

REQUEST FOR PROPOSALS FOR

RETIREE DENTAL BENEFITS

FOR THE

HEALTH OPTIONS PROGRAM (HOP)

EFFECTIVE JANUARY 1, 2021

ISSUING OFFICE

COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

PSERS RFP 2020-3

DATE OF ISSUANCE

March 20, 2020

**REQUEST FOR PROPOSALS FOR
RETIREE DENTAL BENEFITS
FOR THE
HEALTH OPTIONS PROGRAM (HOP)**

TABLE OF CONTENTS

CALENDAR OF EVENTS	iv
Part I—GENERAL INFORMATION	1
Part II—CRITERIA FOR SELECTION	11
Part III—TECHNICAL SUBMITTAL	15
Part IV – COST SUBMITTAL	37
Part V– SMALL DIVERSE BUSINESS AND SMALL BUSINESS PARTICIPATION SUBMITTAL	39
Part VI – CONTRACT TERMS AND CONDITIONS	44

APPENDICES

APPENDIX A, PROPOSED CONTRACT INCLUDING STANDARD TERMS AND CONDITIONS

APPENDIX B, NON-DISCLOSURE AGREEMENT

APPENDIX C, PROPOSAL COVER SHEET

APPENDIX D, COST SUBMITTAL

APPENDIX E, DOMESTIC WORKFORCE UTILIZATION CERTIFICATION

APPENDIX F, IRAN FREE PROCUREMENT CERTIFICATION

APPENDIX G, TRADE SECRET CONFIDENTIAL PROPRIETARY INFORMATION NOTICE FORM

APPENDIX H, SMALL DIVERSE BUSINESS AND SMALL BUSINESS PARTICIPATION SUBMITTAL FORM AND LETTERS OF INTENT

APPENDIX I, MODEL FORM OF SMALL DIVERSE BUSINESS AND SMALL BUSINESS SUBCONTRACT AGREEMENT

CALENDAR OF EVENTS

The Commonwealth will make every effort to adhere to the following schedule:

Activity	Responsibility	Date
Deadline to submit NDA via email to cgusler@pa.gov	Potential Offerors	March 30, 2020, Close of Business
Deadline to submit questions via email to cgusler@pa.gov .	Potential Offerors	March 31, 2020, Close of Business
Answers to Potential Offeror questions posted to eMarketplace at http://www.emarketplace.state.pa.us/Search.aspx no later than this date.	Issuing Office	April 7, 2020
Please monitor website for all communications regarding the RFP.	Potential Offerors	
The sealed proposal must be received by the Issuing Office at Public School Employees' Retirement System ATTN: Cathy Gusler 5 North 5 th Street Harrisburg, PA 17101	Offerors	April 15, 2020, Close of Business

PART I

GENERAL INFORMATION

- I-1. Purpose.** This request for proposals (RFP) provides to those interested in submitting proposals for the subject procurement (“Offerors”) sufficient information to enable them to prepare and submit proposals for the Public School Employees’ Retirement System’s (PSERS) consideration on behalf of the Commonwealth of Pennsylvania (“Commonwealth”) to satisfy a need **for RETIREE DENTAL BENEFITS FOR THE HEALTH OPTIONS PROGRAM (HOP)** (“Services”). This RFP contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the service to be provided; requirements which Offerors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.
- I-2. Issuing Office.** The Public School Employees’ Retirement System (PSERS) (“Issuing Office”) has issued this RFP on behalf of the Commonwealth. The sole point of contact in the Commonwealth for this RFP shall be Cathy Gusler, Public School Employees’ Retirement System, 5 North 5th Street, Harrisburg, PA 171010, cgusler@pa.gov, the Issuing Officer for this RFP. Please refer all inquiries to the Issuing Officer.
- I-3. Overview of Project.** PSERS is looking for a qualified insurance carrier to provide a retiree dental program to the PSERS Health Options Program for Medicare-eligible members who elect coverage in the HOP Medical Plan or the Value Medical Plan (and other similar plans as they may be implemented). The program consists of a fully insured, voluntary dental plan wherein the retiree pays 100% of the premiums. The dental program has been in existence since January 1, 2016 and currently covers 16,769 retirees and 2,130 dependents as of December 31, 2019. Approximately 7,000 – 9,000 members and their dependents are newly eligible to enroll each year. Members may enroll in dental coverage only when they are first eligible for HOP, or if they have a subsequent qualifying event, and must also enroll in either the HOP Medical Plan or the Value Medical Plan. We also note, however, the Board MAY permit an “Open Enrollment” when any existing PSERS members not currently in the dental plan could elect dental coverage, as long as they also enroll in the HOP Medical Plan or Value Medical Plan. The Dental Plan will *not* be available for retirees and dependents who are enrolled in the HOP Pre-65 Medical Plan, any of the participating Medicare Advantage/Prescription Drug Plan options or the Pre-65 Managed Care options offered by the participating Managed Care Organizations. The contract with the current vendor, MetLife, began January 1, 2016 and ends December 31, 2020. PSERS’ intention is to contract with an Offeror that responds to this solicitation with that Offeror beginning administration of the program on January 1, 2021. MetLife will be responsible for claims incurred prior to January 1, 2021. The resulting contract with the awarded Offeror shall have an initial term of two (2) years. PSERS will have the option to renew the contract after the initial term. In no event will the total term of the contract, including the initial term, any renewal terms, and any extensions exceed five (5) years.

The table below provides the number of covered lives and claims for the most recent two (2) years.

Year	Average Covered Retirees	Total Average Covered Lives	Benefits Paid \$
2018	12,861	14,512	\$4,982,931
2019	15,602	17,628	\$6,183,756

See *Attachment A - Medical Enrollment as of January 2020* for the current census of retirees eligible for the Dental Plan. *Attachment A - Medical Enrollment as of January 2020* will be provided once the Offeror has submitted the signed NDA (Appendix B).

See *Attachment E - Dental Exp Data 2018-2020 (updated 3.17.2020)* for monthly paid claims and enrollment.

I-4.Objectives.

A. General. This Request for Proposal provides interested contractors with sufficient information to enable them to prepare and submit proposals for consideration by PSERS to satisfy a need for retiree voluntary dental preferred provider organization model (DPPO) plan with maximum allowable charges out-of-network (MAC out) (“Dental Plan”) for certain members of the HOP Medical Plan and the Value Medical Plan.

B. Specific. PSERS seeks comprehensive, competitive and cost-effective proposals for the following:.

1. Fully Insured Dental PPO Plan
2. Administration Services for Dental PPO Plan

for a retiree voluntary Dental Preferred Provider Organization model (PPO) plan for eligible PSERS participants participating in the HOP Medical Plan or the Value Medical Plan with plan/services to be effective January 1, 2021.

PSERS will implement one of the above options.

I-5. Type of Contract. It is proposed that if the Issuing Office enters into a contract as a result of this RFP, it will be a fixed price and/or unit price contract containing the Contract Terms and Conditions as shown in **Part VI**. The Issuing Office, in its sole discretion, may undertake negotiations with Offerors whose proposals, in the judgment of the Issuing Office, show them to be qualified, responsible and capable of performing the Services.

I-6. Rejection of Proposals. The Issuing Office reserves the right, in its sole and complete discretion, to reject any proposal received as a result of this RFP.

