers include state agencies and eligible users.</p> <p>Agency is defined in <a href="#">section 287.012, Florida Statutes</a>. Eligible Users is defined in <a href="#">Rule 60A- Florida Administrative Code</a>.</p>   |
| 45. | What is the audit period?  | <p>The services sought in this procurement are for statewide use by any eligible Customer. Customer information and the time period(s) for audits will be defined by the Customer specific scope of work.</p> <p>The Department of Management Services has previously defined an audit period as July 1<sup>st</sup> through June 30<sup>th</sup> of a year.</p> |

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| 46. | Are there any audit restrictions?  | The services sought in this procurement are for statewide use by any eligible Customer. Customer information will be defined by the Customer specific scope of work.  |
| 47. | How many members are enrolled in each Plan?<br>· Standard PPO<br>· Health Investor Health Plan PPO   | Enrollment in the following plans are as follows as of June 2019:<br><br>PPO Standard: 81,006 individuals<br>PPO High Deductible Health Plan: 3,220 individuals   |
| 48. | Are there performance guarantees in place? If so, are there financial penalties if not met?  | Yes, there are financial consequences for the state term contract. Reference RFP subsection 2.8, Financial Consequences. Additionally, Customers may require Customer specific financial consequences for non-performance in a Customer's Request for Quote.  |
| 49. | The below section refers to CPA services. Will non CPA firms be considered to conduct the medical claims auditing services?<br><br>2.4.3 Service Category 3 – Claims Auditing:<br><br>External peer reviews are performed of the organization and are in conformance with the peer review standards for the American Institute of Certified Public Accountants and Government Auditing Standards.<br><br>Principal and Senior auditing personnel have completed at least twenty-four (24) hours of continuing professional education (CPE) within the preceding two (2) years. | The Customer will determine if a CPA is required for Service Category 3. Customer preferences and requirements for each Service Category will be defined by the Customer specific scope of work.  |
| 50. | Attachment B - Can the PUR1000 Limitation of Liability (LOL) be acceptable in lieu of what is included in this attachment?   | No. The PUR 1000 is superseded in its entirety by the Special Contract Conditions. Reference Attachment B, Special Contract Conditions, Subsection 7.6, Limitation of Liability.  |
| 51. | Attachment C - Can the order of precedence in the RFP be used in lieu of what is outlined in Attachment C?   | RFP subsection 1.6, Order of Precedence for Solicitation, describes how the <u>procurement documents</u> will be resolved in the event of a conflict. Attachment C, Draft Contract, Section III, Contract, describes how the <u>contract attachments</u> will be resolved in the event of a conflict. These two separate orders of priority will remain as stated in the <u>procurement documents</u> . |
| 52. | Specific to service category 3 (claims auditing), what types of entities do you anticipate will be requiring/requesting these services?  | The services sought in this procurement are for statewide use by any eligible Customer. The Department is unsure what types of entities will use Service Category 3.<br><br>Currently, the Department of Management Services, Division of State Group Insurance uses claims auditing services for   |

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|            |   | <p>post payment claims audits of four self-insured medical plans and one pharmacy benefits manager.</p> <p>This category is not currently used by the Department of Management Services, Division of Retirement.</p>                                       |
| <b>53.</b> | <p>Does the Department have an approximate page # limit for the technical response? Our firm has a lot of specific claims auditing experience and even more experience with closely related services. The response could get lengthy but we do not want to provide too much information so as not to be a burden to the Department in the review process.</p>   | <p>See the response to question 13.</p>  |
| <b>54.</b> | <p>Do you expect resumes or bio's to be included as part of the technical proposals? It would seem as though their inclusion would help to highlight that the bidder has the necessary personnel to satisfy the job titles and duties listed in section 2.3 of the RFP, however Attachment D does not mention them in the "experience" section.</p>   | <p>See the response to question 13.</p>  |
| <b>55.</b> | <p>Forms to include – In the MFMP portal "submit response" section, it appears that we should upload 7 different files (Attachments A, D, E, F, G, H &amp; I). Can you confirm these are the documents that should be included and that they should be uploaded separately? It appears that all but attachment A would be in PDF and Attachment A would be in excel.</p>                                | <p>Attachments A, D, E, F, G, H (if applicable), and I are to be uploaded separately into the MFMP portal. Also reference RFP subsection 4.1, Mandatory Responsive Requirements, regarding the submission of Attachment A, in excel, and Attachment E.</p> |
| <b>56.</b> | <p>Attachment E (responsive requirements) has a column for "Vendor page # of proposal." There are 9 items listed, some of which are already required to be submitted, such as Attachment F and Attachment I. However, many of the items refer to the RFP or to Attachment B (the contract). We would just like to confirm that when uploading Attachment E, the Department is only looking for that</p> | <p>See the posted Attachment E, Revised Responsive Requirements.</p>   |

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|                   | <p>form, signed, and not that we include the RFP or the Special Contract Conditions pages as add-ons within the same upload. We are asking because of the “vendor page # of proposal” column. We would sign and confirm that we’ve read and will adhere to everything, but if we don’t re-attach certain items, there would be no page # to reference.</p>  |  |
| <p><b>57.</b></p> | <p>The aforementioned RFP includes an anticipated contract start date of December 17, 2019. However, as of July 8th, 2019, DMS entered into a renewal of Contract No. DMS-13/14-018A with a renewal term of July 10, 2019 until July 9, 2020.</p> <p>Is the aforementioned RFP, and the resulting contract awards, intended to override the existing renewal terms effective December 17, 2019?</p> | <p>No. The Department intends to keep the active contracts in place.</p> |

FAILURE TO FILE A PROTEST WITHIN THE TIME PRESCRIBED IN SECTION 120.57(3), FLORIDA STATUTES, OR FAILURE TO POST THE BOND OR OTHER SECURITY REQUIRED BY LAW WITHIN THE TIME ALLOWED FOR FILING A BOND SHALL CONSTITUTE A WAIVER OF PROCEEDINGS UNDER CHAPTER 120, FLORIDA STATUTES.

Any protest must be timely filed with the Department of Management Services’ Agency Clerk. Protests may be filed by courier, hand delivery, or U.S. mail at Department of Management Services, Office of the General Counsel, Attention: Agency Clerk, 4050 Esplanade Way, Suite 160, Tallahassee, FL 32399-0950. Protests may also be filed by fax at 850-922-6312 or by email at [agencyclerk@dms.myflorida.com](mailto:agencyclerk@dms.myflorida.com). It is the filing party’s responsibility to meet all filing deadlines.

**EXHIBIT 1 - STATE EMPLOYEES' GROUP HEALTH INSURANCE  
PROGRAM PROGRAM ENROLLMENT  
FISCAL YEAR 2018-19**

| <u>Program</u>  | <u>Jul-18</u> | <u>Aug-18</u> | <u>Sep-18</u> | <u>Oct-18</u> | <u>Nov-18</u> | <u>Dec-18</u> | <u>Jan-19</u> | <u>Feb-19</u> | <u>Mar-19</u> | <u>Apr-19</u> | <u>May-19</u> | <u>Jun-19</u> | <u>Avg Enrl</u> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| <u>Health Insurance</u>   | 177,332       | 177,049       | 177,451       | 176,855       | 176,562       | 176,063       | 178,370       | 178,469       | 177,695       | 177,580       | 177,415       | 177,111       | 177,329         |
| PPO Plan  | 84,586        | 84,568        | 84,949        | 84,744        | 84,631        | 84,444        | 84,523        | 84,570        | 84,267        | 84,333        | 84,329        | 84,226        | 84,514          |
| HMO Plan  | 92,746        | 92,481        | 92,502        | 92,111        | 91,931        | 91,619        | 93,847        | 93,899        | 93,428        | 93,247        | 93,086        | 92,885        | 92,815          |
| Aetna   | 28,206        | 28,131        | 28,171        | 28,046        | 27,988        | 27,895        | 28,577        | 28,606        | 28,464        | 28,400        | 28,343        | 28,292        | 28,260          |
| AvMed   | 25,882        | 25,792        | 25,750        | 25,620        | 25,561        | 25,449        | 26,141        | 26,178        | 26,007        | 25,945        | 25,908        | 25,848        | 25,840          |
| Capital Health  | 31,651        | 31,582        | 31,576        | 31,475        | 31,433        | 31,359        | 31,950        | 31,915        | 31,802        | 31,751        | 31,701        | 31,626        | 31,652          |
| United  | 7,007         | 6,976         | 7,005         | 6,970         | 6,949         | 6,916         | 7,179         | 7,200         | 7,155         | 7,151         | 7,134         | 7,119         | 7,063           |
| <u>HSA Accounts</u>   | 3,498         | 3,543         | 3,735         | 3,560         | 3,671         | 3,769         | 3,954         | 3,845         | 3,871         | 3,880         | 3,893         | 3,972         | 3,766           |
| <u>Life Insurance</u>   | 187,357       | 187,102       | 186,996       | 187,952       | 188,060       | 187,785       | 187,841       | 187,928       | 187,329       | 187,156       | 187,639       | 187,461       | 187,551         |
| Employees   | 157,654       | 157,419       | 157,314       | 158,186       | 158,362       | 158,161       | 158,246       | 158,297       | 157,615       | 157,556       | 158,101       | 157,939       | 157,904         |
| Retirees  | 29,703        | 29,683        | 29,682        | 29,766        | 29,698        | 29,624        | 29,595        | 29,631        | 29,714        | 29,600        | 29,538        | 29,522        | 29,646          |
| <u>Life Insurance -Supplemental</u>   | 75,113        | 74,878        | 74,676        | 74,857        | 74,845        | 74,792        | 81,179        | 81,270        | 81,026        | 80,978        | 81,143        | 81,061        | 77,985          |
| Optional  | 40,544        | 40,445        | 40,341        | 40,367        | 40,359        | 40,264        | 44,646        | 44,596        | 44,409        | 44,338        | 44,312        | 44,224        | 42,404          |
| Spouse  | 13,275        | 13,256        | 13,230        | 13,312        | 13,284        | 13,322        | 13,351        | 13,474        | 13,495        | 13,547        | 13,674        | 13,705        | 13,410          |
| Child   | 21,294        | 21,177        | 21,105        | 21,178        | 21,202        | 21,206        | 23,182        | 23,200        | 23,122        | 23,093        | 23,157        | 23,132        | 22,171          |
| <u>Flexible Spending Plans <sup>(1)</sup></u>   | 21,091        | 21,150        | 21,162        | 20,963        | 20,885        | 20,811        | 22,695        | 22,609        | 22,576        | 22,599        | 22,548        | 22,473        | 21,797          |
| Medical   | 18,782        | 18,821        | 18,811        | 18,638        | 18,555        | 18,480        | 20,244        | 20,161        | 20,129        | 20,138        | 20,084        | 20,017        | 19,405          |
| Limited Purpose Medical   | 116           | 122           | 127           | 125           | 127           | 124           | 128           | 127           | 127           | 130           | 132           | 127           | 126             |
| Dependent Care  | 2,193         | 2,207         | 2,224         | 2,200         | 2,203         | 2,207         | 2,323         | 2,321         | 2,320         | 2,331         | 2,332         | 2,329         | 2,266           |
| <u>Disability</u>   | 21,450        | 21,369        | 21,338        | 21,372        | 21,438        | 21,472        | 21,461        | 21,373        | 21,373        | 21,318        | 21,300        | 21,273        | 21,377          |
| <u>Supplemental Insurance Plans</u>   | 219,911       | 219,191       | 218,716       | 219,056       | 219,079       | 218,316       | 228,940       | 228,931       | 227,738       | 227,612       | 228,167       | 227,814       | 223,623         |
| AFLAC   | 9,934         | 9,894         | 9,830         | 9,728         | 9,677         | 9,610         | 9,799         | 9,904         | 9,877         | 9,837         | 9,795         | 9,745         | 9,803           |
| Humana Dental (Select 15/Schedule B)  | 17,308        | 17,257        | 17,246        | 17,333        | 17,371        | 17,341        | 16,970        | 17,039        | 16,998        | 17,053        | 17,202        | 17,226        | 17,195          |
| Ameritas Dental   | 19,565        | 19,505        | 19,463        | 19,549        | 19,545        | 19,501        | 21,690        | 21,697        | 21,611        | 21,651        | 21,701        | 21,656        | 20,595          |
| Assurant/Denticare  | 9,655         | 9,616         | 9,586         | 9,611         | 9,611         | 9,567         | 9,292         | 9,277         | 9,223         | 9,214         | 9,239         | 9,237         | 9,427           |
| Cigna Dental  | 16,544        | 16,506        | 16,460        | 16,453        | 16,446        | 16,377        | 15,428        | 15,409        | 15,317        | 15,309        | 15,413        | 15,430        | 15,924          |
| CIGNA Healthcare  | 4,760         | 4,722         | 4,680         | 4,625         | 4,595         | 4,573         | 4,629         | 4,608         | 4,552         | 4,519         | 4,500         | 4,460         | 4,602           |
| Colonial  | 25,503        | 25,347        | 25,184        | 25,056        | 24,994        | 24,907        | 26,180        | 26,061        | 25,847        | 25,760        | 25,696        | 25,615        | 25,513          |
| Humana Dental (Network Plus/Preferred Plus)   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               |
| Humana Vision   | 76,616        | 76,404        | 76,325        | 76,609        | 76,660        | 76,391        | 79,401        | 79,441        | 79,079        | 79,098        | 79,401        | 79,344        | 77,897          |
| New Era (f.k.a Phila Amer Life)   | 1,951         | 1,940         | 1,924         | 1,891         | 1,879         | 1,866         | 1,917         | 1,897         | 1,877         | 1,880         | 1,879         | 1,859         | 1,897           |
| United Dental   | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               |
| MetLife   | 38,075        | 38,000        | 38,018        | 38,201        | 38,301        | 38,183        | 43,634        | 43,598        | 43,357        | 43,291        | 43,341        | 43,242        | 40,770          |
| <u>Total All Programs excl HSA</u>  | 702,254       | 700,739       | 700,339       | 701,055       | 700,869       | 699,239       | 720,486       | 720,580       | 717,737       | 717,243       | 718,212       | 717,193       | 709,662         |
| <u>Note:</u>  |               |               |               |               |               |               |               |               |               |               |               |               |                 |
| 1) Unduplicated number of enrollees in both medical & dependent care flexible spending plans. |               |               |               |               |               |               |               |               |               |               |               |               |                 |





