

Rick Scott, Governor

Erin Rock, Secretary

**ATTACHMENT A
STATEMENT OF WORK
FOR
INDEPENDENT BENEFITS CONSULTING
DMS 17/18-003
THE STATE OF FLORIDA
DEPARTMENT OF MANAGEMENT SERVICES**

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SECTION 1. SCOPE OF WORK

During the 2017 Legislative Session, the statutes governing the Department of Management Services (Department) and the State Group Insurance Program (Program) were amended under Senate Bill 7022 to expand benefit options and modernize coverage levels for Program participants, including:

- The Department must competitively procure an independent benefits consultant to assist the agency in developing a plan for implementation of the new benefit levels in the Program. This plan must be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2019.
- For plan year 2020 and thereafter, the Department must offer four health insurance coverage levels of at least a certain actuarial value under the Program as follows: Platinum – 90 percent, Gold – 80 percent, Silver – 70 percent, and Bronze – 60 percent (“Metal Tier Plan”). If the state’s contribution is more than the premium cost of the health plan selected by the employee, the bill specifies that the employee will be permitted to allocate unused state health insurance contributions to other benefits or as salary. With guidance from an independent benefits consultant, the Department must recommend contribution policies and employee education strategies regarding the coverage levels and other benefit alternatives.
- In 2018, the Department is authorized to procure new types of health care products and services, including prepaid limited health service organizations, discount medical plan organizations, prepaid health clinics, bundled service arrangements for certain health services, health services or treatments offered through a bidding process, and entities that provide other innovative and cost-effective health service delivery methods.
- In 2018, the Department must contract with an entity to provide enrollees with an online cost comparison for health care services and providers and at least one entity that provides comprehensive pricing and inclusive services for surgery and other medical procedures. Enrollees may access these services and share in any savings to the plan.

To assist the Department in implementing Senate Bill 7022, section 110.1234, Florida Statutes, was created directing the Department to competitively procure for an independent benefits consultant that meets certain requirements, including that the consultant may not be owned or controlled by a health maintenance organization; have an ownership interest in a health maintenance organization or insurer; or have a direct or indirect financial interest in a health maintenance organization or insurer.

The Contract will be a one (1) year contract with an option to renew successively for up to three (3) years. All work completed under the Contract will be considered the intellectual property of the Department.

The independent benefits consultant will be required to complete the following for the Program as directed by Senate Bill 7022:

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1. Provide an ongoing assessment of trends in benefits and employer-sponsored insurance that affect the state group insurance program.
2. Conduct a comprehensive analysis of the Program, including available benefits, coverage options, and claims experience.
3. Identify and establish appropriate adjustment procedures necessary to respond to any risk segmentation that may occur when increased choices are offered to employees.
4. Assist the Department with the submission of any necessary plan revisions for federal review.
5. Assist the Department in ensuring compliance with applicable federal and state regulations.
6. Assist the Department in monitoring the adequacy of funding and reserves for the state self-insured plan.
7. Assist the Department in preparing recommendations for any modifications to the Program which shall be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives by January 1 of each year.
8. For implementation of health insurance coverage levels of at least a certain actuarial value under the Program as follows: Platinum – 90 percent, Gold – 80 percent, Silver – 70 percent, and Bronze – 60 percent, prepare a report and plan for implementation that includes recommendations for:
 - a. employer and employee contribution policies;
 - b. steps necessary for maintaining or improving total employee compensation levels when the transition is initiated for open enrollment in 2019; and,
 - c. an education strategy to inform employees of the additional choices available in the Program.

SECTION 2. CONTRACTOR DELIVERABLES

The scope and deliverables for each of the requirements under Senate Bill 7022 will be determined and agreed upon by the Department and the Contractor. Before work commences, the Contractor must establish project management plans as set forth below which must include deliverables meeting new statutory requirements, and specify acceptable deliverable criteria, with costs, payment schedule, and start/completion dates for each deliverable, subject to review and approval by the Department.

The Contractor should be readily available to consult or advise the Department by phone, email, or Skype. In person travel will only be required if presentations are requested by the Legislature or principals of the Legislature. Travel expenses are not reimbursable unless specifically

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authorized by the Department in writing, and may be reimbursed only in accordance with section 112.061, F.S.