I-7. Incurring Costs. The Issuing Office is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

I-8. Questions & Answers. If an Offeror has any questions regarding this RFP, the Offeror must submit the questions by email (**with the subject line “PSERS RFP 2020-3 Question”**) to the Issuing Officer named in **Part I, Section I-2** of the RFP. If the Offeror has questions, they may be submitted as they arise via email, but **no later than** the date indicated on the Calendar of Events. The Issuing Officer shall post the answers to the questions to eMarketplace at <http://www.emarketplace.state.pa.us/Search.aspx> on an ongoing basis until the deadline stated on the Calendar of Events. When an Offeror submits a question after the deadline date for receipt of questions indicated on the Calendar of Events, the Issuing Officer *may* respond to questions of an administrative nature by directing the questioning Offeror to specific provisions in the RFP. To the extent that the Issuing Office decides to respond to a non-administrative question *after* the deadline date, the question and answer will be provided to all Offerors through an addendum.

All questions and responses as posted to eMarketplace are considered as an addendum to, and part of, this RFP in accordance with RFP **Part I, Section I-9**. Each Offeror shall be responsible to monitor eMarketplace for new or revised RFP information. The Issuing Office shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by the Issuing Office. The Issuing Office does not consider questions to be a protest of the specifications or of the solicitation. The required protest process for Commonwealth procurements is described in **Part I, Section I-25**.

I-9. Addenda to the RFP. If the Issuing Office deems it necessary to revise any part of this RFP before the proposal response date, the Issuing Office will post an addendum to eMarketplace at <http://www.emarketplace.state.pa.us/Search.aspx>. It is the Offeror’s responsibility to periodically check eMarketplace for any new information or addenda to the RFP. Answers to the questions asked during the Questions & Answers period also will be posted to eMarketplace as addenda to the RFP.

I-10. Response Date. To be considered for selection, proposal submissions as described in **Part I, Section I-11** must arrive at the Issuing Office on or before the time and date specified in the RFP Calendar of Events. The Issuing Office will **not** accept proposals via email or facsimile transmission. Offerors who send proposals by mail or other delivery service should allow sufficient delivery time to ensure timely receipt of their proposals. If, due to inclement weather, natural disaster, or any other cause, the Commonwealth office location to which proposals are to be returned is closed on the proposal response date, the deadline for submission will be automatically extended until the next Commonwealth business day on which the office is open, unless the Issuing Office otherwise notifies Offerors. The hour for submission of proposals shall remain the same. The Issuing Office will reject (unopened) any late proposals.

I-11. Proposal Requirements.

A. Proposal Submission: To be considered, Offerors should submit a complete response to this RFP to the Issuing Office, using the format provided in **Section I-**

11B, providing seven (7) paper copies [one marked “ORIGINAL”] of the Technical Submittal and one (1) paper copy of the Cost Submittal and two (2) paper copies of the Small Diverse Business and Small Business (SDB/SB) Participation Submittal and related Letter(s) of Intent. In addition to the paper copies of the proposal, Offerors shall submit one **complete and exact** copy of the entire proposal (Technical, Cost and SDB/SB submittals, along with all requested documents) on CD-ROM or Flash drive in Microsoft Office or Microsoft Office-compatible format, and any spreadsheets must be in Microsoft Excel. The electronic copy must be a mirror image of the paper copy. The Offerors may not lock or protect any cells or tabs. Offerors should ensure that there is no costing information in the technical submittal. Offerors should not reiterate technical information in the cost submittal. The CD, DVD or Flash drive should clearly identify the Offeror and include the name and version number of the virus scanning software that was used to scan the CD, DVD or Flash drive before it was submitted. The Offeror shall make no other distribution of its proposal to any other Offeror or Commonwealth official or Commonwealth consultant. Each proposal page should be numbered for ease of reference. An official authorized to bind the Offeror to its provisions must sign the proposal. If the official signs the **Proposal Cover Sheet (Appendix C to this RFP)** and the Proposal Cover Sheet is attached to the Offeror’s proposal, the requirement will be met. For this RFP, the proposal must remain valid for **180** days or until a contract is fully executed. If the Issuing Office selects the Offeror’s proposal for award, the contents of the selected Offeror’s proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations.

Each Offeror submitting a proposal specifically waives any right to withdraw or modify it, except that the Offeror may withdraw its proposal by written notice received at the Issuing Office’s address for proposal delivery prior to the exact hour and date specified for proposal receipt. An Offeror or its authorized representative may withdraw its proposal in person prior to the exact hour and date set for proposal receipt, provided the withdrawing person provides appropriate identification. and signs a receipt for the proposal. An Offeror may modify its submitted proposal prior to the exact hour and date set for proposal receipt only by submitting a new clearly identified revised sealed proposal or sealed modification marked as “Revised Proposal” which complies with the RFP requirements.

B. Proposal Format: Offerors must submit their proposals in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all proposal requirements. Offerors should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Proposal. All cost data relating to this proposal and all Small Diverse Business and Small Business cost data should be kept separate from and not included in the Technical Submittal. Offerors should not reiterate technical information in the cost submittal. Each proposal shall consist of the following **three** separately sealed submittals:

1. Technical Submittal, in response to Part III:

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B. Proposal Format: Offerors must submit their proposals in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all proposal requirements. Offerors should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Proposal. All cost data relating to this proposal and all Small Diverse Business and Small Business cost data should be kept separate from and not included in the Technical Submittal. Offerors should not reiterate technical information in the cost submittal. Each proposal shall consist of the following **three** separately sealed submittals:

1. Technical Submittal, in response to Part III:

- a. Complete, sign and include **Appendix E – Domestic Workforce Utilization Certification**; and
 - b. Complete, sign and include **Appendix F, Iran Free Procurement Certification Form**.
2. Cost Submittal, in response to RFP **Part IV**; and
3. Small Diverse Business and Small Business (SDB/SB) Participation Submittal, in response to RFP **Part V**:
 - a. Complete and include **Appendix H - SDB/SB Participation Submittal Form** and **SDB/SB Letter of Intent**. Offeror must provide a Letter of Intent for each SDB and SB listed on the SDB/SB Participation Submittal Form.

The Issuing Office reserves the right to request additional information which, in the Issuing Office's opinion, is necessary to assure that the Offeror's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Issuing Office may make investigations as deemed necessary to determine the ability of the Offeror to perform the Services, and the Offeror shall furnish to the Issuing Office all requested information and data. The Issuing Office reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Offeror fails to satisfy the Issuing Office that such Offeror is properly qualified to carry out the obligations of the RFP and to complete the Services as specified.

- I-12. Economy of Preparation.** Offerors should prepare proposals simply and economically, providing a straightforward, concise description of the Offeror's ability to meet the requirements of the RFP.
- I-13. Alternate Proposals.** The Issuing Office has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. The Issuing Office will not accept alternate proposals.
- I-14. Discussions for Clarification.** Offerors may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification. Clarifications may occur at any stage of the evaluation and selection process prior to contract execution.
- I-15. Prime Contractor Responsibilities.** The selected Offeror must perform at least 50% of the total contract value. Nevertheless, the contract will require the selected Offeror to assume responsibility for all services offered in its proposal whether it produces them

itself or by subcontract. Further, the Issuing Office will consider the selected Offeror to be the sole point of contact with regard to all contractual matters.

I-16. Proposal Contents.

- A. Confidential Information. The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Offerors' submissions in order to evaluate proposals submitted in response to this RFP. Accordingly, except as provided herein, Offerors should not label proposal submissions as confidential or proprietary or trade secret protected. Any Offeror who determines that it must divulge such information as part of its proposal must submit the signed written statement described in subsection c. below and must additionally provide a redacted version of its proposal on CD, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes. The CD should clearly identify the Offeror, note that it is a redacted copy and include the name and version number of the virus scanning software that was used to scan the CD before it was submitted. *If a written statement and redacted version of the proposal is not submitted at the time of the proposal submission, the proposal will be subject to release as submitted with only the financial capability redacted.*
- B. Commonwealth Use. All material submitted with the proposal shall be considered the property of the Commonwealth of Pennsylvania. The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a contract. Notwithstanding any Offeror copyright designations contained in proposals, the Commonwealth shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.
- C. Public Disclosure. After the award of a contract pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Refer to **Appendix G** of the RFP for a **Trade Secret Confidential Proprietary Information Notice Form** that may be utilized as the signed written statement, if applicable. If financial capability information is submitted in response to Part III of this RFP, such financial capability information is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).