## **Exhibit C**

### **The State of Florida**

#### **Department of Management Services**

#### **Request for Proposals (RFP)**

#### **Benefits Consulting, Actuarial, and Claims Auditing Services**

#### **RFP No: 19-80111502-A**

**Jessalyn Marks, Procurement Officer**

**Department of Management Services**

**4050 Esplanade Way, Suite 360G**

**Tallahassee, Florida 32399-0950**

**(850) 487-3977**

**[Jesse.Marks@dms.myflorida.com](mailto:Jesse.Marks@dms.myflorida.com)**

Failure to file a protest within the time prescribed in section 120.57(3), Florida Statutes, or failure to post the bond or other security required by law within the time allowed for filing a bond shall constitute a waiver of proceedings under chapter 120, Florida Statutes. Any protest concerning this agency decision must be timely filed with the Agency Clerk. Protests may be filed by courier, hand delivery, or U.S. mail at Department of Management Services, Office of the General Counsel, Attention: Agency Clerk, 4050 Esplanade Way, Suite 160, Tallahassee, FL 32399-0950. Protests may also be filed by fax at 850-922-6312 or by email at [agencyclerk@dms.myflorida.com](mailto:agencyclerk@dms.myflorida.com). It is the filing party's responsibility to meet all filing deadlines.

The Procurement Officer should be copied on such filings.

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### Timeline of Events

The table below contains the timeline of events for this solicitation. It is the responsibility of the Respondent to check for any changes. The dates and times within the Timeline of Events may be subject to change. All changes to the Timeline of Events will occur through an addendum to the solicitation and will be noticed on the [Vendor Bid System \(VBS\)](#).

Respondents shall not rely on the MyFloridaMarketPlace (MFMP) Sourcing time clock. It is not the official submission date and time deadline. The official solicitation closing time and deadlines are reflected in the Timeline of Events listed below.

| <b>Timeline of Events</b>  | <b>Event Time<br/>(Eastern Time)</b> | <b>Event Date</b>        |
|--|--------------------------------------|--------------------------|
| Solicitation posted on the VBS and in MFMP Sourcing  |                                      | 7/30/2019                |
| Deadline to submit questions in MFMP Sourcing  | 10:00 AM                             | 8/12/2019                |
| Department's anticipated posting of answers on the VBS   |                                      | 8/27/2019                |
| Deadline to submit proposal and all required documents in MFMP Sourcing  | 10:00 AM                             | 9/10/2019                |
| Public Opening<br>Meeting location: 4050 Esplanade Way, Room 101,<br>Tallahassee, FL 32399-0950  | 10:30 AM                             | 9/10/2019                |
| Formal evaluations conducted   |                                      | 9/24/2019-<br>10/31/2019 |
| Public Meeting for Evaluators to confirm technical scores<br>Meeting location: 4050 Esplanade Way, Room 101,<br>Tallahassee, FL 32399-0950 | 10:00 AM                             | 11/12/2019               |
| Anticipated date to post Notice of Intent to Award   |                                      | 11/19/2019               |
| Anticipated Contract start date  |                                      | 12/17/2019               |

**Remainder of page intentionally left blank**

## 1 INTRODUCTION

### 1.1 Objective

The State of Florida Department of Management Services' Division of State Purchasing (Department) is issuing this Request for Proposals (RFP) to establish a state term contract for Benefits Consulting, Actuarial, and Claims Auditing Services for statewide use by all Customers. During the 2019 Legislative Session, House Bill 1113 amended section 287.056, Florida Statutes (F.S.), to include the requirement that the Department enter into and maintain one or more state term contracts with benefits consulting companies. The Department is issuing this RFP in furtherance of this requirement set forth in subsection 287.056(3), F.S. (2019). The Department intends to make multiple awards per service category. There are three Service Categories within this RFP: 1) Benefits Consulting Services; 2) Actuarial Services; and 3) Claims Auditing Services.

### 1.2 Background Information

The solicitation will be administered using the Vendor Bid System (VBS) and MyFloridaMarketPlace (MFMP) Sourcing. The estimated annual spend for these services is \$2,000,000.00. The estimated spend is for informational purposes only and should not be construed as representing actual, guaranteed, or minimum spend under a new Contract. Customers for this Contract include state agencies and eligible users.

### 1.3 Term

The initial term of the Contract resulting from this solicitation will be for five (5) years. Upon written agreement, the Contract may be renewed in whole or in part, in accordance with subsection 287.057(13), F.S. Any renewal is subject to the same terms and conditions set forth in the initial Contract and any written amendments signed by the parties. Any renewal is contingent upon the satisfactory performance of the Vendor and subject to the availability of funds.

### 1.4 Definitions

Definitions contained in section 287.012, F.S., Rule 60A-1.001, Florida Administrative Code, Attachment B - Special Contract Conditions, and the PUR 1001 form are incorporated by reference. In the event of a conflict, the definitions listed in this section supersede the incorporated definitions. All definitions apply in both their singular and plural sense.

**Business day** – Each day during which the State and its agencies are open for business, from 8:00 a.m. to 5:00 p.m. Eastern Time, Monday through Friday.

**Commodity Code** - The State of Florida numeric code for classifying commodities and contractual services which meet specific requirements, specifications, terms, and conditions herein. Florida has adopted the United Nations Standard Products and Services Code (UNSPSC) for classifying commodities and services.

**Respondent** – A Vendor who submits a proposal to this RFP.

**State** - The State of Florida.

**United Nations Standard Products and Services Code (UNSPSC)** – A commodity code list used by the State.

**Vendor Bid System (VBS)** – The State of Florida's official system for advertising competitive solicitations.

### **1.5 Procurement Officer**

The Procurement Officer is the sole point of contact for this RFP.

Jessalyn Marks  
Bureau Chief of Goods and Services, Division of State Purchasing  
Florida Department of Management Services  
4050 Esplanade Way, Suite 360G, Tallahassee, FL 32399-0950  
Phone: (850) 487-3977  
Email: [Jesse.Marks@dms.myflorida.com](mailto:Jesse.Marks@dms.myflorida.com)

\*\*\*\*ALL EMAILS TO THE PROCUREMENT OFFICER SHOULD CONTAIN THE SOLICITATION NUMBER IN THE SUBJECT LINE OF THE EMAIL \*\*\*\*

### **1.6 Order of Precedence for Solicitation**

In the event of a conflict, the conflict will be resolved in the following order of priority (highest to lowest):

- a) Addenda to Solicitation, if issued (in reverse order of issuance)
- b) Cost Proposal, Attachment A
- c) Special Contract Conditions, Attachment B
- d) Draft Contract, Attachment C
- e) Technical Proposal and Technical Proposal Evaluation Criteria, Attachment D
- f) RFP all other RFP attachments

## **2 SCOPE OF WORK**

### **2.1 Purpose and Service Categories**

To provide Benefits Consulting, Actuarial, and/or Claims Auditing Services pursuant to State Term Contract No. 80111502-19-1 for use by Customers. Awarded services will be provided on an as needed basis with no guaranteed or minimum spend under a new Contract. The Customer specific scope of work will be determined and agreed upon by the Customer and the selected Contractor and set forth in the Customer Contract or Purchase Order.

A Respondent may propose to offer one or more services in the following service categories set forth below:

2.1.1. Service Category 1 - Benefits Consulting – Awarded Contractor(s) will provide services related to, and/or advise Customers on, insurance and/or employee benefits. This includes providing a range of advice, assistance, guidance, counseling, and support on selecting, purchasing, and administering employee benefits.

2.1.2 Service Category 2 - Actuarial – Awarded Contractor(s) will provide actuarial services by using statistical techniques and mathematical skills to assess the probability of an event and its financial consequences.

2.1.3. Service Category 3 – Claims Auditing – Awarded Contractor(s) will audit Customer claims including analyzing payments, procedures, and guidelines of benefits. These services may include interpreting detailed paid and/or unpaid claims, eligibility for benefits, payments, and other various reports or data to determine the eligible types of services.

**When creating a Customer specific scope of work, Customers are permitted to negotiate terms and conditions which supplement those contained in this Contract.** Such additional terms shall be for similar or equivalent services contemplated in this Contract Scope of Work and shall not conflict with the terms and conditions established by this Contract (and any such conflicting terms shall be resolved in favor of terms most favorable to the Customer). Specific terms and conditions within a Customer's scope of work are only applicable to the Customer's Contract or Purchase Order.

**2.2 Commodity Code List**

| <b>UNSPSC</b> | <b>Commodity Description</b>                            |
|---------------|---|
| 80111502      | Compensation or benefits planning                       |
| 80101600      | Project management                                      |
| 84111600      | Audit services  |
| 80101500      | Business and corporate management consultation services |
| 93151600      | Public finance  |

**2.3 Job Titles and Duties**

The following descriptions contain the responsibilities of personnel, provided by the Contractor, in accordance with the terms of this Contract, to provide Customers with services pursuant to the Customer's scope of work as set forth in the Customer's Contract or purchase order:

2.3.1 Principal position: A minimum of ten (10) years' experience is required for Principal positions. The functional responsibility of this position for all Service Categories may include:

- Assigning or placing staff into specific positions/projects; and
- Providing senior-level interface with the Customer and manages daily operations; and
- Prioritizing work efforts for subordinates; and
- Manage projects and/or team work efforts until completion; and
- Negotiate fees, set deadlines and prepare budgets for projects; and
- Ensuring the timely performance and completion of all contractual obligations; and
- Organizing and directing the overall performance of the Contract; and
- Possessing the authority to make binding decisions on behalf of the Contractor; and
- Formulating organizational strategy and directing major strategic initiatives; and
- Ensuring that goals and objectives are accomplished within budgetary parameters; and
- Developing and maintaining Customer relationships; and
- Assisting on large projects; and
- Allocating financial and human resources and material assets;
- Formulating and enforcing work standards; and
- Advising the Customer of the impact and significance of current or proposed federal laws and changes to the industry standards; and
- Appraising the operation to identify problems and make recommendations for improvement; and
- Participating in the design phase of tasks and ensuring successful execution of deliverables.



Customers may supplement these duties in providing services to the Customer, so long as they are similar or equivalent services that do not exceed or conflict with the services contemplated in the Department's Contract Scope of Work.

2.3.2 Senior position: A minimum of ten (10) years' experience is required for Senior positions. The functional responsibility of this position for all Service Categories may include:

- Managing the day-to-day operations; and
- Ensuring the quality and timely completion of projects; and
- Providing technical and subject matter expertise in fulfillment of a scope of work; and
- Participating as a senior team member providing high-level consulting services; and
- Planning, organizing, and executing project tasks in successful delivery of services; and
- Developing and defining strategic visions; and
- Planning, directing, controlling, scheduling, coordinating, and organizing management of tasks; and
- Providing Customer interface in fulfillment of a scope of work; and
- Possessing authority and responsibility for the execution of a scope of work; and
- Planning, organizing, and overseeing all subordinate work efforts; and
- Ensuring quality standards and work performance on all scopes of work and projects; and
- Organizing, directing, and managing support services.

Customers may supplement these duties in providing services to the Customer, so long as they are similar or equivalent services that do not exceed or conflict with the services contemplated in the Department's Contract Scope of Work.

2.3.3 Junior position: The functional responsibility of this position for all Service Categories may include:

- Applying administrative, consultative and technical expertise in fulfillment of scopes of work; and
- Planning, organizing, executing, and controlling project tasks in successful delivery of services; and
- Interfacing with client on a day-to-day basis to ensure delivery of project status; and
- Providing solutions through analysis; and
- Organizing, directing, and managing support services; and
- Assigning tasks and overseeing projects; and
- Directing project activities in fulfillment of Contract tasks/deliverables and Scopes of Work; and
- Training Customer personnel through formal classroom courses; and
- Applying a broad set of subject matter and technical expertise; and
- Directing the completion of projects within estimated timeframes and budget constraints;

Customers may supplement these duties in providing services to the Customer, so long as they are similar or equivalent services that do not exceed or conflict with the services contemplated in the Department's Contract Scope of Work.

## **2.4 Personnel and Project Preferences**

The following descriptions contain anticipated Customer specific preferences of Contractor(s) and its personnel in providing Customer specific services pursuant to the Customer's scope of work, as set forth in the Customer's Contract or purchase order. Customers may request, in their Request for Quotes (RFQ), that the Contractor conform with the Customer specific preferences including, but not limited to, the following:

### **2.4.1 Service Category 1 – Benefits Consulting:**

- Knowledge of government business practices, which is inclusive of State of Florida practices.
- Principal Actuaries are a Fellow of the Society of Actuaries (SOA) and have a valid SOA certification.
- All actuaries (principal, senior, and junior) are a current member of SOA or the American Academy of Actuaries.
- External peer reviews are performed of the organization and are in conformance with the peer review standards for the American Institute of Certified Public Accountants and Government Auditing Standards.