For purposes of this solicitation, the Contractor will be required to complete the following for the Program as directed by Senate Bill 7022:

1. Provide two independent Project Management Plans ("Plan" or "Plans") to the Department. The first Plan will address the Contractor's consultation on all the deliverables defined in the Statement of Work and will be submitted to the Department by December 1, 2017. The first Plan will also include consultation on the Department's requirement to contract with a Transparency entity and Comprehensive Surgical Procedure entity, as described in Senate Bill 7022 and set forth in section 110.12303, F.S. The second Plan will be a formal project plan for the legislative recommendation of a Metal Tiered Plan and will be submitted to the Department by April 30, 2018.

Each Plan will include a project scope, a project cost, and project schedules. Each Plan will also include further information on goals and objectives, scope, deliverables, constraints, schedule, budget, risk assessment, work break down structure, quality management approach, tools and techniques to be used, resource estimates, change control procedures, roles and responsibilities, and a work plan based on Contractor's consultation with DSGI. Each schedule of each Plan shall be submitted in Microsoft Project Version 16.

2. Provide an initial assessment of trends in benefits and employer-sponsored insurance that affect the state group insurance program by December 1, 2017. Assessment must include market analyses, contract and statutory interpretation, and technical guidance. Technical guidance may include performance metrics and standards for services provided by contract entities the Department must contract with in 2018 as noted in this Statement of Work.
3. Conduct a comprehensive analysis of the state group insurance program, including available benefits, coverage options, and claims experience. Analysis must include a financial and plan design benchmarking analysis and model employee contribution design and enrollment scenarios by June 1, 2018.
4. Identify and establish appropriate adjustment procedures necessary to respond to any risk segmentation that may occur when increased choices are offered to employees. The Program expects to understand the actuarial significance of changes to benefit levels, contributions, and actuarial funding methods, assumptions and techniques by June 1, 2018.
5. Assist the Department with the submission of any necessary plan revisions for federal review by June 1, 2018.
6. Assist the Department in ensuring compliance with applicable federal and state regulations. Assistance includes expertise in new and existing regulatory compliance issues and reporting related to employee, retiree and dependent benefits to include

Healthcare Reform, Employer Health Coverage Reporting of the IRS Section 6055/6056, ACA, HIPAA, COBRA, and IRS Code Section 125 as it relates to pre-tax benefits.

7. Assist the Department in monitoring the adequacy of funding and reserves for the state self-insured plan. Assistance must include forecasting and modeling, including financial impacts from the Affordable Care Act or its replacement, and budget analysis in collaboration with the Program by June 1, 2018.
8. Assist the Department in preparing recommendations for any modifications to the Program which shall be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives. In preparing recommendations, the consultant will determine financial and enrollment impacts of modifications, provide input on revenue and expense projections of the self-insured State Employees Health Insurance Trust Fund, propose legislative changes if needed, and make presentations to the Legislature or its principals upon request. The Contractor will work with the Program to develop a detailed project implementation and transition plan for any modifications to the Program.
9. For implementation of health insurance coverage levels of at least a certain actuarial value under the Program as follows: Platinum – 90 percent, Gold – 80 percent, Silver – 70 percent, and Bronze – 60 percent, prepare a report and plan for implementation by June 1, 2018, that includes recommendations for:
 - a. employer and employee contribution policies;
 - b. steps necessary for maintaining or improving total employee compensation levels when the transition is initiated for open enrollment in 2019; and,
 - c. an education strategy to inform employees of the additional choices available in the Program. The strategy should include at a minimum various educational approaches including online learning or web-based training.

The Contractor shall satisfy all of the above criteria no later than the expiration date of the Contract, as extended or renewed or, where applicable.

SECTION 3. PERFORMANCE MEASURES

- The Contractor guarantees that guidance provided will comply with federal and state laws, rules and regulations, and will mitigate the Program's operational, financial and legal risks associated with changes in benefits.
- The Contractor guarantees that confidential information will be maintained in a safe and secure manner. The Contractor must be able to receive and transmit Data in a secure electronic format and on a schedule mutually agreed upon by the contractor and the Department.
- The Contractor guarantees that accurate reports, assessments, and analyses, as specified in this Contract, will be delivered to the Department no later than their due dates, inclusive of the date of receipt, and supply the reports, assessments, or analyses in a format as determined by the Department. The Department shall withhold payments due

to the Contractor for each calendar day the reports, assessments, or analyses are overdue.