I-17. Best and Final Offers (BAFO).

- A. While not required, the Issuing Office reserves the right to conduct discussions with Offerors for the purpose of obtaining "best and final offers." To obtain best and final

offers from Offerors, the Issuing Office may do one or more of the following, in any combination and order:

1. Schedule oral presentations;
2. Request revised proposals;
3. Conduct an online auction; and
4. Enter into pre-selection negotiations.

B. The following Offerors will **not** be invited by the Issuing Office to submit a Best and Final Offer:

1. Those Offerors which the Issuing Office has determined to be not responsible or whose proposals the Issuing Office has determined to be not responsive.
2. Those Offerors which the Issuing Office has determined in accordance with **Part II, Section II-5** from the submitted and gathered financial and other information, do not possess the financial capability, experience or qualifications to assure good faith performance of the contract.
3. Those Offerors whose score for their technical submittal of the proposal is less than 75% of the total amount of technical points allotted to the technical criterion.

The Issuing Office may further limit participation in the best and final offers process to those remaining responsible offerors which the Issuing Office has, within its discretion, determined to be within the top competitive range of responsive proposals.

C. The Evaluation Criteria found in **Part II, Section II-4**, shall also be used to evaluate the Best and Final offers.

D. Price reductions offered through any online auction shall have no effect upon the Offeror's Technical Submittal.

E. Any reduction to commitments to Small Diverse Businesses and Small Businesses must be proportional to the reduction in the total price offered through any BAFO process or contract negotiations unless approved by Bureau of Diversity, Inclusion and Small Business Opportunities ("BDISBO").

I-18. News Releases. Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to these Services without prior written approval of the Issuing Office, and then only in coordination with the Issuing Office.

I-19. Restriction of Contact. From the issue date of this RFP until the Issuing Office selects a proposal for award, the Issuing Officer is the sole point of contact concerning this RFP. Any violation of this condition may be cause for the Issuing Office to reject the offending

Offeror's proposal. If the Issuing Office later discovers that the Offeror has engaged in any violations of this condition, the Issuing Office may reject the offending Offeror's proposal or rescind its contract award. Offerors must agree not to distribute any part of their proposals beyond the Issuing Office. An Offeror who shares information contained in its proposal with other Commonwealth personnel and/or competing Offeror personnel may be disqualified.

I-20. Issuing Office Participation. Offerors shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this **Part I, Section I-20**

I-21. Term of Contract. The term of the contract will commence on the Effective Date and will end December 31, 2022 (the "Initial Agreement Period"). At the end of the Initial Agreement Period, PSERS shall have the right, in its sole discretion, to renew the Agreement beyond the Initial Agreement Period for an additional twelve months to December 31, 2023 (the "Second Agreement Period"). In the event that this Agreement is renewed for the Second Agreement Period, PSERS shall have the right, in its sole discretion, to renew the Agreement for an additional twelve months to December 31, 2024 (the "Third Agreement Period"). In the event that this Agreement is renewed for the Third Agreement Period, PSERS shall have the right, in its sole discretion, to renew the Agreement for an additional twelve months to December 31, 2025 (the "Fourth Agreement Period"). The Issuing Office will fix the Effective Date after the contract has been fully executed by the selected Offeror and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The selected Offeror shall not start the performance of any work prior to the Effective Date of the contract and the Commonwealth shall not be liable to pay the selected Offeror for any service or work performed or expenses incurred before the Effective Date of the contract.

I-22. Offeror's Representations and Authorizations. By submitting its proposal, each Offeror understands, represents, and acknowledges that:

- A.** All of the Offeror's information and representations in the proposal are material and important, and the Issuing Office may rely upon the contents of the proposal in awarding the contract(s). The Commonwealth shall treat any misstatement, omission or misrepresentation as fraudulent concealment of the true facts relating to the Proposal submission, punishable pursuant to 18 Pa. C.S. § 4904.
- B.** The Offeror has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Offeror or potential offeror.
- C.** The Offeror has not disclosed the price(s), the amount of the proposal, nor the approximate price(s) or amount(s) of its proposal to any other firm or person who is an Offeror or potential offeror for this RFP, and the Offeror shall not disclose any of these items on or before the proposal submission deadline specified in the Calendar of Events of this RFP.

- D.** The Offeror has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- E.** The Offeror makes its proposal 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 proposal.
- F.** To the best knowledge of the person signing the proposal for the Offeror, the Offeror, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last **four** years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Offeror has disclosed in its proposal.
- G.** To the best of the knowledge of the person signing the proposal for the Offeror and except as the Offeror has otherwise disclosed in its proposal, the Offeror has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Offeror that is owed to the Commonwealth.
- H.** The Offeror is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Offeror cannot so certify, then it shall submit along with its proposal a written explanation of why it cannot make such certification.
- I.** The Offeror has not made, under separate contract with the Issuing Office, any recommendations to the Issuing Office concerning the need for the services described in its proposal or the specifications for the services described in the proposal.
- J.** Each Offeror, by submitting its proposal, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Offeror's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.
- K.** Until the selected Offeror receives a fully executed and approved written contract from the Issuing Office, there is no legal and valid contract, in law or in equity, and the Offeror shall not begin to perform.
- L.** The Offeror is not currently engaged, and will not during the duration of the contract engage, in a boycott of a person or an entity based in or doing business with a jurisdiction which the Commonwealth is not prohibited by Congressional statute from engaging in trade or commerce.

I-23. Notification of Selection.

- A. Contract Negotiations.** The Issuing Office will notify all Offerors in writing of the Offeror selected for contract negotiations after the Issuing Office has determined, taking into consideration all of the evaluation factors, the proposal that is the most advantageous to the Issuing Office.
- B. Award.** Offerors whose proposals are not selected will be notified when contract negotiations have been successfully completed and the Issuing Office has received the final negotiated contract signed by the selected Offeror.
- I-24. Debriefing Conferences.** Upon notification of award, Offerors whose proposals were not selected will be given the opportunity to be debriefed. The Issuing Office will schedule the debriefing at a mutually agreeable time. The debriefing will not compare the Offeror with other Offerors, other than the position of the Offeror's proposal in relation to all other Offeror proposals. An Offeror's exercise of the opportunity to be debriefed does not constitute nor toll the time for filing a protest (See **Section I-25** of this RFP).
- I-25. RFP Protest Procedure.** The RFP Protest Procedure is on the DGS website at <http://www.dgs.pa.gov/Documents/Procurement%20Forms/Handbook/Pt1/Pt%20I%20Ch%2058%20Bid%20Protests.pdf>. A protest by a party that has not or has not yet submitted a proposal must be filed no later than the proposal submission deadline specified in the Calendar of Events of the RFP. Offerors may file a protest within **seven** days after the protesting Offeror knew or should have known of the facts giving rise to the protest, but in no event may an Offeror file a protest later than **seven** days after the date the notice of award of the contract is posted on the DGS website. The date of filing is the date of receipt of the protest. A protest must be filed in writing with the Issuing Office. To be timely, the protest must be received by 4:00 p.m. on the seventh day.
- I-26. Use of Electronic Versions of this RFP.** This RFP is being made available by electronic means. If an Offeror electronically accepts the RFP, the Offeror acknowledges and accepts full responsibility to insure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the Offeror's possession and the Issuing Office's version of the RFP, the Issuing Office's version shall govern.