### **2.4.2 Service Category 2 – Actuarial:**

- Knowledge of government business practices, which is inclusive of State of Florida practices.
- Principal Actuaries are a Fellow of the Society of Actuaries (SOA) and have a valid SOA certification.
- All actuaries (principal, senior, and junior) are a current member of the Society of Actuaries or the American Academy of Actuaries.

### **2.4.3 Service Category 3 – Claims Auditing:**

- Knowledge of government business practices, which is inclusive of State of Florida practices.
- External peer reviews are performed of the organization and are in conformance with the peer review standards for the American Institute of Certified Public Accountants and Government Auditing Standards.
- Principal and Senior auditing personnel have completed at least twenty-four (24) hours of continuing professional education (CPE) within the preceding two (2) years.

## **2.5 Tasks and Deliverables**

The following descriptions include the tasks and deliverables to be provided by the Contractor, based on the awarded Service Categories, in accordance with the terms of this Contract. Customer may supplement these duties as related to the provision of services to the Customer, so long as they are similar or equivalent services that do not exceed or conflict with the services contemplated in the Scope of Work in the Department's Contract with the Contractor.

### **2.5.1 Tasks**

**2.5.1.1 Tasks Applicable to all Service Categories.** Tasks that may be permissible under this Contract include, but are not limited to:

- Provide legislative support, including, but not limited to, presentation(s) to legislative staff, and any requested analyses.
- Provide testimony as a witness in a court proceeding.
- Review proposed legislation and determine potential program impacts.
- Prepare fiscal impact notes and bill analyses.
- Consult or advise Customer by phone, letter, email, or in person.
- Conduct or assist presentations as requested.
- Perform special projects, special studies, and special evaluations as needed.
- Assist with the development and implementation of an educational and outreach strategy.
- Create and disseminate various educational materials, brochures, flyers (hard copy and online).
- Perform reviews of actuarial valuations and impact statements.
- Review content and create necessary reports.
- Verify validity of reports and calculations.

2.5.1.2 Service Category 1 – Benefits Consulting Tasks. Tasks that may be permissible for Service Category 1 include, but are not limited to:

- Assist in procurements for employee benefits.
- Assist in assessment of employee benefit plans.
- Provide consulting services as needed for plan valuation, premium modeling, benefit costing, plan design, risk assessment and fiscal impact analysis.
- Process and productivity improvement.
- Program planning and evaluations.
- Policy and regulation development assistance.
- Advisory and assistance services.
- Systems alignment and consolidation.

2.5.1.3 Service Category 2 – Actuarial Tasks. Tasks that may be permissible for Service Category 2 include, but are not limited to:

- Provide actuarial services as needed for plan valuation, premium modeling, benefit costing, plan design, risk assessment and fiscal impact analysis.
- Estimate costs of legislative changes.
- Prepare and update calculators and projection models.

2.5.1.4 Service Category 3 – Claims Auditing Tasks. Tasks that may be permissible for Service Category 3 include, but are not limited to:

- Audit Customer information processed during audit period.
- Operational assessment of administrative operations.
- Evaluate compliance with statutory, regulatory, and contractual requirements.
- Proactively search for potential fraud and abuse.

## **2.5.2 Deliverables**

2.5.2.1 Deliverables Applicable to all Service Categories. Deliverables that are permissible under this Contract include, but are not limited to:

- Legislative support.
- Oral and written legislative analyses.
- Attend and, when requested, speak at presentations to legislative staff.

- Provide written studies/reports in draft and final form as needed
- Presentations
- Data summary

## **2.6 Project-Based Pricing**

A project-based pricing model may be used by the Customer instead of an hourly rate model to accomplish goals and tasks that include more complex requirements. Customers who choose to use a project-based pricing model shall adhere to the requirements listed in the Request for Quote(s) Requirement Section and shall negotiate all pricing, fees and related expenses associated with the completion of each task and deliverable with the selected Contractor. Project-based pricing should be fully detailed in the Customer's scope of work.

## **2.7 Request for Quote(s) Requirement**

Each Customer is required to include a Customer specific scope of work with a resultant Contract and/or purchase order. Before issuing a Contract and/or purchase order under this Contract, Customers shall issue a Request for Quotes (RFQs) to all Contractors awarded in the applicable Service Category (Benefits Consulting, Actuarial, and/or Claims Auditing Services) to achieve best value for the State of Florida. A Contractor may not respond to an RFQ for a Service Category for which Contractor was not awarded a Contract. Customers should consider and include the following information when requesting quotes under this Contract:

1. Statement of purpose
2. Customer specific scope of work
3. Customer project job duties
4. Customer project tasks and deliverables, completion of which is subject to Customer acceptance
5. Number of hours Contractor estimates to complete Customer project tasks and deliverable(s)
6. Customer project timeline
7. List of Contractor responsibilities
8. Necessary qualifications/certifications of the individuals/organization performing work on the Customer project. Examples include, but are not limited to: Certified Public Accountant, independence requirements of the Government Auditing Standards issued by the U.S. Government Accountability Office's Ethical Rules of the American Institute of Certified Public Accountants, etc.
9. Customer specific financial consequences for non-performance
10. Customer specific terms and conditions

## **2.8 Financial Consequences**

Financial Consequences may be assessed for failure to timely perform or submit a report as required by the Contract. Financial consequences will be assessed on a daily basis for each individual failure until the performance or submittal is accomplished to the satisfaction of the Department and will apply to each target period beginning with the first full month or quarter of the Contract's performance and each and every month and quarter thereafter. The Customer may collect financial consequences by reducing payments to the Contractor or require the Contractor to pay via check or money order in US Dollars and made out to the Customer within thirty (30) calendar days after the required report submission date. The Department reserve the right to withhold payment, require the Contractor to pay financial consequences via check or money order in US Dollars within thirty (30) calendar days after the required report submission date, or implement other appropriate remedies, such as Contract termination or non-renewal, when the Contractor has failed to perform/comply with the provisions of the Contract.

| <b>Contract Requirement</b>   | <b>Description</b>  | <b>Frequency</b>           | <b>Daily Financial Consequences for Non-Performance</b> |
|---|---|----------------------------|---|
| Submission of complete and accurate Contract Quarterly Sales Report | Submit Quarterly Sales Report ten (10) calendar days after close of the reporting period          | Each quarter               | \$250   |
| Submission of complete and accurate MFMP Transaction Fee Report     | Submit MFMP Transaction Fee Report fifteen (15) calendar days after close of the reporting period | Each month                 | \$100   |
| Untimely report(s) or deliverable(s)                                | Submit report(s) or deliverable(s) to Customer  | Each report or deliverable | \$1,500   |

## **2.9 Contractor's Responsibilities**

### **2.9.1 Administration**

The Contractor shall provide all management, administrative, clerical, and supervisory functions required for the effective and efficient performance of all scopes of work it accepts, and shall have sole responsibility for the supervision, daily direction and control, payment of salary (including withholding of income taxes and social security), and any benefits for its personnel. The Contractor is accountable to the Customer for the actions of its personnel.

Contractor's management responsibilities include, but are not limited to, the following:

1. Ensuring personnel understand the work to be performed on Customer scopes of work to which they are assigned;
2. Ensuring personnel know their management chain and adhere to Contractor policies and exhibit professional conduct to perform in the best interest of the Customer;
3. Ensuring personnel adhere to applicable laws, regulations, and Contract conditions governing Contractor performance and relationships with the Customer;
4. Regularly assessing personnel performance and providing feedback to improve overall task performance; and
5. Ensuring high quality results are achieved through task performance.

### **2.10 Contractor Warranty**

The Contractor agrees to the following representation and warranty:

Should any defect or deficiency in any Deliverable, or the remedy of such defect or deficiency, cause incorrect data to be introduced into any Customer’s database or cause data to be lost, the Contractor shall be required to correct and reconstruct, within the timeframe established by the Customer, all production, test, acceptance and training files or databases affected which are used in the provision of services, at no additional cost to the Customer.

**2.11 Holidays**

The Contractor shall provide Customers all services during Business Days. The following days are observed as holidays by state agencies in accordance with section 110.117, F.S.:

- New Year’s Day
- Birthday of Martin Luther King, Jr., third Monday in January
- Memorial Day
- Independence Day
- Labor Day
- Veterans’ Day, November 11
- Thanksgiving Day
- Friday after Thanksgiving
- Christmas Day

If any of these holidays falls on Saturday, the preceding Friday shall be observed as a holiday. If any of these holidays falls on Sunday, the following Monday shall be observed as a holiday.

Customers may have additional holiday(s) observed specifically by the Customer which will be detailed in the Customer’s Contract and/or purchase order.

**2.12 Routine Communications**

All routine communications and reports related to the Contract shall be sent to the Department’s Contract Manager. If any information listed on the Vendor Information and Ordering Instructions attachments changes during the life of the Contract, then the Contractor shall update the attachments and submit to the Department’s Contract Manager. Communications relating to a specific order should be addressed to the contact person identified on the order. Communications may be by e-mail, regular mail, or telephone.

**2.13 Contract Reporting**

The Contractor shall report information on orders received from Customers associated with this contract. The Contractor shall submit reports in accordance with the following schedule:

| Report                                       | Period Covered         | Due dates  |
|--|------------------------|--|
| MFMP Transaction Fee Report                  | Calendar month         | Fifteen (15) calendar days after the end of each month |
| Contract Quarterly Sales Report              | State’s Fiscal Quarter | Ten (10) calendar days after close of the period       |
| Diversity Report (submitted to the Customer) | State Fiscal Year      | Ten (10) business days after close of the period       |

### **2.13.1 MFMP Transaction Fee Report**

The Contractor is required to submit monthly Transaction Fee Reports in the Department's electronic format. Reports are due fifteen (15) calendar days after the end of the reporting period. For information on how to submit Transaction Fee Reports online, please reference the detailed fee reporting instructions and vendor training presentations available online at the Transaction Fee & Reporting section and Training for Vendors subsections under Vendors on the MFMP website. Assistance with Transaction Fee Reporting is also available from the MFMP Customer Service Desk by email at [feeprocessing@myfloridamarketplace.com](mailto:feeprocessing@myfloridamarketplace.com) or telephone 866-FLA-EPRO (866-352-3776) from 8:00 a.m. to 6:00 p.m. Eastern Time.

### **2.13.2 Contract Quarterly Sales Reports**

The Contractor shall submit a Contract quarterly sales report electronically, in the required format, to the Department's Contract Manager within ten (10) calendar days after close of each quarter. The Department reserves the right to require the Contractor to provide additional reports within thirty (30) calendar days written notice. Failure to provide the Contract quarterly sales report, or other reports requested by the Department, may result in the imposition of financial consequences or the Contractor being found in default and may result in contract termination. Initiation and submission of the Contract quarterly sales report are the responsibility of the Contractor without prompting or notification by the Department. Sales will be reviewed on a quarterly basis. If no sales are recorded in two consecutive Contract quarters, the Department may terminate the Contract.

Quarter 1 – (July-September) – due ten (10) calendar days after the close of the period.

Quarter 2 – (October-December) – due ten (10) calendar days after the close of the period.

Quarter 3 – (January-March) – due ten (10) calendar days after the close of the period.

Quarter 4 – (April-June) due ten (10) calendar days after the close of the period.

### **2.13.3 Diversity Report**

The Contractor shall report to each Customer, spend with certified and other minority business enterprises. These reports shall include the period covered, the name, minority code and Federal Employer Identification Number of each minority business utilized during the period, commodities and services provided by the minority business enterprise, and the amount paid to each minority business on behalf of each purchasing agency ordering under the terms of this Contract.

### **2.13.4 Ad-hoc Report**

The Department may require additional Contract information such as copies of purchase orders, or ad hoc sales reports. The Contractor shall submit these specific ad hoc requests for reports within the specified amount of time as requested by the Department.

## **2.14 Business Review Meetings**

In order to maintain the partnership between the Department and the Contractor, each quarter the Department may request a business review meeting. The business review meeting may include, but is not limited to, the following:

- Successful completion of deliverables
- Review of the Contractor's performance
- Review of minimum required reports
- Addressing of any elevated Customer issues
- Review of continuous improvement ideas that may help lower total costs and/or improve business efficiencies.

### **2.15 Price Adjustments**

The Contractor shall provide initial and renewal term hourly rates (pricing) as provided to Department in the Cost Proposal. The Department will not allow for price increases throughout the life of the Contract unless specified in the renewal pricing submitting by the Contractor. Negotiated prices are not-to-exceed prices and lower prices may be negotiated by the Department and/or the Customer under this Contract.

### **2.16 Contract Transition**

Upon Contract expiration or termination, the incumbent shall ensure a seamless transfer of Contract responsibilities with any subsequent Contractor necessary to transition the services of this Contract. Contractor agrees to cooperate with the Department and a subsequently awarded contractor to coordinate the transition including, but not limited to, attending meetings and furnishing necessary information. The incumbent Contractor and subsequent Contractor assume all expenses related to the Contract transition.

### **2.17 Purchasing Card**

The state of Florida has implemented a purchasing card program, using the Visa platform. The Contractor may receive payments via the state's Purchasing Card in the same manner as any other Visa purchases. Purchasing Card/Visa acceptance for purchase is a mandatory requirement for the Contract but is not the exclusive method of payment. If the state of Florida changes its Purchasing Card platform during the term of Contract, the Contractor shall make any necessary changes to accommodate the State of Florida's new Purchasing Card platform within thirty (30) days of notification of such change.