- The Contractor will provide a Project Management Plan to the Department as detailed in Section 2. Deliverables. This Plan will be delivered to the Department by the stated deliverable dates. The Department shall withhold payments due to the Contractor for each calendar day that the Project Management Plan is overdue and for each day a milestone identified in the Plan(s) is not met and/or a deliverable is not submitted, unless agreed in writing between the Department and the Contractor.
- Using Microsoft Project 16, the Contractor guarantees that deliverables will be met as required in the mutually agreed upon schedule set for each requirement.

SECTION 4. FINANCIAL CONSEQUENCES FOR NONPERFORMANCE

Failure to maintain confidential information in a safe and secure manner will result in liquidated damages assessed pursuant to Contract Section 11.4 Record Retention.

- Failure to receive and transmit Data in a secure electronic format pursuant to terms agreed upon by the Department and on a schedule mutually agreed upon by the Contractor and the Department will result in liquidated damages assessed pursuant to Contract Section 11.4 Record Retention.
- For each breach of Data, the Department liquidated damages will be applied pursuant to Contract Section 11.4 Record Retention.
- Failure to deliver to the Department reports, assessments and analyses as specified in the Contract in a format as determined by the Department no later than their due dates, inclusive of the date of receipt, will result in liquidated damages in the amount of \$500 for each calendar day the reports, assessments, or analyses are overdue.
- Failure to provide a Project Management Plan to the Department by the deliverable date will result in liquidated damages in the amount of \$500 for each calendar day that the Project Management Plan is overdue.
- Failure to meet a milestone and/or timely submit a deliverable will result in liquidated damages in the amount of \$500 for each calendar day that the milestone is not met and/or the deliverable is not submitted, unless agreed in writing between the Department and the Contractor.

In addition to the specific consequences explained in this Statement of Work, the State reserves the right to withhold payment or implement other appropriate remedies, such as contract termination or non-renewal, when the Contractor has failed to perform and comply with provisions of this Contract. These consequences for non-performance shall not be considered penalties.

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If a deliverable does not meet the mutually defined acceptance criteria or the minimum requirements for fulfilling the legislation, then either remedial action will be taken or liquidated damages of up to \$50,000 will apply.

SECTION 5. TRANSITION PLAN

The State may require the Contractor to provide uninterrupted Project Services after Agreement termination/expiration as the State deems reasonable and necessary and/or as necessary for the State to comply with all legal requirements for establishing a new contract to continue the provision of Project Services (“Transition Services”) during a transition period.

Transition Services shall be governed as follows:

Transition Period. The transition period shall be determined by the State, and Contractor will be notified of the period in writing. The State shall consult with the Contractor prior to making such determination. The State reserves the right to subsequently amend the transition period upon thirty (30) days advance written notice to the Contractor.

Transition Plan. The Contractor must, one hundred twenty (120) days prior to the end of this Agreement, or if this Agreement is terminated prior to the end of its term, within forty five (45) days of notification of termination, provide the Department with a detailed written plan for transition which outlines, at a minimum, the tasks, milestones and deliverables associated with Project transition.

Within fifteen (15) Business Days from receipt of the Contractor’s proposed Transition Plan, the Department shall either approve the Transition Plan or notify the Contractor, in writing, of the changes required to the Transition Plan so as to make it acceptable to the Department.

Within fifteen (15) Business Days from the Contractor’s receipt of the required changes, the Contractor shall incorporate said changes into the Transition Plan and submit such revised Transition Plan to the Department.

The Contractor shall be responsible for transitioning the project services in accordance with the approved Transition Plan.

The Contractor is required to provide Contractor-related obligations and deliverables to the Department through the final financial settlement of this Contract, including but not limited to:

Provide all Contractor-provided project services received on or before the scheduled termination date of the Contract;

Complete all reports, assessments, and analyses required by the Contract;

Agree to fully cooperate with the Department on all requirements of the Contract.