PART II

CRITERIA FOR SELECTION

- II-1. Mandatory Responsiveness Requirements.** To be eligible for selection, a proposal must:
- A.** Be timely received from an Offeror (see **Part I, Section I-10**); and
 - B.** Be properly signed by the Offeror (see **Part I, Section I-11A**).
- II-2. Technical Nonconforming Proposals.** The two (2) Mandatory Responsiveness Requirements set forth in **Section II-1** above (A-B) are the only RFP requirements that the Commonwealth will consider to be *non-waivable*. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in an Offeror's proposal, (2) allow the Offeror to cure the nonconformity, or (3) consider the nonconformity in the scoring of the Offeror's proposal.
- II-3. Evaluation.** The Issuing Office has selected a committee of qualified personnel to review and evaluate timely submitted proposals. Independent of the committee, BDISBO will evaluate the Small Diverse Business and Small Business Participation Submittal and provide the Issuing Office with a rating for this component of each proposal. The Issuing Office will notify in writing of its selection for negotiation the responsible Offeror whose proposal is determined to be the most advantageous to the Commonwealth as determined by the Issuing Office after taking into consideration all of the evaluation factors.
- II-4. Evaluation Criteria.** The following criteria will be used in evaluating each proposal:
- A. Technical:** The Issuing Office has established the weight for the Technical criterion for this RFP as 55% of the total points. Evaluation will be based upon the following: **Company Overview, Prior Experience, Personnel, Network, Financial Capabilities, Work Plan, Requirements and Reports.** The final Technical scores are determined by giving the maximum number of technical points available to the proposal(s) with the highest raw technical score. The remaining proposals are rated by applying the Technical Scoring Formula set forth at the following webpage:

https://www.dgs.pa.gov/MaterialsServicesProcurement/ProcurementResources/Pages/RFP_SCORING_FORMULA.aspx
 - B. Cost:** The Issuing Office has established the weight for the Cost criterion for this RFP as **25%** of the total points. The cost criterion is rated by giving the proposal with the lowest total cost the maximum number of Cost points available. The remaining proposals are rated by applying the Cost Formula set forth at the following webpage:

https://www.dgs.pa.gov/MaterialsServicesProcurement/ProcurementResources/Pages/RFP_SCORING_FORMULA.aspx

C. Small Diverse Business and Small Business Participation: BDISBO has established the minimum evaluation weight for the Small Diverse Business and Small Business Participation criterion for this RFP as 20% of the total points.

1. The Small Diverse and Small Business point allocation is based entirely on the percentage of the contract cost committed to Small Diverse Businesses and Small Businesses. If the Offeror is a Small Diverse Business, 100% of the contract cost is allocated to Small Diverse Business participation. If the Offeror is a Small Business, 100% of the contract cost is allocated to Small Business participation.
2. A total combined SDB/SB commitment less than one percent (1%) of the total contract cost is considered de minimis and will receive no Small Diverse Business or Small Business points.
3. Based on a maximum total of 200 available points for the Small Diverse Business and Small Business Participation Submittal, the scoring mechanism is as follows:

Small Diverse Business and Small Business Raw Score =

$$200 (\text{SDB}\% + (1/3 * \text{SB } \%))$$

4. The Small Diverse Business and Small Business Raw Score is capped at 200.
5. The Offeror with the highest raw score will receive 200 points. Each Offeror's raw score will be pro-rated against the Highest Offeror's raw score by applying the formula set forth on the following webpage:

https://www.dgs.pa.gov/MaterialsServicesProcurement/ProcurementResources/Pages/RFP_SCORING_FORMULA.aspx

6. The Offeror's prior performance in meeting its contractual obligations to Small Diverse Businesses and Small Businesses will be considered by BDISBO during the scoring process. To the extent the Offeror has failed to meet prior contractual commitments, BDISBO may recommend to the Issuing Office that the Offeror be determined non-responsible for the limited purpose of eligibility to receive Small Diverse Business and Small Business points.

D. Domestic Workforce Utilization: Any points received for the Domestic Workforce Utilization criterion are bonus points in addition to the total points for this RFP. The maximum amount of bonus points available for this criterion is 3% of the total points for this RFP.

To the extent permitted by the laws and treaties of the United States, each proposal will be scored for its commitment to use domestic workforce in the fulfillment of the contract.

Maximum consideration will be given to those Offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States or within the geographical boundaries of a country that is a party to the World Trade Organization Government Procurement Agreement. Those who propose to perform a portion of the direct labor outside of the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement will receive a correspondingly smaller score for this criterion. See the following webpage for the Domestic Workforce Utilization Formula:

https://www.dgs.pa.gov/MaterialsServicesProcurement/ProcurementResources/Pages/RFP_SCORING_FORMULA.aspx

- E. Iran Free Procurement Certification and Disclosure.** Prior to entering a contract worth at least \$1,000,000 or more with a Commonwealth entity, an offeror must: a) certify it is not on the current list of persons engaged in investment activities in Iran created by the Pennsylvania Department of General Services (“DGS”) pursuant to Section 3503 of the Procurement Code and is eligible to contract with the Commonwealth under Sections 3501-3506 of the Procurement Code; or b) demonstrate it has received an exception from the certification requirement for that solicitation or contract pursuant to Section 3503(e). All offerors must complete and return the Iran Free Procurement Certification form, (**Appendix F, Iran Free Procurement Certification Form**), which is attached hereto and made part of this RFP. The completed and signed Iran Free Procurement Certification form must be submitted as part of the Technical Submittal.

See the following web page for current Iran Free Procurement list:

<http://www.dgs.pa.gov/Documents/Procurement%20Forms/ProposedIranFreeProcurementList.pdf>

- II-5. Offeror Responsibility.** To be responsible, an Offeror must submit a responsive proposal and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance of the contract.

In order for an Offeror to be considered responsible for this RFP and therefore eligible for selection for best and final offers or selection for contract negotiations:

- A.** The total score for the technical submittal of the Offeror’s proposal must be greater than or equal to 75% of the **available technical points**; and
- B.** The Offeror’s financial information must demonstrate that the Offeror possesses the financial capability to assure good faith performance of the contract. The Issuing Office will review the Offeror’s previous three financial statements, any additional information received from the Offeror, and any other publicly-available financial information concerning the Offeror, and assess each Offeror’s financial capacity based on calculating and analyzing various financial ratios, and comparison with industry standards and trends.

An Offeror who fails to demonstrate sufficient financial capability to assure good faith performance of the contract as specified herein may be considered by the Issuing Office, in its sole discretion, for Best and Final Offers or contract negotiation contingent upon such Offeror providing contract performance security for the first contract year cost proposed by the Offeror in a form acceptable to the Issuing Office. Based on the financial condition of the Offeror, the Issuing Office may require a certified or bank (cashier's) check, letter of credit, or a performance bond conditioned upon the faithful performance of the contract by the Offeror. The required performance security must be issued or executed by a bank or surety company authorized to do business in the Commonwealth. The cost of the required performance security will be the sole responsibility of the Offeror and cannot increase the Offeror's cost proposal or the contract cost to the Commonwealth.

Further, the Issuing Office will award a contract only to an Offeror determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, Contractor Responsibility Program.

II-6. Final Ranking and Award.