## **3 RFP STANDARD INSTRUCTIONS**

### **3.1 Limitation on Contact with Government Personnel (Subsection 287.057(23), F.S.)**

Respondents to this solicitation or persons acting on their behalf may not contact, between the release of this solicitation and the end of the seventy-two (72)-hour period following the Department posting the Notice of Intended Award, excluding Saturdays, Sundays, and State holidays,, Respondents to this solicitation or persons acting on their behalf may not contact any employee or officer of the executive or legislative branch concerning any aspect of this solicitation, except in writing to the Procurement Officer or as provided in the solicitation documents. Violation of this provision may be grounds for rejecting a response.

### **3.2 Minor Irregularities**

Although the Department defines certain items as requirements for responding to this RFP, the Department reserves the right to waive any minor irregularity, technicality, or omission if the Department determines, in its sole discretion, that it is in the best interest of the State to do so. There is no guarantee that the Department will waive a minor irregularity, omission, or deviation, or that any Vendor with a proposal containing a minor irregularity, deviation, or omission will be considered for award of this procurement. The Department may reject any proposal not submitted in the manner specified by this solicitation.

### **3.3 Special Accommodations**

Any person requiring a special accommodation due to a disability should contact the Department's Americans with Disabilities Act (ADA) Coordinator at (850) 922-7535 at least five (5) Business Days prior to the scheduled event. If you are hearing or speech-impaired, please contact the ADA Coordinator by using the Florida Relay Service at (800) 955-8771 (TDD). The telephone numbers are supplied for notice purposes only.



### **3.4 Lobbying Disclosure**

The successful Respondent shall comply with applicable federal requirements for the disclosure of information regarding lobbying activities of the successful Respondent, subcontractors or any authorized agent.

### **3.5 Rejection of Proposals**

Proposals that do not conform in all material respects to the solicitation requirements, specifications, terms, and conditions shall be rejected as non-responsive. Respondents whose proposals, references, or current status do not reflect the capability, integrity, or reliability to fully and in good faith perform the requirements of a Contract may be deemed not responsible and the Proposal rejected as non-responsive. Proposals which include a condition or exception that are not consistent with the primary goals of the solicitation may result in the Proposal being found not in conformance in all material respects of the solicitation and be rejected as non-responsive. Alternatively, and in the Department's sole discretion, the Department may disregard or reject any condition or exception included in a proposal. The Department reserves the right to determine which proposals meet the requirements of this solicitation, and which Respondents are responsive and responsible.

### **3.6 Right to Reject**

The Department reserves the right to accept or reject all proposals, or separable portions thereof, and to waive any minor irregularity, technicality, or omission if the Department determines that doing so shall serve the Department's best interests. The Department may reject any proposal not submitted in the manner specified by the solicitation documents.

### **3.7 Redacted Submissions**

The following section supplements section 19 of the PUR 1001. If Respondent considers any portion of the documents, data, or records submitted in response to this solicitation to be confidential, proprietary, trade secret, or otherwise not subject to disclosure pursuant to Chapter 119, F.S., the Florida Constitution or other authority, Respondent must mark the document as "Confidential" and simultaneously provide the Department with a separate redacted copy of its proposal and briefly describe in writing the grounds for claiming exemption from the public records law, including the specific statutory citation for such exemption. This redacted copy shall contain the Department's solicitation name, number, and the Respondent's name on the cover, and shall be clearly titled "Redacted Copy." The Redacted Copy should only redact those portions of material that the Respondent claims is confidential, proprietary, trade secret or otherwise not subject to disclosure.

In the event of a request for public records pursuant to Chapter 119, F.S., the Florida Constitution or other authority, to which documents that are marked as confidential are responsive, the Department will provide the Redacted Copy to the requestor. If a requestor asserts a right to the Confidential Information, the Department will notify the Respondent such an assertion has been made. It is the Respondent's responsibility to assert that the information in question is exempt from disclosure under Chapter 119, F.S., or other applicable law. If the Department becomes subject to a demand for discovery or disclosure of the Confidential Information of the Respondent in a legal proceeding, the Department shall give the Respondent prompt notice of the demand prior to releasing the information (unless otherwise prohibited by applicable law). The Respondent shall be responsible for defending its determination that the redacted portions of its proposal are confidential, proprietary, trade secret, or otherwise not subject to disclosure.

By submitting a proposal, the Respondent agrees to protect, defend, and indemnify the Department for all claims arising from or relating to the Respondent's determination that the

redacted portions of its proposal are confidential, proprietary, trade secret, or otherwise not subject to disclosure. If Respondent fails to submit a redacted copy of information it claims is confidential, the Department is authorized to produce the entire documents, data, or records submitted to the Department in answer to a public records request for these records.

### **3.8 Additional Information**

By submitting a proposal, Respondent certifies that it agrees to and satisfies all criteria specified in the RFP. The Department may request, and Respondent shall provide, clarifying or supporting information or documentation. Failure to provide clarifying or supporting information or documentation as requested may result in the rejection of the proposal.

### **3.9 Commitment to Diversity in Government Contracting**

The State of Florida is committed to supporting its diverse business industry and population through ensuring participation by woman-, veteran-, and minority-owned small businesses in the economic life of the state. The State of Florida Mentor Protégé Program connects certified business enterprises with private corporations for business development mentoring. The Department strongly encourages firms doing business with the State of Florida to consider participating in this program.

The Department supports diversity in its Procurement Program, and requests that all subcontracting opportunities afforded by this solicitation enthusiastically embrace diversity. The award of subcontracts should reflect the vast array of citizens in the State of Florida. The Respondent may contact the Office of Supplier Diversity at (850) 487-0915 or [osdinfo@dms.myflorida.com](mailto:osdinfo@dms.myflorida.com) for more information on certified business enterprises that may be considered for subcontracting opportunities and for more information on the Mentor Protégé Program.

### **3.10 Identical Tie**

If the Department receives two identical Proposals, the Department will select a Respondent in accordance with Florida law and in the best interest of the state.

## **4 RFP SPECIFIC REQUIREMENTS**

### **4.1 Mandatory Responsive Requirements**

**The Department will not evaluate Proposals that do not meet the minimum mandatory, responsive requirements listed below.** A Proposal will be deemed non-responsive if it fails to contain the documentation required as set forth below in 4.1.1 through 4.1.2.

#### **4.1.1 Attachment A – Cost Proposal**

The Respondent must submit the provided Attachment A – Cost Proposal in an excel file and include pricing for each Service Category(ies) for which the Respondent is submitting a Proposal. For the Respondent to be considered for an award in a Service Category, the Respondent is required to submit pricing for all job titles (principal, senior, and junior) for both the initial term and renewal term. The Department will not consider or evaluate a proposal for a Service Category that fails to provide pricing for all job titles for both the initial term and the renewal term.

#### **4.1.2 Attachment E – Responsive Requirements**

The Respondent must submit a completed Attachment E – Responsive Requirements document.

## **4.2 Post Award Requirements**

The following documents are required to be provided to the Department prior to Contract execution:

### **4.2.1 Registration with the Florida Department of State**

If awarded a Contract, the Respondent shall provide the Department with a PDF file of its current and active registration with the Department of State prior to contract execution. Pursuant to section 607.1501, F.S., out-of-state corporations, as may be required, must obtain a current and active Florida Certificate of Authority. Website: [www.sunbiz.org](http://www.sunbiz.org).

### **4.2.2 Florida Substitute Form W-9**

If awarded a Contract, the Respondent shall register and complete an electronic Florida Substitute Form W-9 prior to execution of a Contract. The Internal Revenue Service (IRS) receives and validates the information vendors provide on the Florida Substitute Form W-9. For instructions on how to complete the Florida Substitute Form W-9, please visit: <https://flvendor.myfloridacfo.com/>.

## **5 RESPONDING TO THE RFP**

### **5.1 Question Submission**

The Department invites interested and registered Vendors to submit written questions regarding the solicitation through the MFMP Sourcing. Vendors who have 'Joined' the MFMP Sourcing event may submit questions using the MFMP Sourcing 'Messages' tab (referred to as the "Q&A Board" in PUR 1001). Questions may be submitted in MFMP Sourcing during the Preview Status until the Question Submission Deadline listed in the Timeline of Events.

The following quoted text replaces Paragraph 5 of PUR 1001, which is incorporated by reference in section 6.1, General Instructions:

"Questions must be submitted via the Q&A Board within MFMP Sourcing and must be RECEIVED NO LATER THAN the time and date reflected on the Timeline of Events. Questions shall be answered in accordance with the Timeline of Events. All answers to properly submitted questions will be issued by an addendum and published in a manner that all proposers will be able to view. Proposers shall not contact any other employee of the Department or the State for information with respect to this solicitation. Each respondent is responsible for monitoring the Vendor Bid System for new or changing information. The Department shall not be bound by any verbal information or by any written information that is not contained in the solicitation documents or formally noticed and issued by the Department's contracting personnel. Questions to the Procurement Officer or to any Department personnel shall not constitute formal protest of the specifications or of the solicitation, a process addressed in paragraph 20 of the PUR 1001."

Respondents are strongly encouraged to raise any questions or concerns regarding this RFP, including the proposed Contract terms and conditions, during the open question period.

### **5.2 Addenda to the RFP**

The Department reserves the right to modify this solicitation by addenda. Addenda may modify any aspect of this solicitation. Any addenda issued will be posted on the VBS. It is the Respondent's responsibility to check for any changes to a solicitation prior to submitting a proposal.

### 5.3 Public Opening

Proposals will be opened on the date and at the location indicated in the Timeline of Events. Respondents are not required to attend. The Department generally does not announce prices or release other materials at this public meeting, pursuant to paragraph 119.071(1)(b), F.S.

### 5.4 Technical Evaluation and Evaluator's Public Meeting

The Evaluators will independently review and score the responsive and responsible technical proposals using the evaluation criteria described in Attachment D - Technical Proposal and Technical Proposal Evaluation Criteria. The Department will then hold a public meeting in which the evaluators will confirm their technical scores in accordance with the Timeline of Events.

### 5.5 Basis of Award

Contract(s) will be awarded to the responsive and responsible Vendor(s) per Service Category that is determined to be the most advantageous to the state with the highest total final score. The Department will issue an award per Service Category (i.e. 1) Benefits Consulting Services, 2) Actuarial Services, and 3) Claims Auditing Services) to the vendor with the highest total final score, which will be calculated by the Procurement Officer by combining the average of the evaluator technical scores and the cost proposal score. A Contract for a Service Category will be awarded to the responsive and responsible Respondent(s) whose proposal is determined in writing to be the most advantageous to the State, taking into consideration the price and other criteria set forth in this RFP. The Department will consider the total cost for each year of the Contract, including initial and renewal years as submitted by the Respondent. The Department reserves the right to make multiple awards per Service Category to Respondents whose total final score is within 20% of the highest total final score for that Service Category. The methodology for scoring each Service Category is outlined below:

| <b>Proposal</b>  | <b>Available Points</b> |
|--|-------------------------|
| A. Technical Proposal (Attachment D)                         | <b>130</b>              |
| B. Cost Proposal (Attachment A)                              | <b>70</b>               |
| <b>Total Available Points for a Service Category (A + B)</b> | <b>200</b>              |

A Respondent may receive awards for multiple proposed Service Categories in accordance with the terms of the RFP. The Department reserves the right to award multiple Contracts, for all or part of the work contemplated by this solicitation. The Department reserves the right to accept or reject any and all offers, and to waive any minor irregularity, technicality, or omission if the Department determines that doing so will serve the best interest of the state. However, the Department reserves the right to make no award in one or all Service Categories as determined to be in the best interest of the State.

#### 5.5.1 Technical Proposal - 130 Available Points for a Service Category

The Respondent shall be awarded up to 130 points for a Service Category based on its submitted Technical Proposal in accordance with the evaluation criteria outlined in Attachment D - Technical Proposal and Technical Proposal Evaluation Criteria.

#### 5.5.2 Cost Proposal - 70 Available Points for a Service Category

The Respondent is required to submit in its Cost Proposal not-to-exceed hourly rates for all three job titles (principal, senior, junior) for both the Initial Term and Renewal Term for a Service Category for which the Respondent is seeking to offer services. The Department will not consider or evaluate a proposal for any Service Category that fails to provide

pricing for all three job titles for both the Initial Term and Renewal Term. The Respondent shall be awarded up to 70 points for a Service Category for its submitted Cost Proposal. The Respondent shall receive points based on the following methodology:

**5.5.2.1 Service Category 1: Benefits Consulting Services**

The Respondent's Service Category 1 Cost Proposal Score shall be calculated by the Department using the following formula and used for scoring purposes only:

$$\begin{aligned} & (\text{Sum of Initial Term Hourly Rates for all three Job Titles} \times 0.6) + \\ & (\text{Sum of Renewal Term Hourly Rates for all three Job Titles} \times 0.4) = \\ & \text{Calculated Hourly Rate for Service Category 1} \end{aligned}$$

The Respondent with the lowest Calculated Hourly Rate for Service Category 1 shall receive 70 points. Other Respondents shall receive points based on the following formula:

$$(X \div N) \times 70 = Z$$

Where:

X = lowest Calculated Hourly Rate for Service Category 1 of all responses

N = Respondent's Calculated Hourly Rate for Service Category 1

Z = points awarded

**5.5.2.2 Service Category 2: Actuarial Services**

The Respondent's Service Category 2 Cost Proposal Score shall be calculated by the Department using the following formula and used for scoring purposes only:

$$\begin{aligned} & (\text{Sum of Initial Term Hourly Rates for all three Job Titles} \times 0.6) + \\ & (\text{Sum of Renewal Term Hourly Rates for all three Job Titles} \times 0.4) = \\ & \text{Calculated Hourly Rate for Service Category 2} \end{aligned}$$

The Respondent with the lowest Calculated Hourly Rate for Service Category 2 shall receive 70 points. Other Respondents shall receive points based on the following formula:

$$(X \div N) \times 70 = Z$$

Where:

X = lowest Calculated Hourly Rate for Service Category 2 of all responses

N = Respondent's Calculated Hourly Rate for Service Category 2

Z = points awarded

**5.5.2.3 Service Category 3: Claims Auditing Services**

The Respondent's Service Category 3 Cost Proposal Score shall be calculated by the Department using the following formula and used for scoring purposes only:

$$\begin{aligned} & (\text{Sum of Initial Term Hourly Rates for all three Job Titles} \times 0.6) + \\ & (\text{Sum of Renewal Term Hourly Rates for all three Job Titles} \times 0.4) = \\ & \text{Calculated Hourly Rate for Service Category 3} \end{aligned}$$

The Respondent with the lowest Calculated Hourly Rate for Service Category 3 shall receive 70 points. Other Respondents shall receive points based on the following formula:

$$(X \div N) \times 70 = Z$$

Where:

X = lowest Calculated Hourly Rate for Service Category 3 of all responses

N = Respondent's Calculated Hourly Rate for Service Category 3

Z = points awarded

### **5.6 Electronic Posting of Notice of Intended Award**

The Department shall electronically post a Notice of Intended Award on the VBS for review by interested parties at the time and location specified in the Timeline of Events. The Notice of Intended Award shall remain posted for a period of seventy-two (72) hours, not including weekends or State observed holidays. If the Notice of Intended Award is delayed, in lieu of posting the Notice of Intended Award, the Department may post a notice of delay and a revised date for posting the Notice of Intended Award.

### **5.7 Firm Response**

The Department intends to award a Contract within sixty (60) days after the date of the proposal opening, during which period proposals shall remain firm and shall not be withdrawn. If an award is not made within sixty (60) days, all proposals shall remain firm until either the Department awards the Contract(s) or the Department receives from the Respondent written notice that the proposal is withdrawn. Proposals that express a shorter duration may, in the Department's sole discretion, be accepted or rejected.

### **5.8 Modification or Withdrawal of Proposal**

A Respondent is responsible for the content and accuracy of its proposal. A Respondent may modify or withdraw its proposal at any time prior to the proposal due date in accordance with the Timeline of Events.

### **5.9 Cost of Response Preparation and Independent Preparation**

The costs related to the development and submission of a response to this RFP are the full responsibility of the Respondent and are not chargeable to the Department. A Respondent shall not, directly or indirectly, collude, consult, communicate or agree with any other Vendor or Respondent as to any matter related to the proposal each is submitting. Additionally, a Respondent shall not induce any other Respondent to modify, withdraw, submit or not submit a proposal.

### **5.10 Contract Formation**

The Department may issue a Notice of Intended Award, to successful Respondent(s). However, no Contract shall be formed between a Respondent and the Department until the Department signs the Contract. The Department shall not be liable for any work performed before the Contract is effective.

The Department intends to enter into a Contract(s) with Respondent(s) pursuant to the Basis for Award section of this solicitation. No additional documents submitted by a Respondent shall be incorporated in the Contract unless it is specifically identified, incorporated by reference, and

approved by the Department. If any additional documents are submitted by the Respondent, the additional documents will not be considered for the Basis for Award.

## **6 GENERAL INSTRUCTIONS**

### **6.1 General Instructions**

PUR 1001, the General Instructions to Respondents, as modified by this RFP, is incorporated by reference and provided via the link below:

<http://www.dms.myflorida.com/content/download/2934/11780/1001.pdf>

#### **The following sections of the PUR 1001 are inapplicable:**

Section 3. Electronic Submission of Proposals

Proposals shall be submitted in accordance with Section 6.2 of this solicitation.

Section 5. Questions

Questions shall be submitted in accordance with Section 5.2 of this solicitation.

#### **The following section of the PUR 1001 (General Instructions) is modified as follows:**

*Section 9. Respondent's Representation and Authorization.*

*In submitting a response, each respondent understands, represents, and acknowledges the following.*

- *The Respondent is not currently under suspension or debarment by the State or any other governmental authority.*
- *To the best of the knowledge of the person signing the response, the Respondent, its affiliates, subsidiaries, directors, officers, and employees are not currently under investigation by any governmental authority and have not in the last 10 years been convicted or found liable for any act prohibited by law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract.*
- *Respondent currently has no delinquent obligations to the State, including a claim by the State for liquidated damages under any other contract.*
- *The submission is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive response.*
- *The prices and amounts have been arrived at independently and without consultation, communication, or agreement with any other respondent or potential respondent; neither the prices nor amounts, actual or approximate, have been disclosed to any respondent or potential respondent, and they will not be disclosed before the solicitation opening.*
- *The Respondent has fully informed the Department in writing of all convictions of the firm, its affiliates (as defined in section 287.133(1)(a) of the Florida Statutes), and all directors, officers, and employees of the firm and its affiliates for violation of state or federal antitrust laws with respect to a public contract for violation of any state or federal law involving fraud, bribery, collusion, conspiracy or material misrepresentation with respect to a public contract. This includes disclosure of the names of current employees who were convicted of contract crimes while in the employ of another company.*
- *Neither the Respondent nor any person associated with it in the capacity of owner, partner, director, officer, principal, investigator, project director, manager, auditor, or position involving the administration of federal funds:*

- *Has within the preceding three years been convicted of or had a civil judgment rendered against them or is presently indicted for or otherwise criminally or civilly charged for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state, or local government transaction or public contract; violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; or*
- *Has within a three-year period preceding this certification had one or more federal, state, or local government contracts terminated for cause or reason of default that would impair the Respondent's ability to deliver the commodities or contractual services of the resultant contract.*
- *The product offered by the Respondent will conform to the specifications without exception.*
- *The Respondent has read and understands the Contract terms and conditions, and the submission is made in conformance with those terms and conditions.*
- *If an award is made to the respondent, the respondent agrees that it intends to be legally bound to the Contract that is formed with the State.*
- *The Respondent has made a diligent inquiry of its employees and agents responsible for preparing, approving, or submitting the response, and has been advised by each of them that he or she has not participated in any communication, consultation, discussion, agreement, collusion, act or other conduct inconsistent with any of the statements and representations made in the response.*
- *The Respondent shall indemnify, defend, and hold harmless the Department and its employees against any cost, damage, or expense which may be incurred or be caused by any error in the respondent's preparation of its proposal.*
- *All information provided by, and representations made by, the Respondent are material and important and will be relied upon by the Department in awarding the Contract. Any misstatement shall be treated as fraudulent concealment from the Department of the true facts relating to submission of the proposal. A misrepresentation shall be punishable under law, including, but not limited to, Chapter 817 of the Florida Statutes.*

## **6.2 How to Submit a Proposal in MyFloridaMarketPlace**

### **6.2.1 MFMP Registration**

In order to submit questions regarding this procurement, and to submit a response to the solicitation, a Respondent must be a registered Vendor in the MFMP Vendor Information Portal (VIP). Registered Vendors must log in to the MFMP Sourcing using their MFMP VIP username and password to ensure that their contact information is correct and that they have registered with the matching commodity code of the MFMP Sourcing event. To participate in the procurement, a Vendor must also indicate its intent to participate in electronic solicitations in MFMP Sourcing on the 'Solicitations' page of their MFMP VIP account.

If you are not currently registered with MFMP VIP, you must:

- a) Create an account through the MFMP VIP.
- b) Within MFMP VIP, indicate on the 'Solicitations' page that you wish to participate in electronic solicitations.
- c) Within MFMP VIP, in the Commodity Selections section, ensure that you have selected the matching commodity codes used in this procurement. Vendors will not receive notifications for procurements with commodity codes that they have not selected in their MFMP VIP account.



Please note: VBS and MFMP Sourcing may provide automated notifications to the Vendor community, as a courtesy, based on commodity codes that are tied to a Vendor's registration in the MFMP VIP. Vendors with a commodity code that matches the commodity code of the MFMP Sourcing event will be able to 'Join' the MFMP Sourcing event. If a Vendor does not have a matching commodity code, VBS and MFMP Sourcing will not provide a courtesy notification and the Vendor will not be able to 'Join' the MFMP Sourcing event. Vendors have the ability to access and update their registration in VIP by adding commodity codes to their business profile. Changes made in MFMP VIP, including new registrations, may take forty-eight (48) hours to take effect.

The MFMP VIP can be accessed via this link: <https://vendor.myfloridamarketplace.com/>

The Department strongly recommends setting your MS Internet Explorer browser to compatibility mode while using MFMP applications. For more information regarding recommended internet browser settings, please click [here](#).

**ALL VENDORS MUST 'JOIN' THE MFMP SOURCING EVENT BY THE TIME AND DATE LISTED IN THE TIMELINE OF EVENTS IN ORDER TO PARTICIPATE IN THIS SOLICITATION.**

In order to 'Join' the MFMP Sourcing event, Vendors must:

- a) have a current MFMP Vendor registration within the MFMP VIP; and
- b) select 'Yes' to participate in electronic sourcing events in MFMP Sourcing on the 'Solicitations' page of their MFMP VIP account.

MFMP Sourcing may be accessed using the following link: <https://sourcing.myfloridamarketplace.com>

**6.2.2 MFMP Sourcing Phases:** A solicitation formally begins when the Department posts a Notice on VBS. The Department will also publish the procurement in MFMP Sourcing. Do not rely on MFMP Sourcing for notices of procurements or agency decisions. VBS is the centralized procurement website designated by the Department for electronic posting of competitive procurements, addenda, agency decisions, intended decisions, including, but not limited to, intended contract awards. MFMP Sourcing is the application for submitting formal questions in response to the solicitation.

The following are MFMP Sourcing phases:

**Preview Status**

When this solicitation is published as a 'Public Event' in MFMP Sourcing, it will initially exist in a 'Preview' status. During the 'Preview' status, Vendors without a matching commodity code can only preview the MFMP Sourcing event. Vendors with a matching commodity code can 'Join' the event, view and download solicitation documents, and accept the 'Respondent's Agreement.'

In accordance with the time stated on the Timeline of Events, Vendors may submit questions to the Procurement Officer in the 'Messages' tab of the MFMP Sourcing event, during the Preview status, after they have joined the event. The solicitation will remain in 'Preview' status until the 'Open' status begins.

#### Open Status

The solicitation will be in 'Open' status on the date listed on the Timeline of Events. When a solicitation is in 'Open' status, all registered Vendors with a matching commodity code, who 'Join' the MFMP Sourcing event and accept the 'Respondents Agreement' may submit Proposals until the Proposals Due date listed in the solicitation's Timeline of Events section.

The solicitation remains in 'Open' status until the Proposals Due date and time listed in the solicitation's Timeline of Events section.

#### Pending Selection Status

After the response due date in the Timeline of Events, the solicitation will enter 'Pending Selection' status. During this phase of the solicitation, the 'Pending Selection' tab will appear in MFMP Sourcing.

#### Completed Status

If the tab in MFMP Sourcing indicates 'Completed,' either a Notice of Intent to Award or a Notice to Reject All Proposals has been posted on VBS. However, do not rely on MFMP Sourcing for this information. The VBS is the centralized procurement website for the posting of agency decisions.

### **6.2.3 MFMP Training**

MFMP University offers Vendor training materials on the Department's website at: [https://www.dms.myflorida.com/business\\_operations/state\\_purchasing/myfloridamarketplace/mfmp\\_vendors/training\\_for\\_vendors](https://www.dms.myflorida.com/business_operations/state_purchasing/myfloridamarketplace/mfmp_vendors/training_for_vendors).

For vendors responding to this solicitation, it is highly recommended that vendors review the training provided via this link for Responding to Electronic Solicitations: [https://www.dms.myflorida.com/content/download/140134/903704/Responding\\_to\\_Electronic\\_Solicitations.pdf](https://www.dms.myflorida.com/content/download/140134/903704/Responding_to_Electronic_Solicitations.pdf)

Please visit [MFMP University](#) to access online trainings on a variety of topics, including Vendor Registration and Selecting Commodity Codes.

### **6.2.4 MFMP Assistance**

If you need assistance with using MFMP, please contact the MFMP Customer Service Desk at [VendorHelp@myfloridamarketplace.com](mailto:VendorHelp@myfloridamarketplace.com) or (866) 352-3776.