- A.** After any best and final offer process conducted, the Issuing Office will combine the evaluation committee's final technical scores, BDISBO's final Small Diverse Business and Small Business Participation Submittal scores, the final cost scores, and (when applicable) the domestic workforce utilization scores, in accordance with the relative weights assigned to these areas as set forth in this Part.
- B.** The Issuing Office will rank responsible offerors according to the total overall score assigned to each, in descending order.
- C.** The Issuing Office must select for contract negotiations the offeror with the highest overall score.
- D.** The Issuing Office has the discretion to reject all proposals or cancel the request for proposals at any time prior to the time a contract is fully executed when it is in the best interests of the Commonwealth. The reasons for the rejection or cancellation shall be made part of the contract file.

PART III

TECHNICAL SUBMITTAL

III-1. Statement of the Project. PSERS is seeking a partner to provide (a) a fully insured voluntary dental benefit, **or** (b) administrative services for a self-funded voluntary dental plan for its Medicare Eligible retirees. All responses **MUST** include quotes for both scenarios (a) **and** (b), as outlined in the Cost Proposal, **Appendix C**.

The voluntary plan will be offered to approximately 20,000 retirees and their dependents currently enrolled, and approximately 7,000 – 9,000 retirees and their dependents who are newly eligible to enroll each year. Members may enroll in dental coverage only when they are first eligible for HOP, or if they have a subsequent qualifying event, and must also enroll in either the HOP Medical Plan or the Value Medical Plan. We also note, however, the Board **MAY** permit an “Open Enrollment” when any existing PSERS members not currently in the dental plan could elect dental coverage, as long as they also enroll in the HOP Medical Plan or Value Medical Plan. The Dental Plan will *not* be available for retirees and dependents who are enrolled in any of the participating Medicare Advantage/Prescription Drug Plan options or the Pre-65 Managed Care options offered by the participating Managed Care Organizations.

In addition to a national network option, Offerors are also encouraged to provide a localized network option for the approximately 90% of eligible retirees that reside in the Commonwealth, if such network would be financially advantageous to those retirees without restricting quality of services.

HOP Dental Plan Summary of Benefits. The following sets forth the benefits:

Major Plan Feature	PSERS Dental Plan (PPO with non-network coverage)
Annual Deductible (waived for preventive services)	Network \$0 Non-Network \$100
Annual Benefit Amount (Per Individual, Excludes Preventive)	\$1,350
Preventive Services (Oral exams, cleanings, full mouth or panoramic x-rays, bitewing x-rays, intraoral, periapical and extraoral x-rays, fluoride treatments (for dependent child(ren) up to age 14))	100% network provider 80% non-network provider
Basic Services (pulp vitality tests, diagnostic casts, bacteriological studies, sealants, space maintainers, palliative care, sedative fillings, fillings, periodontal maintenance, pulp capping, therapeutic pulpotomy, periodontics—non-surgical, simple extractions, surgical extractions/oral surgery)	70% network 50% non-network

Major Services recementations and repairs, rebases/ relines, general anesthesia, consultations, inlays/onlays, crowns, crown build-ups, dentures, bridges, endodontics / root canal, periodontics— surgical, placement of implants)	60% network 50% non-network
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Preventative Services	Limitations
Oral exams	One oral exam every six consecutive months
Cleanings (prophylaxis)	One cleaning every six consecutive months
X-rays	One full-mouth x-ray and panoramic x-ray per 60 consecutive months Bitewing x-rays: one set per calendar year for adults; one set per six consecutive months for children
Topical fluoride treatments	One fluoride treatment in 12 months for dependent children up to age 14

Basic Services	Limitations
Sealants	Limitation of one application of sealant material for each non-restored permanent 1st and 2nd molar tooth of a dependent child to age 19, once every 60 consecutive months
Space maintainers	Space maintainers for dependent children up to age 14
Fillings	One per tooth surface per 24 consecutive months
Periodontics-Non Surgical	Periodontal scaling and root planing once per quadrant, every 12 months Total number of periodontal maintenance treatments and prophylaxis cannot exceed four treatments in a calendar year

Major Services	Limitations
Crown, denture and bridge repair/recementations	Replacement: once every 84 consecutive months
General anesthesia	When dentally necessary in connection with oral surgery, extractions or other covered dental services
Inlays/onlays, crowns	Replacement: once every 84 consecutive months
Bridges and dentures	Initial placement to replace one or more natural teeth, which are lost while

	<p>covered by the Plan</p> <p>Dentures and bridgework replacement: one every 84 consecutive months</p> <p>Replacement of an existing temporary full denture if the temporary denture cannot be repaired and the permanent denture is installed within 12 consecutive months after the temporary denture was installed</p>
Endodontics	Root canal treatment not more than once in any 24 consecutive month period for the same tooth
Periodontics surgery	<p>Periodontal surgery once per quadrant, every 36 months</p> <p>Tissue conditioning, but not more than once in a 36 month period</p>
Implants	Once in 84 consecutive months

The plan will pay for services from non-network providers using the out of network schedule benefits listed above and based on your maximum allowable charges (MAC).

See *Attachment D - Dental Certificate 01-01-19* for more details about the schedule of benefits, limitations and exclusions.

The Offeror should agree to match the benefits above, with the frequency, limitations and exclusions provided by Offeror's firm, clearly identifying any and all deviations from the chart above.

Offeror Response

III-2. Qualifications.

A. Company Overview. Provide responses to the following questions that provide a high-level look at your company.

1. Complete the following background information about your organization:
 - a. Organization's name
 - b. Address of your corporate headquarters
 - c. Address of the location(s) that will service PSERS' account
 - d. Date your firm became operational
 - e. Date your firm became operational for the services requested in this RFP

2. Please describe your corporate structure and ownership of the firm or organization.

Offeror Response

B. Prior Experience. Include experience in **dental plans in general, and voluntary retiree dental plans in particular**. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company.

1. Please complete the following table identifying the number of voluntary dental plans you administer.

Category (All data should be provided for the last two complete calendar years)	Total Number Served by Vendor
Total retiree dental plans	Offeror Response
Total retiree voluntary dental plans	Offeror Response
Total group voluntary dental plans (All active and retirees):	Offeror Response
Percent of dental covered lives in group policies	Offeror Response
Percent of plans that are Government employee dental plans	Offeror Response
Retiree Plan Participants:	
Plan participants (all plans)	Offeror Response
Plan participants (largest plan)	Offeror Response
Government retiree plan participants	Offeror Response
Voluntary Enrollment participants	Offeror Response
Client Retention Rate (% of group dental plans that renewed with your firm at their most recent renewal cycle)	Offeror Response

2. Please provide a list of three client references (two current and one former clients) for which your firm is presently providing or has provided the types of services included in this contract within the last five years. Include the following information:
 - a. Client name
 - b. Number of employees/members
 - c. Client contact including name, title, phone number and email address
 - d. Services provided
 - e. Effective dates of contract

(At least one client reference similar to PSERS in group size and demographics would be preferred).

Offeror Response

3. Provide total annual dental coverage premium earned by your organization during its latest fiscal year.

Offeror Response

C. Personnel. Include in the format in the chart below the number of account executive and account management personnel, claims manager and claims personnel, and customer service manager and customer service personnel, who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the Services. For key personnel, such as the account executive, account manager, claims manager and customer service manager, include the employee's name and, through a resume or similar document, experience in dental plans and retiree-only plans. Indicate the responsibilities each individual will have in the Services and how long each has been with your company.

1. **PSERS Account Management and Member Services.** Complete the following table identifying the number of staff, location and average number of years with your company.