**Remainder of page intentionally left blank**

## **RFP ATTACHMENTS**

**Attachment A - Cost Proposal (must be submitted prior to RFP opening)**

**Attachment B – Special Contract Conditions**

**Attachment C – Draft Contract**

**Attachment D – Technical Proposal and Technical Proposal Evaluation Criteria (vendor response must be submitted prior to RFP opening)**

**Attachment E – Responsive Requirements (must be submitted prior to RFP opening)**

**Attachment F – Vendor Information**

**Attachment G – No Offshoring**

**Attachment H – Certification of Drug-Free Workplace**

**Attachment I – Subcontracting**

**Remainder of page intentionally left blank**

**Exhibit D**  
**Benefits Consulting, Actuarial, and Claims Auditing**  
**Services**

|                        |                              |
|------------------------|------------------------------|
| <b>Respondent Name</b> | <b>Myers and Stauffer LC</b> |
|------------------------|------------------------------|

| <b>INSTRUCTIONS</b>  |
|--|
| The Respondent may respond to one or more service category.  |
| <b>The Respondent is not required to respond to all service categories.</b>  |
| A Respondent must submit a price in all yellow highlighted cells for the Service Category for which the Respondent is proposing services.  |
| Provide pricing for all job titles within each service category for which the Respondent is proposing to offer.  |
| For Respondent to be considered for an award in a Service Category, the Respondent is required to submit pricing for all job titles within the Service Category they are proposing to offer services for both the Initial Term and Renewal Term. The Department will not consider or evaluate a proposal for any Service Category that fails to provide pricing for all job titles in a Service Category for both the Initial Term and Renewal Term. |
| Please refer to the Job Titles and Duties section of the RFP for definitions of job titles.  |
| The Attachment A, Cost Proposal, establishes pricing for services offered for the term of the contract and any renewals. The Respondent shall not exceed this pricing when providing services under any resultant contract.  |
| Provide pricing in dollar amounts; amounts cannot include fractions of cents (e.g. \$0.005).   |
| The price shall be based on meeting or exceeding the material specifications in the Statement of Work.   |
| Proposed costs are ceiling rates inclusive of any and all costs associated with providing services.  |

| <b>Service Category 1: Benefits Consulting Services</b> |                          |                          |
|---|--------------------------|--------------------------|
| JOB TITLE   | INITIAL TERM HOURLY RATE | RENEWAL TERM HOURLY RATE |
| Principal Benefits Consultant                           |                          |                          |
| Senior Benefits Consultant                              |                          |                          |
| Junior Benefits Consultant                              |                          |                          |

| <b>Service Category 2: Actuarial Services</b> |                          |                          |
|---|--------------------------|--------------------------|
| JOB TITLE                                     | INITIAL TERM HOURLY RATE | RENEWAL TERM HOURLY RATE |
| Principal Actuary                             |                          |                          |
| Senior Actuary                                |                          |                          |
| Junior Actuary                                |                          |                          |

| <b>Service Category 3: Claims Auditing Services</b> |                          |                          |
|---|--------------------------|--------------------------|
| JOB TITLE   | INITIAL TERM HOURLY RATE | RENEWAL TERM HOURLY RATE |
| Principal Claims Auditor                            | \$230.00                 | \$230.00                 |
| Senior Claims Auditor                               | \$185.00                 | \$185.00                 |
| Junior Claims Auditor                               | \$120.00                 | \$120.00                 |

Hourly Rate Note: The hourly rates utilized above represent blended rates based on various position levels that roll into the three pricing categories above. For claims audits, we estimate that the project time will be comprised of 75% Junior Claims Auditor time, 20% Senior Auditor time and 5% Principal Auditor time.

Exhibit E

**STATE OF FLORIDA  
DEPARTMENT OF  
MANAGEMENT  
SERVICES**

**Benefits Consulting, Actuarial, and Claims  
Auditing Services**

RFP No. 19-80111502-A

September 10, 2019

Myers and Stauffer PLLC  
Wade Park II, 5430 Wade Park Blvd., Suite 404  
Raleigh, NC 27607  
877.829.7306

[www.myersandstauffer.com](http://www.myersandstauffer.com)



**MYERS AND  
STAUFFER** LLC  
CERTIFIED PUBLIC ACCOUNTANTS



**MYERS AND  
STAUFFER** PLLC  
CERTIFIED PUBLIC ACCOUNTANTS

September 10, 2019

Ms. Jessalyn Marks  
Procurement Officer  
Bureau Chief of Goods and Services, Division of State Purchasing  
Florida Department of Management Services  
4050 Esplanade Way, Suite 360G  
Tallahassee, FL 32399-0950

Dear Ms. Marks and Members of the Evaluation Committee:

Myers and Stauffer is pleased to provide our proposal in response to *Request for Proposal (RFP) No: 19-80111502-A*. We are bidding on *Service Category 3 – Claims Auditing*, to audit customer claims, including analyzing payments, procedures, and guidelines of benefits for the Florida Department of Management Services, Division of State Purchasing (the Department).

Myers and Stauffer is a national certified public accounting (CPA) firm with 18 offices located nationwide, with a new office opening soon in Tallahassee, that collectively manage active engagements with the Centers for Medicare & Medicaid Services (CMS), as well as public health agencies in 49 states and state and municipal health plans. The vast majority of our client engagements – including those we perform for Florida state agencies – have been continued for greater than 10 years, which is a clear indication of our clients' ongoing satisfaction with the services we provide. Our exemplary track record has led to the development of a dedicated team of auditing and consulting professionals who are committed to providing the highest quality, responsive, and personal service, while staying abreast of regulatory changes and receiving formal training that exceeds professional requirements.

Our mission is to provide professional auditing, analysis, consulting, data management, accounting, and other operational support services to local, state, and federal government health care agencies. Our purpose and vision are to deliver those services to our clients in an efficient, effective, and timely manner, and to do so with the highest levels of integrity and accountability.

Our experience, especially with the services required by the RFP, is unmatched. We bring to this project working knowledge of industry practices related to third-party administrators and managed care organizations (MCOs), including such issues as understanding the complex organizational and operating structures that are typical to the industry; intricate contractual arrangements and benefit structures;

**DEDICATED TO GOVERNMENT HEALTH PROGRAMS**

5430 Wade Park Boulevard, Suite 404 | Raleigh, NC 27607  
PH 919.829.7306 | PH 877.829.7306 | FX 919.829.8870  
[www.myersandstauffer.com](http://www.myersandstauffer.com)

medical and pharmacy claims processing systems, policies, and practices; member enrollment practices; industry practices in applying administrative overhead rates; and reporting of affiliate transactions.

We have 42 years of experience assisting government agencies with health care compliance and consulting engagements, including CMS, the Federal Bureau of Investigation, the U.S. Department of Health and Human Services, Office of the Inspector General, and Medicaid Fraud Control Units.

Myers and Stauffer is very pleased to offer the following features to the Department:

- **Proven Track Record.** *Myers and Stauffer has been successfully working with local, state, and federal health care agencies for more than 42 years, and with Florida health care agencies since 1996. We continually invest in the state of Florida and in our professional relationships with all of our other state and federal clients. We have a national reputation for delivering high-quality services on time and in a manner that meets and often exceeds expectations.*
- **Unbiased Results.** *Myers and Stauffer does not contract with health plans, MCOs, or third-party administrators (TPAs). Doing so avoids perceived and real conflicts of interest. Therefore, the Department and other stakeholders can have complete confidence in our findings. Utilizing Myers and Stauffer to perform these technical services will afford the task order customers an additional level of quality and performance, since CPA firms are held to the highest professional standards for integrity, quality, and performance.*
- **In-depth Knowledge of the Medical and Pharmacy Claims Industry.** *Our proposed engagement team has a wealth of experience in the medical and pharmacy claims industry. We have significant experience performing financial, benefit design, and compliance audits of nearly every large health plan, TPA, and pharmacy benefit manager in the industry.*
- **Proven Audit Methodologies.** *Some of the core elements of the Myers and Stauffer audit approach include:*
  - *Subject matter expertise. We utilize those with specific industry experience, including clinicians such as pharmacists and registered nurses.*
  - *Transparency. We believe in communicating with the plan vendors throughout the audit process so findings are vetted and balanced, and there are no surprises.*
  - *Efficiency. We will only employ needed procedures to achieve audit objectives and will leverage technology in doing so.*
  - *Professional skepticism. This is a fundamental element of CPA professional standards and requires us to have an inquisitive, yet balanced mind, in order to achieve unbiased results.*
  - *Documentation. Our findings will be supported by sufficient and appropriate evidence.*
  - *Reporting. We report in a clear and concise manner focusing only on actionable findings specific to documented expectations.*

We look forward to working with Department on this important initiative. If I can be of further assistance, please contact me at 877.829.7306 or ksorensen@mslc.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith R. Sorensen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Keith R. Sorensen, CPA, CFE  
Member





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## About Myers and Stauffer

Myers and Stauffer is a national certified public accounting (CPA) firm organized in the state of Kansas. We specialize in providing auditing, analysis, consulting, data management, accounting, and other operational support services to local, state, and federal government health care agencies. Through these opportunities, we have prevented unnecessary program expenditures; identified hundreds of millions of dollars of inappropriate payments and recoveries; assisted in the development of reimbursement systems; performed eligibility audits and analysis; defended audit findings from providers' administrative and judicial challenges; and performed data management and analysis services to assist our clients in better managing their programs.

We were founded, and continue to operate, on the principles of extraordinary client service and an unwavering commitment to quality. Myers and Stauffer is highly regarded nationwide for our professional objectivity, innovation, quality people, and unparalleled service. Our success has been achieved by providing our clients with excellent service on a timely basis, including those times when clients have made urgent requests with minimal turnaround time. Our unparalleled service requires commitment and an understanding of the client's goals and objectives, as well as specialized industry knowledge to help our clients achieve success.

Myers and Stauffer does not contract with health plans, managed care organizations (MCOs), or third-party administrators (TPAs), thereby avoiding perceived and real conflicts of interest. The Department can have complete confidence in our findings. Utilizing Myers and Stauffer to perform claims auditing services will afford the Department an additional level of quality and performance, since CPA firms are held to the highest professional standards for integrity, quality, and performance.

Choosing Myers and Stauffer for this project provides the Department and task order customers with the following benefits:

- **Local Office.** *Myers and Stauffer will be opening an office in Tallahassee, Florida by the end of 2019. This office will be fully-equipped with up-to-date technology and a full complement of specialized professional staff.*
- **A Proven Track Record.** *Myers and Stauffer has been successfully working with local, state, and federal health care agencies for more than 42 years, and with Florida health care agencies for more than 23 years. We continually invest our efforts in the state of Florida and in our professional relationships with all of our local, state, and federal clients. We have a national reputation for delivering high-quality and timely services in a manner that meets and often exceeds expectations. Our understanding of government agency health care needs and challenges will bring the Department not only a unique perspective on the important issues but also potential solutions and/or options that fit within the context of the Department's overall goals and objectives.*



- **Knowledge of the Florida Health Care Environment.** *Our professionals include former CMS and state government employees, former nursing home employees, former hospital accountants, former Medicare intermediary auditors, former state Medicaid Surveillance and Utilization Review coordinators, CPAs, certified fraud examiners (CFEs), pharmacists, medical doctors, registered nurses, and certified coders. We also closely monitor the activities of state and the national health care regulatory environment regarding program integrity matters to keep a current knowledge base of legislative and regulatory interests.*
- **Dedicated Service and Access to Local and National Industry Resources.** *Myers and Stauffer has the experience and resources to perform a wide variety of complex engagements. In addition to the proactive service of your engagement team, you will have continued access to our nearly 900 professionals across the country. Our extensive network of local and national financial and clinical resources will be available to provide you with exceptional depth in terms of specialized insight.*
- **Excellent Oversight and Proactive Leadership.** *You will benefit from hands-on service by our team's senior professionals. We can provide this level of service because our partner-to-staff ratio is similar to smaller firms—allowing our senior-level professionals to be involved and immediately available throughout the entire audit process. Our approach ensures that all members of the engagement team will stay abreast of key issues at the Department and take an active role in addressing them.*
- **Cost Effectiveness.** *Because of our utilization of experienced professionals, we are capable of providing services efficiently without sacrificing quality. We have competitively priced our proposal using staff assignments that we believe to be the most efficient and effective based on our firsthand experience performing various types of claims audits. Our rates reflect the unsurpassed quality of the specialized staff members who we recruit, train, retain, and continually educate in order to provide the Department with the best service possible.*
- **Flexibility.** *Myers and Stauffer is large enough to meet any client's needs, yet it is structured in a manner that allows our professionals to have the flexibility to design customized solutions. In addition, our focus on quality while also investing in technology solutions designed for efficiency, have proven to be a valuable combination for our clients. Because Myers and Stauffer has a 42-year history of producing quality work and maintaining a culture of integrity, we are able to balance the profitability of our firm with affordability for our clients.*

## Experience

For more than 42 years, Myers and Stauffer has specialized in providing accounting, consulting, program integrity, and operational support services to public health care auditing and social service agencies. Our professional staff are knowledgeable and experienced in performing a wide array of services. These services include auditing medical and pharmacy claims adjudication systems and contractual



compliance; auditing prior authorization policies and procedures; risk assessment and audit program development; assisting with the development of reimbursement systems; performing various studies and evaluations; defending rate systems from providers' administrative or judicial challenges; assisting with the oversight of MCOs/TPAs; and ongoing data management and system monitoring activities.

Our goal is to assist our clients in better managing their government-sponsored programs. We have earned a reputation for being creative and innovative in assisting our clients adapt to an ever-changing environment. We understand the complexities, considerations, and characteristics of medical and pharmacy benefit programs. We avoid conflicts of interest and circumstances that could create the appearance of a conflict of interest by intentionally restricting our practice to government-sponsored health care programs and other social service engagements. We do not accept providers or health plans as clients; therefore, we do not have any conflicts of interest.

Myers and Stauffer represents the highest level of technical expertise in providing claims auditing services. Our extensive exposure to self-funded benefit programs, state Medicaid programs, and the Medicare program enables us to draw upon our experiences with the compliance, program integrity, auditing features, and best practices from other benefit programs to address the requirements of these important initiatives for the Department. Our in-depth understanding of health care policy, financing, and reimbursement will provide valuable insight during the course of this engagement. We offer a full array of services designed to assist our local, state, and federal clients in succeeding with every part of their operation. A sample of these services include:

- *Financial (claims)/performance audits of MCOs and TPAs.*
- *Member and dependent eligibility audits.*
- *Prior authorization and service denial audits.*
- *Pharmacy claims and pharmacy benefit manager (PBM) audits, including drug rebate audits.*
- *Fraud, waste, and abuse detection and identification of improper payments through claim/billing reviews.*
- *Health Insurance Portability and Accountability Act (HIPAA) compliance risk assessment, gap analysis, and reviews.*
- *Payment Error Rate Measurement (PERM) eligibility activities.*
- *Medicaid performance audits and consulting engagements.*
- *Medicaid policy consulting and Medicaid agency operations consulting.*
- *Technical risk assessment.*
- *Representation of states before CMS, the U.S. Department of Justice (DOJ), and the Office of Inspector General (OIG).*
- *Appeal representation and expert witness testimony.*



We have also provided health care litigation support services to the National Benefit Integrity Medicare Drug Integrity Contract, the U.S. DOJ, U.S. Attorney's Offices, law enforcement agencies such as the Federal Bureau of Investigation, the U.S. Department of Health and Human Services (HHS) – OIG, State Medicaid Fraud Control Units, Tricare, and other similar agencies. Many of our cases involve obtaining large volumes of data from the payer sources and reviewing and evaluating the payer rules to determine if payment violations had occurred. We are experienced in working with joint government agency teams on fraud investigations involving large health care entities.

### **Claims Auditing Experience**

Myers and Stauffer has extensive claims review and claims (re)pricing experience in both the fee-for-service and managed care arenas. Below, we have provided examples of our work on projects similar to those being requested in the RFP; however, our claims testing experience also involves significant testing of medical and pharmacy claims for various Medicaid and Medicare programs. We have a thorough and well-rounded understanding of claims adjudication platforms; policies and procedures; various claims pricing structures; and various benefit program parameters, including value-based purchasing arrangements.

#### **Maryland Health Care Commission: Claims Audits (2006 – Present)**

Myers and Stauffer audits reimbursement applications submitted to the Maryland Trauma Physician Services Fund. This Fund provides reimbursement to trauma physicians for uncompensated care provided to trauma patients, as well as reimbursing trauma centers for expenses associated with having trauma physicians on-call and available to provide trauma care. We test the accuracy of the reimbursement applications for eligible trauma physicians and level II and III trauma centers designated by the Maryland Institute for Emergency Medical Services Systems. We also audit Trauma Equipment Grants and perform an annual review of Maryland Health Insurance Partnership Health Plan Participants.

#### **Reference Point of Contact**

Thelma McClellan, Deputy Director  
Maryland Department of Health  
201 West Preston Street  
Baltimore, MD 21201  
PH: 410.767.5192  
Email: [ThelmaT.McClellan@maryland.gov](mailto:ThelmaT.McClellan@maryland.gov)

#### **Georgia Department of Community Health: Benefits Testing (2004 – Present)**

We are engaged by the Georgia Department of Community Health to assist with evaluating benefits paid through the state Medicaid and Children's Health Insurance Program (CHIP). The Georgia benefits testing project utilizes agreed-upon procedures to assist the Department with the testing of claims paid through their Medicaid management information system. This includes a computation of the financial liabilities and receivables related to incorrectly paid fee-for-service claims and capitation payments made during a state fiscal year (SFY). Based on the outcomes from applying these procedures, the department determines the need to make adjusting journal entries, if any, to their financial statements. Based on identification of errors and the recovery of incorrect payments, they also prevent future



payment errors through modifications to the claims payment system. The agreed-upon procedures are updated annually, or as needed, to address additional issues and analyses requested by the Department. We have provided the following services:

- *Testing and re-pricing of paid claims to identify claims that may not have been paid in accordance with Georgia Medicaid and CHIP coverage and payment policies. These claims may be randomly selected based on sample sizes approved by the Department or based on claims identified for a focused analysis.*
- *Identification of payments that should not have been made, such as duplicate payments, or for ineligible members or providers.*
- *Identification of other amounts that should have been paid but were not paid.*
- *Identification of and/or quantification of payment errors in the universe of paid claims for selected categories of incorrect payments or as otherwise directed by the Department.*

In SFY 2015 alone, our analyses identified approximately \$31.4 million in potentially-recoverable payment errors. This amount includes payment errors made for both fee-for-service claims and capitation payments.

**Nebraska Administrative Services: PBM Audit (2014 – 2015)**

This engagement encompassed a year-by-year comprehensive review over a two-year period, of the administration of the state of Nebraska employees and retirees prescription benefit plans by their prescription PBM. The state of Nebraska outsourced their prescription benefits to a PBM over this review period. The State required detailed financial, operational, and clinical reviews of the implementation, delivery, and maintenance of the employee's and retiree's prescription benefit plans to ensure they are being administered correctly and provided per the terms of the State's service agreement with their PBM. Any errors or deficiencies that were identified were qualified and quantified for investigation and corrective action, as necessary, to ensure the optimum administration of the plan and appropriateness of fees charged for benefit services over time. We provided the following services:

- *Audits of administrative and operational procedures.*

**Reference Point of Contact**

Lynnette Rhodes, Executive Director  
Medical Assistance Plans  
Georgia Department of Community  
Health  
2 Peachtree Street, NW, 36th Floor  
Atlanta, GA 30303  
PH: 404.656.7513  
Email: lrhodes@dch.ga.gov

**Reference Point of Contact**

Ruth Jones, Director of Personnel  
Nebraska Administrative Services  
Employee Wellness & Benefits  
Administration Service  
1526 K Street, Suite 110  
Lincoln, NE 68508  
PH: 402.471.2833  
Email: ruth.jones@nebraska.gov



- *Audits of member eligibility.*
- *Audits of prescription claims processed to ensure accuracy with plan designs and pricing.*
- *Audits with compliance of service agreement performance guarantees.*
- *Audits of adherence to contract terms.*
- *Audits of manufacturer rebates.*
- *Audits of clinical programs and processes.*
- *Reviews of internal audit efforts and outcomes initiated by the PBM.*
- *Recommendations for corrective action and implementation of benefit best practices.*

The examination noted deficiencies in each of the areas of services listed above and these were documented and provided to the PBM for investigation and review. The PBM confirmed these deficiencies and Myers and Stauffer also provided recommendations corrective action to address the errors. The PBM reimbursed the state of Nebraska for all noted deficiencies and performance issues.

**Lake County, Illinois: PBM Audit Services and Operational Assessment (2015 – 2016)**

Myers and Stauffer was engaged to conduct audits and operational assessments of the PBM for the Illinois Lake County Department of Human Resources. We conducted prescription claims pricing and discount review assessment; conducted a benefit design administrative accuracy assessment; reviewed the accuracy of the rebate guarantees paid to the Department; and conducted an operational assessment. The audit revealed areas of underperformance in the delivery of discount guarantee levels within a number of product categories. A number of recommendations were made for corrective actions in operational areas to improve the delivery and administration of the prescription benefit.

**Reference Point of Contact**

Robert Szarzynski, Assistant HR Director  
Lake County Illinois  
18 N County Street  
Waukegan, IL 60085  
PH: 847.377.2156  
Email: rszarzynski@lakecountyil.gov

**City of Hampton, Virginia: Audit of PBM (2015 – Present)**

Myers and Stauffer was engaged to conduct an audit of the PBM providing administrative services for the City of Hampton. We provide monthly retrospective review of the prescription claims pricing components to determine whether they are in accordance with the service agreement price schedule. We provide a yearly review of the aggregate discount price guarantees and determine whether there are any variances to the contracted levels. We also conducted a plan design accuracy assessment to identify any prescription

**Reference Point of Contact**

Karl Daughtrey, Director of Finance  
City of Hampton  
City Hall  
22 Lincoln Street, 7th Floor  
Hampton, VA 23669  
PH: 757.727.6314  
Email: kdaughtrey@hampton.gov



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claims that were not processed in accordance with the established benefit design.

### **Knowledge of Government and Florida Business Practices**

#### **National Experience**

Myers and Stauffer is a national CPA firm that has more than 42 years of experience working with Medicaid and other public agencies in all 50 states, Washington D.C., and U.S. territories, as well as CMS and the DOJ. We are the largest CPA firm performing health care-related regulatory services exclusively for government agencies. Currently, we are assisting 49 state Medicaid agencies with their health care programs, including the Florida Agency for Healthcare Administration (AHCA).

It is evident to many of our clients that transitioning from less experienced health care audit firms to Myers and Stauffer can lead to a higher quality examination resulting in findings previously unnoticed by prior contractors. We routinely identify major audit findings that previous contractors had not dealt with when we enter into a new audit contract. These findings can result in significant savings to our clients or the clients may choose to use the findings to make rule changes or negotiate other settlements with providers. Our proven experience in health care auditing is one of the reasons we were chosen as the firm to provide national audit oversight to CMS for their Medicare Administrative Contractors (MACs), their cost report audits, and other Medicare services.

We offer an exceptionally qualified, experienced, and well-balanced multi-disciplinary team that combines Florida-specific experience with national expertise in medical and pharmacy claims auditing, Medicaid programs, state and federal policy, cost report audit and rate calculations, disproportionate share hospital (DSH) audits, managed care oversight, and health care consulting. Using sophisticated analytical and testing methods, Myers and Stauffer can identify erroneous and/or abusive practices. Our efforts have saved our clients millions of dollars, while at the same time, ensuring program policies are based upon accurate cost and statistical information. Our combined local and national experience, expertise, and resources ensures we are prepared to meet or exceed the claims auditing requirements of the RFP and resulting contract.

#### **Florida Experience**

For the past five years, we have enjoyed a great working relationship with AHCA staff and the hospital industry in Florida. While auditors should never be the most popular group when it comes to providers, we approach our audits in a fair and reasonable manner to minimize additional work for AHCA.

In Florida specifically, we review an average of 242 hospital cost reports under our DSH and Cost Report Audit contract with the AHCA. Through this work, we have gained a thorough understanding of your health care environment and have established good working relationships with Florida providers who are familiar with our approach. Over the past five years, our staff have spent more than 120,000 hours assisting AHCA with monitoring and oversight activities and developing local subject matter expertise.

We continually demonstrate the benefits of working with a CPA firm dedicated to public health care program support for its government clients, and we look forward to providing these benefits to the state of Florida.





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### Peer Review

Myers and Stauffer adheres to all professional standards of the American Institute of Certified Public Accountants (AICPA), including the requirements of ET Section 1.220.020, preserving our independence with all health care providers. Myers and Stauffer avoids conflicts of interest and circumstances that could create any real or perceived conflicts of interest. Unlike many of our competitors, we do not, and will not, accept health care providers as clients.

To further assert our ongoing compliance with professional standards, our firm participates in the AICPA Quality Review Program and is audited by an independent peer reviewer once every three years. The first outside peer review was completed for the year ending March 31, 1989, and subsequently every three years thereafter (i.e., 1992, 1995, 1998, 2001, 2004, 2007, 2010, 2013, and 2016). The independent peer reviewer issues their report to the Kansas Society of Certified Public Accountants, which has a Peer Review Committee to review the reports and accept their results. The firm's 2016 peer review resulted in a PASS rating, which is the most favorable report that can be issued. Since the inception of this program, Myers and Stauffer has been found to be in compliance with AICPA professional standards. A copy of our most recent peer review report is available upon request.

### Continuing Professional Education

Since many of the issues typically encountered during a claims audit are not taught in a classroom, nor are they discussed in periodicals, it takes substantial exposure to the health care reimbursement field to provide the depth of understanding necessary to arrive at supportable conclusions. We incorporate an overview of claims adjudication systems into our staff development protocol. This includes a review of pertinent contractual requirements, federal statutes and regulations, state plan requirements and state-specific reimbursement requirements. The firm's resource libraries contain all pertinent resource material including professional pronouncements issued by AICPA.

The training provided to professional staff is very important. It forms the foundation for high quality work standards. New staff members are given training commensurate with their experience and with their work assignments. They are assigned to our most senior auditors during the training period for supervision and on-the-job training.

As auditors begin their careers with the firm, they are assigned to work with various senior staff to give them the broadest possible experience. It is only after the senior members of the firm and the new staff members agree that sufficient training has been acquired that the new staff member is assigned to field work in which he or she is the sole firm participant in the field.

In addition, our professionals routinely attend relevant national health care conferences to stay current with trends and issues. These conferences have included:

- *American Health Lawyers Association: Long-Term Care and the Law.*
- *American Health Lawyers Association: Institute on Medicare and Medicaid Payment Issues.*
- *National Association for Medicaid Program Integrity (NAMPI).*



- *National Association of State Human Services Finance Officers (HSFO).*
- *National Association of Medicaid Directors: Annual Conference.*
- *National Health Care Anti-Fraud Association: Annual Training Conference.*
- *Health Care Compliance Association: Annual Meeting AICPA National Governmental Accounting and Auditing Update Conferences.*

We also conduct local office training sessions and have created internally-generated online training modules that are specific to our health care clients. Recent topics have included:

- *The Basics of Health Care Accounting and Auditing.*
- *Proper Reporting of Insurance Expense.*
- *Introduction to the Pharmaceutical Industry.*
- *Home and Community-Based Services (HCBS) Reimbursement, Cost Reports, and Claims Review.*
- *Inpatient Hospital Reimbursement.*
- *Best Practices in Auditing: Asking the Right Questions and Documenting Accurate Results.*
- *Fraud Auditing and Investigation.*
- *Appeals Training for Field Staff.*
- *Computer Fraud Detection and Deterrence.*
- *Internal Control and Fraud in Governments and Nonprofits.*

Our professionals who are CPAs are required to complete 40 hours annually of Continuing Professional Education (CPE). In addition, those employees who work on Generally Accepted Government Auditing Standards (GAGAS) engagements are required to complete in excess of 24 hours annually and 80 hours every two years of CPE as qualified under GAGAS. The majority of our staff exceeds these requirements.