Title	Number of Staff	Location	Average # of years with company
Account Executive / Management	Offeror Response	Offeror Response	Offeror Response
Claims Manager & Staff	Offeror Response	Offeror Response	Offeror Response
Customer Service Manager & Staff	Offeror Response	Offeror Response	Offeror Response

2. **Customer Service.** Provide the standard Eastern Time zone hours of operation of your toll-free number and customer service unit:

Weekday	Toll-Free Number Hours of Operation	Customer Service Hours of Operation
Monday	Offeror Response	Offeror Response
Tuesday	Offeror Response	Offeror Response
Wednesday	Offeror Response	Offeror Response
Thursday	Offeror Response	Offeror Response

Friday	Offeror Response	Offeror Response
Saturday	Offeror Response	Offeror Response
Sunday	Offeror Response	Offeror Response

D. Claims Administration. Provide responses to the following questions that provide a high-level look at your claims administration.

1. Where will claims be processed for this account? What is the annual claim volume for that claim office? What percentage of your total dental claim volume for the entire organization is the claim volume for this office?

Offeror Response

2. Please describe the claim submission process for in-network providers. Will participants be responsible for submitting claims to the Offeror for services rendered from an in-network provider?

Offeror Response

3. Provide your firm's overall claim processing standards, and provide for 2017 and 2018 the actual statistical results for the following categories, for the claim office that would handle this account:

Standard	Claims Processing Standard (%)	2017 Actual (%)	2018 Actual (%)
a) Claim Turnaround Time	Offeror Response	Offeror Response	Offeror Response
b) Financial Accuracy	Offeror Response	Offeror Response	Offeror Response
c) Non-Financial Accuracy	Offeror Response	Offeror Response	Offeror Response

4. Please describe your claims processing system. What other software is utilized (i.e., unbundling, data mining)? Describe how you will track and capture eligibility information, claim payments, deductibles, maximums, etc. for PSERS.

Offeror Response

5. Describe your system's auto adjudication capabilities. What percentage of claims are you typically able to auto adjudicate in total and by type of service category?

Offeror Response

6. What percent of claims are processed through an electronic data interface (EDI)?

Offeror Response

7. Describe your policies and procedures regarding appeals and grievances.

Offeror Response

8. Does the Offeror agree to accept provider nominations from plan membership? If so, please describe the process to include requested providers in the Offeror's network.

Offeror Response

E. Support Services. Provide responses to the following questions as a high-level look at your support services.

1. Does your system support on-line, real-time eligibility inquiries?

Offeror Response

2. Please describe on-line member services available to select or locate a network provider. How often is the on-line provider list updated?

Offeror Response

3. How does the Offeror notify plan participants of network provider terminations?

Offeror Response

4. Please describe the multi-lingual access available to plan participants.

Offeror Response

5. Does the Offeror commit to a "continuation of care" clause that allows for a course of treatment to continue at the in-network rate, in circumstances where a provider terminated for any reason?

Offeror Response

6. Describe your quality control and internal audit procedures. Include systematic logic to detect fraudulent or abusive provider billing practices.

Offeror Response

F. Subcontractors: The selected Offeror is prohibited from subcontracting or outsourcing any part of the Services without the express written approval from the Commonwealth. Upon award of the contract resulting from this

RFP, however, subcontractors included in the proposal submission are deemed approved. If you intend to use subcontractors, provide a subcontracting plan for all such subcontractors, including small diverse business and small business subcontractors, who will be assigned to the Services. For subcontractor included in your subcontracting plan provide:

1. Name of subcontractor;
2. Address of subcontractor;
3. Number of years worked with the subcontractor;
4. Number of employees by job category to work on this project;
5. Description of services to be performed;
6. What percentage of time the staff will be dedicated to this project in relation to that staff working on other unrelated contracts ;
7. Geographical location of staff; and
8. Resumes for key personnel, **which shall include** the account executive, account manager, claims manager and customer service manager that will service the account).

The Offeror's subcontractor information shall include (through a resume or a similar document) the employees' names, education and experience in the services outlined in this RFP. Information provided shall also indicate the responsibilities each individual will have in this Services and how long each has been with subcontractor's company.

Offeror Response

III-3. Network. In addition to a national network option, Offerors are also encouraged to provide a localized network option for those retirees the approximately 90% of eligible retirees that reside in the Commonwealth, if such network would be financially advantageous to those retirees without restricting quality of services. Provide responses to the following questions as a high-level look at your network.

A. GeoAccess or Accessibility Analysis. Offeror will prepare GeoAccess reports for the DPPO network that will be available to PSERS' participants. If the Offeror is proposing a local PA network in addition to the national network, please include a GeoAccess report for each network. Please provide GeoAccess reports providing the information requested in the chart below, and using only network dentist that are accepting new patients. **DO NOT DOUBLE COUNT DENTISTS THAT OFFER MULTIPLE LOCATIONS.** Provide responses into the table below on percentage of

retirees with access to general/family dentist and to a specialist (excluding orthodontia).

See *Attachment A - Medical Enrollment as of January 2020* for the current census of retirees eligible for the Dental Plan along with their zip codes that may be used to prepare the GeoAccess report. *Attachment A - Medical Enrollment as of January 2020* will be provided once the Offeror has submitted the signed NDA.

Practice Specialty	Number of Available Providers	Miles from Participants' Residence	% of Retirees with access
General/Family Dentist	2	8	Offeror Response
Specialist (excluding Orthodontia)	2	10	Offeror Response

- B. Provider report.** Provide responses to the following questions as a high-level look at the number of providers and access points in your proposed network, including the number of unique providers and the number of access points for the regions in the chart below.

Location	Number of Unique Providers	Number of Access Points
Bucks,,Chester, Delaware, Montgomery & Philadelphia Counties	Offeror Response	Offeror Response
All North & Central PA Counties	Offeror Response	Offeror Response
Allegheny, Fayette, Greene, Indiana, Washington & Westmoreland Counties	Offeror Response	Offeror Response
Pennsylvania	Offeror Response	Offeror Response
National	Offeror Response	Offeror Response

- C. Provider disruption analysis.** Provide responses to the following question a high-level look at your current providers. Provide responses in *Attachment B –Provider Utilization 2019* and include it with your submittal. Complete the table below with the number of providers in-network, out-of-network and not identified based on the providers in *Attachment B – Provider Utilization 2019*. *Attachment B – Provider Utilization 2019* will be provided once the Offeror has submitted the signed NDA.

In-Network Status	# of Providers
In-Network	Offeror Response
Out-of-Network	Offeror Response
Not Identifiable	Offeror Response

- D. In-Network Discount.** Provide responses to the following question that provide a high-level look at your current negotiated discount as a percentage of provider

standard billed charges. Provide responses in *Attachment C – Top 100 Dental Procedures 2019* and include it with your submittal. Complete the table below with the average weighted discount based on the procedures in *Attachment C –Top 100 Dental Procedures 2019*. *Attachment C –Top 100 Dental Procedures 2019* will be provided once the Offeror has submitted the signed NDA.

Location	Average Negotiated Discount
Bucks, Chester, Delaware, Montgomery & Philadelphia Counties	<i>Offeror Response</i>
All North & Central PA Counties	<i>Offeror Response</i>
Allegheny, Fayette, Greene, Indiana, Washington & Westmoreland Counties	<i>Offeror Response</i>
Pennsylvania	<i>Offeror Response</i>
National	<i>Offeror Response</i>

III-4. Financial Capability. Describe your company’s financial stability and economic capability to perform the contract requirements. The Commonwealth reserves the right to request additional information it deems necessary to evaluate an Offeror’s financial capability.