Finally, all training is managed so that there is no disruption to the work on the contract. Staff members are assigned to a project team only after they have successfully completed a training program designed specifically to their needs.

## Proposed Solution

### Staff

Our team is comprised of professionals with considerable academic training and specialized experience. Many on our team possess experience gained from serving in leadership positions in more than 15 different state health programs, CMS, health plans, fiscal agent contractors, health information networks, regional extension centers, and health care providers. These individuals offer value-added insight, provide creative solutions to our clients' problems, and assist in implementing and complying with state and federal regulations. The depth and breadth of our training and experience gives Myers



and Stauffer a unique understanding and appreciation for the pressures and daily constraints of trying to do more with less that is so often a reality for public benefit programs. We staff each project to exceed our clients’ expectations, including meeting all required deadlines.

We know that to provide exceptional client service, we must provide a team of dedicated and skilled professionals that can respond in a timely manner to our client’s needs. We understand that you need:

- *A reliable point of contact that is accessible when you need it to help address issues as they arise.*
- *A team that is dedicated to providing timely, expert responses to your inquiries.*
- *Access to technical expertise to address the complex challenges of administering a health care program.*
- *A resource that can bring a broad base of knowledge gained from experience in working with other states and CMS to help share lessons learned and to incorporate best practices.*
- *An advisor who can stay on the cutting edge of advancements, trends, and new methodologies in health care delivery systems and payment reforms.*

In the chart below, we have listed examples of our key personnel that will be assigned to this project, as well as their qualifications. In addition, we have numerous similarly qualified auditors and clinical staff who are available to assist the Department with claims auditing and related services.

| <b>Myers and Stauffer: Proposed Key Personnel</b>    |                            |  |
|--|----------------------------|--|
| <b>Team Member</b>                                   | <b>Years of Experience</b> | <b>Qualifications</b>  |
| <b>Keith Sorensen, CPA, CFE</b><br><br><i>Member</i> | 20                         | <ul style="list-style-type: none"> <li>● Manages our Raleigh, North Carolina office.</li> <li>● Provides health care auditing and consulting services for local, state, and federal agencies.</li> <li>● Assists in management oversight for audits of long-term care facilities and technical assistance related to provider audit protocols, provider appeals, and mediation hearings.</li> <li>● Performs and manages medical and pharmacy claims audits; fraud, waste, and abuse program performance audits; compliance audits; and consulting engagements related to Medicare Advantage Organizations and Prescription Drug Plans, as well as assistance with the overall management of the firm’s contract with CMS.</li> <li>● Participated in training federal law enforcement on risks within the Medicare Parts C and D payment methodologies. In addition, he has managed and performed TPA audits of health and drug benefits administered for several state and local government agencies.</li> </ul> |



**Myers and Stauffer: Proposed Key Personnel**

| Team Member   | Years of Experience | Qualifications   |
|---|---------------------|--|
|   |                     | <ul style="list-style-type: none"> <li>Manages the Medicare cost report audits of several providers who participated in the Municipal Health Services Program, a Medicare Demonstration project.</li> </ul>  |
| <p><b>Charles Smith, CPA</b><br/><i>Member</i></p>              | <p>24</p>           | <ul style="list-style-type: none"> <li>Oversees engagements involving fraud, waste, and abuse detection; identification of improper payments; provider and TPA compliance; PERM and eligibility determination evaluations; electronic health record incentive payment analyses and audits; litigation support; DSH payment audits; and institutional provider cost report audits.</li> <li>Provides high-level strategic input to state and federal agency clients.</li> <li>General management and oversight of various engagements to include staffing, client relations, and quality assurance.</li> <li>Experience applying AICPA auditing, attestation, and consulting standards, as well as Government Auditing Standards.</li> <li>Provides expert testimony and litigation support services on behalf of state programs during administrative appeal processes, and has consulted with state agencies to improve their operational effectiveness.</li> </ul> |
| <p><b>Elizabeth Cutler, CPA</b><br/><i>Senior Manager</i></p>   | <p>14</p>           | <ul style="list-style-type: none"> <li>Conducts, reviews, and manages eligibility reviews, DSH audits, cost report audits, and appeals consulting for nursing facilities, intermediate care facilities, and hospitals.</li> <li>Conducts audits of health plans. This includes compliance and financial audits of managed care plans for CMS and medical claims audits for the state of Maryland employee benefit plans, compliance and financial audits of managed care plans for CMS, and related-party and administrative expense audits of MCOs for the Commonwealth of Virginia.</li> <li>Has been responsible for the rate setting for federally-qualified health centers (FQHCs).</li> </ul>  |
| <p><b>Joseph Schauer, MS, RPh</b><br/><i>Senior Manager</i></p> | <p>33</p>           | <ul style="list-style-type: none"> <li>Involved in the pharmacy and PBM fields since 1986, working in several different roles, including management, consultative, and operational.</li> <li>Develops and directs pharmacy compliance reviews of Medicare Part D prescription benefit programs for CMS Central Office and Medicare Parts C &amp; D Oversight Group, state Medicaid regional audits, and other state and local agencies.</li> </ul>   |



**Myers and Stauffer: Proposed Key Personnel**

| Team Member | Years of Experience | Qualifications   |
|-------------|---------------------|--|
|             |                     | <ul style="list-style-type: none"> <li>• Cross-functional experience in retail, mail-order, and specialty pharmacy operations, and third-party and prescription benefit administration.</li> <li>• Develops, delivers, and manages audits and recovery solutions for managed care payer and provider clients.</li> </ul> |

**Audit Process**

Myers and Stauffer’s approach consists of three distinct elements: 1) operational audit; 2) data-driven claims review; and 3) sample review of claims. Our process is inherently objective due to the fact that we are a CPA firm and are required by the Board of Accountancy to remain independent (both in fact and in appearance) and objective. Details of these elements follow:

- **Operational Audit.** *We will develop a questionnaire through review of the Plan/TPA contract and conversations with the specific task order customers to zero in on areas of particular importance or concern. We will request policies and procedures surrounding enrollment, claims processing; appeals; employee training; fraud, waste, and abuse; internal audit; data security; HIPAA; and other areas of particular importance or concern as identified through the questionnaire development. Lastly, we will ensure Plan compliance with performance guarantees through detailed supporting documentation.*
- **Data-driven Claims Review.** *We will hold a meeting with the Plan to understand their claims data and the available fields maintained in their claims systems and reports. We will utilize that understanding to develop the claims data request, including the needed elements to perform our testing. The claims data received will be loaded into an IDEA or structured query language (SQL) database, depending on the size of the files. Our data analyst will customize existing queries so they are tailored to each specific customer, the Plan’s unique claims system, and the Plan benefit design to achieve a series of objectives. The chart that follows shows the objectives that will be achieved through this review. The results and potential errors will be submitted to the Plan for review and response. Depending upon the Plan’s response, additional procedures may be determined necessary to validate their response, such as a request for an impact analysis and/or an expanded sample review.*
- **Sample Review of Claims.** *We will select samples as described in the Sample Sizes section below. For each sample, we will request and review supporting documentation such as support within the Plan’s claims system, the billing form, the Explanation of Benefits, applicable provider contract, and documentation supporting prior authorization (where applicable). These samples will be reviewed to achieve the objectives outlined in the chart below.*



| Objective  | Operational Audit | 100% Data-driven Claims Review | Sample Review of Claims |
|--|-------------------|--------------------------------|-------------------------|
| Adequate Claims Processing Procedures                | ●                 |                                |                         |
| Adequate Fraud, Waste, and Abuse Procedures          | ●                 |                                |                         |
| Adequate HIPAA/HITECH Compliance Procedures          | ●                 |                                |                         |
| Adequate Records and Data Security Procedures        | ●                 |                                |                         |
| Adequate Training and Employee Evaluation Procedures | ●                 |                                |                         |
| Adequate Internal Audit Activities                   | ●                 |                                |                         |
| Adequate Mailroom Procedures                         | ●                 |                                |                         |
| Timely Correspondence (Appeals)                      | ●                 |                                |                         |
| Meeting of Performance Guarantees                    | ●                 |                                |                         |
| Accumulation of Benefits                             |                   | ●                              |                         |
| Member (or dependent) Eligibility                    |                   | ●                              |                         |
| Accurate Coding                                      |                   | ●                              |                         |
| 100% Coverage of Preventative Care                   |                   | ●                              |                         |
| Claims Payments Greater than Billed Charges          |                   | ●                              |                         |
| Identification of Duplicate Bills                    |                   | ●                              |                         |
| Large Payments Made Directly to Employees            |                   | ●                              |                         |
| Multiple Surgery Payment Limitation                  |                   | ●                              |                         |
| Payment for Non-Covered Services                     |                   | ●                              |                         |
| Payment for Services When Ineligible                 |                   | ●                              |                         |
| Prenatal Lab and Diagnostic Procedure Limits         |                   | ●                              |                         |
| Processing Timeliness                                |                   | ●                              |                         |
| Proper Coordination of Benefits                      |                   | ●                              |                         |
| Evidence of Prior Authorization (Medical Necessity)  |                   |                                | ●                       |
| Out-of-Network Payment                               |                   |                                | ●                       |
| Payment in Accordance with Pricing Terms             |                   |                                | ●                       |
| Supported by Documentation                           |                   |                                | ●                       |

Myers and Stauffer will issue reports in accordance with the professional standards agreed upon with each specific task order customer. In our experience, examination reports performed under AICPA’s attestation standards typically are best suited for claims audit engagements where an opinion is desired. Auditing standards are generally geared towards a financial statement audit and trigger many requirements that are not applicable to claims audit engagements.

Our report will include our Independent Accountant’s Report (if performed as an attestation engagement under AICPA’s attestation standards), an executive summary, and a separate appendix for each general audit area. The audit areas will be separated into the following categories:



- **Operational Procedures.** *This area will encompass the operational audit, as described above. This will not include performance guarantees, which will be presented in their own separate section.*
- **Performance Guarantees.** *This area will encompass the performance guarantee portion of the operational audit, as described above.*
- **Claims Processing.** *This area will encompass both the data-driven claims review and the sample review of claims, which are each described above.*

Within each appendix, we will state the objective, summarize the procedures performed, identify any scope limitations (situations that may have prevented us from completely meeting the stated objective), informational charts (such as comparing actual performance against the performance guarantee), and identified findings.

Findings will be made when relevant criteria had not been met, and findings will include the following elements:

- **Condition.** *The condition is what was identified as a result of our procedures.*
- **Criteria.** *The criteria is the expectation (typically a contractual requirement), but may also be a law, regulation, policy, stated process, or industry best practice.*
- **Cause.** *The cause is the reason why the condition does not meet the criteria.*
- **Effect.** *The effect describes the impact of the condition.*
- **Recommendation.** *We will make a recommendation for the Board or the Plan geared toward alleviating the condition.*

As a result of our procedures, possible findings will include, but not be limited to:

- *Lack of policies and procedures regarding core functions.*
- *Policies and procedures inconsistent with contractual obligations and/or state regulations.*
- *Untimely appeal notifications.*
- *Unreported HIPAA security incidents and/or breaches.*
- *Not meeting performance guarantees.*
- *Payment for non-covered services.*
- *Payment for services to ineligible participant.*
- *Incorrect coordination of benefits.*
- *Incorrect payment with respect to the applicable provider contract.*
- *Incorrect payment, including incorrect application of co-pays and deductibles.*

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### Sample Sizes

For several testing areas, our procedures will involve 100 percent claims review utilizing algorithms to identify anomalies from the benefit design or from contractual requirements. Example areas where 100 percent review is utilized are eligibility testing, claims pricing (depending on the contractual arrangement), and duplicate claims analysis. For manual testing areas where 100 percent claims testing is not possible or practical, we will work with each task order customer to identify the sample size that meets the objectives of the engagement. In cases where extrapolation of errors is desired, a statistically-valid, random sample would be required, and the sample size would be dependent upon the data characteristics, probe sampling, and desired precision and confidence levels. For statistically-valid random sampling, we generally recommend a 90 to 95 percent confidence level and five to 10 percent confidence interval to ensure a proper basis for extrapolation. In cases where the objective of the engagement is to test specific processes or to address a specific risk, focused samples may be more practical and cost effective. For areas of focused sampling, we will work with each task order customer to identify the sample size that meets the objectives of the engagement or specific testing.

### Summary

Claims auditing may take many forms and approaches depending on the objectives of those charged with oversight of government benefit programs and depending on the contractual structure of the program. Our significant experience in both medical and pharmacy claims auditing at the local, state, and federal levels provides us with an unmatched level of experience and understanding regarding the intricacies and financial risks of various types of benefit programs. Our dedicated team of claims auditing subject matter experts is ready to assist the task order customers in identifying risks within their programs, identifying the proper procedures to address the risks, quantifying errors, and identifying corrective actions to mitigate future risks. Our team of professionals has a thorough understanding of the claims audit process and works diligently with TPAs and MCOs to ensure transparency throughout the process to reduce the likelihood of surprises and/ or disagreements. Lastly, our previous experience provides us with an in-depth understanding of the operations of some of the largest TPAs, MCOs, and PBMs in the country, which generally reduces engagement time due to already having a foundational understanding of the data and operations of the entities involved. Myers and Stauffer's experience and approach will assist task order customers in achieving their benefit program monitoring and oversight goals in an effective and efficient manner.