- Rating Agencies.** Indicate your firm’s ratings for the most current year by the following agencies:

Agency	Current Rating	Month/Year of Current Rating
a. AM Best	<i>Offeror Response</i>	<i>Offeror Response</i>
b. Standard and Poor’s	<i>Offeror Response</i>	<i>Offeror Response</i>
c. Fitch	<i>Offeror Response</i>	<i>Offeror Response</i>
d. Moody’s	<i>Offeror Response</i>	<i>Offeror Response</i>

- Financial Report.** Provide your company’s most recent quarterly financial report. If your company is a publicly traded company, please provide a link to your most recent audited financial report that may be found on your company website in lieu of providing hardcopies. The Commonwealth reserves the right to request additional information it deems necessary to evaluate an Offeror’s financial capability.

Offeror Response

III-5. Work Plan.

- Enrollment Administration.** The Offeror will work with PSERS’ third party administrator (TPA) in receiving eligibility data during an annual option selection period or ad hoc open enrollment period for the Dental Plan. The selection period or open enrollment period typically runs from October 1 to November 15 of each calendar year for coverage effective the following January 1.

1. **Customer Service.** The Offeror will provide an adequate number of dedicated customer service inquiry toll-free telephone lines to be open from 8:00 a.m. to 8:00 p.m., EST, Monday through Friday, for the first two weeks of the annual option selection period or ad hoc open enrollment period, and from 8:00 a.m. to 7:00 p.m., EST, for the remainder of the annual selection period or ad hoc open enrollment period. An adequate number of dedicated customer service representatives will staff these customer service lines during the open enrollment periods and through the third week of December. Customer service representatives must be trained and knowledgeable about the plans available through the Dental Plan. The customer service representatives will respond to inquiries on the enrollment options and application procedures under the Dental Plan. The customer service representatives will also respond to inquiries on eligibility and billing issues. The Offeror will be responsible for answering all questions specific to the Dental benefit policies or claims under the Dental Plan throughout the contract.
 2. **Billing Services.** The Offeror will provide the TPA with the appropriate premium rates for the current contract year. The TPA will facilitate monthly premium payments between enrolled participants and the Offeror.
 3. **Initial Application Processing.** The Offeror will coordinate with PSERS' TPA to ensure the use of appropriate application forms for the Dental Plan.
 4. **Timetable.** The Offeror will provide the Dental Services (as defined in **III-1**) for each contract year in accordance with the mutually agreed upon timetable established for each annual period.
 5. **Monthly Billing.** The Offeror will coordinate with the TPA to ensure correct premium billing based on plan and tier election.
 6. **Customer Service.** Offeror will maintain a toll-free customer service telephone line for billing, eligibility and premium questions from Members that shall be available from 8:00 a.m. to 7:00 p.m. EST, Monday through Friday, at all times other than Commonwealth of Pennsylvania holidays. The customer service representatives will respond to inquiries on eligibility, billing issues, and on specific benefit policies or claims under the Dental Plan.
- B. **Claims Adjudication.** The Offeror shall provide the following claims adjudication services effective for claims incurred on or after January 1, 2021 for the Dental Plan.
1. **Claim Inquiries.** The Offeror shall provide a dedicated toll-free customer service telephone number to handle claim inquiries from program Members between 8:00 a.m. to 7:00 p.m. Eastern time, Monday through Friday (except Commonwealth holidays).
 2. **Management Reports.** The Offeror shall furnish industry-customary data and management reports necessary for the efficient operation of the Dental Plan.

3. **Utilization Management.** The Offeror shall perform appropriate dental care utilization management services, including, but not limited to, prior authorization for dental procedures, second opinions, and retrospective utilization review.
 4. **Claim Forms.** The Offeror shall design and produce necessary claim forms and instructions (including explanation of benefits), and assist in the design and production of program literature (including benefit booklets, certificates of coverage or summary plan descriptions and enrollment materials) to effectively communicate and administer the benefits of the Dental Plan.
 5. **Complaint Resolution.** The Offeror shall establish and maintain throughout the term of the Agreement written policies and procedures for resolving complaints from Members pertaining to the claims adjudication services. The Offeror shall provide PSERS with written copies of such policies and procedures upon request. The Offeror shall ensure that the complaint resolution procedures and policies are administered in accordance with the written descriptions and generally accepted standards for such procedures and policies. The Offeror will grant PSERS the opportunity to provide input into the complaint resolution process and make accommodations where feasible and that do not create an undue burden for the Offeror.
 6. **Written Correspondence and Telephone Inquiry Responsiveness.** The Offeror shall respond to all telephone inquiries and written correspondence from Members in a timely manner.
- C. **Communications Administration** - The Offeror will assist in developing and distributing Dental communication materials as described in this subsection.
1. **Review of Communications.** The Offeror, at the request of PSERS, will participate with PSERS staff in the review of Dental Plan's supplemental communication material content and format. Supplemental communications material includes, but is not limited to, plan summaries, benefit schedules, claims and enrollment forms, and instructions.
 2. **Accuracy.** As requested by PSERS' staff and in accordance with project schedules, the Offeror will review draft communications materials for accuracy.
 3. **Supplies.** The Offeror will forward to the HOP Administration Unit any participant request for Health Options Program materials regarding the Dental Plan.
 4. **Participant Meetings.** The Offeror will be responsible for working with PSERS and PSERS' TPA and consultant to provide appropriate communications for Open Enrollment and Option Selection meetings. Attendance from the Offeror at participant meetings is not anticipated at this time; PSERS reserves the right, however, to require attendance from the Offeror in the future.

- D. **Change in Status.** The Offeror shall provide immediate written notice to PSERS of any change in the control or ownership of the Offeror, any material reorganization of the Offeror, or any change in the key personnel servicing the account.
- E. **Reporting to PSERS.** PSERS requires the Offeror at a minimum to provide the standard reporting described below. The Offeror is to provide examples of the reporting included in their quoted rates.
1. **Quarterly & Annual Reporting:** The Offeror will prepare and deliver quarterly/annual reports showing monthly paid claims, service category, number of enrolled retirees, and number of enrolled dependents for the Dental plan. The Offeror will also provide network summary reports showing change in provider network status, including, but not limited to, new providers, terminated providers, and providers no longer accepting new patients.
 2. **Online Reporting:** The Offeror will provide an online reporting portal for PSERS access to the Offeror's standard reporting package. If such portal is provided or administered by a third-party, Offeror must work with PSERS to ensure there are no terms of use that are unacceptable to PSERS, including indemnification by PSERS of such third-party, consent by PSERS to jurisdiction, etc.
 3. **Ad Hoc Reporting:** The Offeror must agree to provide ad hoc reporting if requested by PSERS. Ad Hoc reporting may require a revision to the premium rates of the proposed contract attached hereto as **Appendix A**. Any such rate provisions shall not be effective unless and until they are mutually agreed upon by the parties via a written and executed amendment to the contract.
- F. **Service Performance.** The following Service Performance reports shall be provided to PSERS quarterly:
1. Telephone Customer Service Responsiveness (including abandonment rate, average speed to answer, busy signal rate, and any other statistics reasonable requested by PSERS)
 2. Telephone Inquiry Responsiveness
 3. Written Correspondence
 4. Enrollment Updates
 5. Annual Provider Reconciliation
- G. **Background Checks.**
1. **Request for Criminal Record Check.** The Offeror shall, at its sole expense, arrange for a background check for each of its employees, as well as the employees of its subcontractors, who will have either on-site or remote access to

Commonwealth IT facilities. Background checks are to be conducted via the Request for Criminal Record Check form and procedure found at <http://www.psp.state.pa.us/psp/lib/psp/sp4-164.pdf>. The background check must be conducted prior to initial access and on an annual basis thereafter.

2. **Confirmation.** The Offeror shall provide written confirmation that the background checks have been conducted, both at the outset of the contract term and annually thereafter during the contract term. If, at any time, it is discovered that an Offeror employee has a criminal record that includes a felony or misdemeanor involving terroristic behavior, violence, use of a lethal weapon, or breach of trust/fiduciary responsibility, identity theft, financial fraud, or that raises concerns about building, system or personal security or is otherwise job-related, the Offeror shall not assign that employee to any Commonwealth facilities, shall remove any access privileges already given to the employee and shall not permit that employee remote access unless PSERS consents to the access, in writing, prior to the access. PSERS may withhold such consent at its complete discretion. Failure of the Offeror to comply with the terms of this paragraph on more than one occasion or the Offeror's failure to appropriately address any single failure to the satisfaction of PSERS may result in the Offeror being in default Offeror under the contract. PSERS specifically reserves the right to conduct its own background check over and above that described herein.
- H. **Books and Records.** The Offeror will maintain complete and current books and records in accordance with generally-accepted accounting principles that reflect the day-to-day business transactions of the Offeror in connection with the Dental Plan.
- I. **Audits.** PSERS, its duly authorized representatives shall have the right to audit all records in order to confirm and evaluate the Offeror performance of the dental plan. PSERS, at its discretion, may select representatives to perform the audit. Before performing the audit, PSERS shall provide fifteen (15) business days written notice to the Offeror. Such written notice shall include an audit plan that describes the purpose, scope and objectives of the audit, the timetables for performing the audit and the types of records required for review. PSERS and its representatives shall have the right to make copies of any records at PSERS' expense, subject to the confidentiality provisions of the contract. The Offeror shall provide PSERS representatives with access to HOP-related operations, computer systems, and paper and electronic files as required to complete the audit.
1. **Review of Audit Findings** - After any audit is completed, the Offeror shall have the right to review a draft of the audit findings and to comment on those findings, in writing, within five (5) business days.
 2. **SSAE 16 Audit** – the Offeror shall provide the results of the most recent SSAE 16 Audit and at least every three (3) years thereafter.

Do you agree to perform all of the work outlined above?

Offeror Response

III-6. Requirements.

A. Implementation. The Offeror must fully implement all services for the Dental Plan by January 1, 2021.

1. Provide a proposed implementation plan and timetable, beginning with the award of business prior to the January 1, 2021 effective date of coverage, detailing:
 - a. Steps required to implement the program.
 - b. Initial eligibility feed, with format requirements.
 - c. Contacts and personnel assigned to each step of the implementation process.
 - d. Establishment of bank accounts, check stock, and on-line plan information.
 - e. Systems readiness including interfaces with other payers.
 - f. HOPbenefits.com secure website transition.
 - g. Staff training.
 - h. Transition (if applicable)–specific activities.

Offeror Response

2. What is the minimum amount of lead-time recommended to ensure a clean implementation of the Dental Plan?

Offeror Response

3. Describe your strategy for converting data from the current TPA's systems to your firm's system.

Offeror Response

4. In what file format would you require the eligibility data be provided from the current TPA (e.g., fixed-format, fixed-length records in ASCII or EBCDIC, etc.)?

Offeror Response

B. Performance Guarantee. The Offeror must adhere to the following performance standards and guarantees or pay the corresponding penalties, not to exceed 2% of premium (if fully insured) or premium equivalent (if self-insured) overall. The Offeror will report quarterly using data from PSERS own population where

appropriate, otherwise using data from Offeror's book of business. Please provide your proposed guarantees in your Technical submittal. DO NOT include this information in your Cost submittal.

1. **Customer Service.** Confirm your agreement to comply with each Customer Service performance standard and disclose your proposed amount of penalty at risk (where applicable). Please provide performance accuracy results, for the latest completed calendar year.

Category	Measurement	Benchmark	Penalty
Abandon Rate	Offeror will maintain an abandonment rate of 2% or less for each of the following primary call center units - claims, enrollment and general inquiries. This standard will be measured for any calendar month by dividing the total number of calls abandoned in that month for each respective unit by the total number of calls offered to that unit during business hours in that month. By the 30 th calendar day following the end of the plan year, Offeror will provide the Board with monthly actual service performance levels for this category.	2.01% -3% 3.01% - 4% >4%	\$500 \$1,000 \$2,000

NOTE: Telephone customer service standards will apply between the hours of 8 and 7 EST.

Offeror Response

Category	Measurement	Benchmark	Penalty
Daily Abandon Rate	The abandonment rate shall not exceed 10% of calls received on any day. For each day above that ceiling, penalties are imposed. By the 30 th calendar day following the end of the plan year, Offeror will provide the Board with monthly actual service performance levels for this category.	More than 10%, daily ceiling	\$50 penalty per day

NOTE: Telephone customer service standard will apply between the hours of 8 and 7 EST.

Offeror Response

Category	Measurement	Benchmark	Penalty
Average Speed to Answer	Offeror will maintain an average speed to answer of 45 seconds or less, following the standard voice introductory messages, for each of the following primary call center units – claims, enrollment, and general inquiries. This standard will be measured for any calendar month by calculating the total time in seconds to answer all calls handled by the respective unit during business hours for the calendar month, minus the total time in seconds for voice introductory messages for those calls, and then dividing the difference by the total number of calls offered for that unit during business hours. By the 30 th calendar day following the end of the plan year, Offeror will provide the Board with monthly actual service performance levels for this category.	46-55 seconds 56-60 seconds >60 seconds	\$500 \$1,000 \$2,000

NOTE: Telephone customer service standard will apply between the hours of 8 and 7 EST.

Offeror Response

Category	Measurement	Benchmark	Penalty
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Telephone Inquiry Responsiveness	<p>Offeror will resolve 90% or more of all “routine” customer service telephone inquiries within 10 business days. “Routine” inquiries include:</p> <ol style="list-style-type: none"> 1. Requests for plan materials 2. Requests for explanations of premium payments or coverage options 3. Requests for status of application of coverage 4. Additional categories as mutually agreed by Offeror and PSERS <p>This standard will be measured by reporting the number of customer services telephone inquiries received for the month, the number of business days to resolve each inquiry and the average number of business days for all reported inquiries. By the 30th calendar day following the end plan year, Offeror will provide the Board with monthly actual service performance levels for this category.</p>	<90%	\$2,000
NOTE: Telephone customer service standard will apply between the hours of 8 and 7 EST.			

Offeror Response

Category	Measurement	Benchmark	Penalty
Written (Email) Correspondence	<p>Offeror will resolve 80% or more of all “normal” correspondence within 15 business days of receipt. “Normal” correspondence is defined as:</p> <ol style="list-style-type: none"> 1. Coverage cancellation requests 2. DPPO packet requests 3. Premium and/or coverage verification for subsidized housing applications <p>These written correspondence standards will be measured by reporting the number of written inquiries received for the month, the number of business days to resolve each inquiry and the average number of business days for all reported inquiries under each standard. By the 30th calendar day following the end of each calendar month, Offeror will provide the Board with the prior month’s actual service performance levels for this category.</p>	<80%	\$3,500

Offeror Response

- 2. Administration.** Confirm your agreement to comply with each Administration performance standard and disclose your proposed amount of penalty at risk (where applicable). The Offeror will report quarterly using data from PSERS own population where appropriate, otherwise using data from Offeror’s book of business. Please provide performance accuracy results (where applicable) for the latest completed calendar year.

Category	Measurement	Benchmark	Penalty
Delivery of Quarterly/ Annual Utilization Reports	Offeror will deliver its management reports to PSERS within 20 business days after the end of the quarter or calendar year. “Management reports” will include all data elements outlined in the reporting section of this RFP.	<p>>20 days</p> <p>maximum for any one occurrence</p>	<p>\$50/day</p> <p>\$1,500</p>

	Beginning on the 21st calendar day after the end of the reporting month, Offeror will pay a penalty of \$100/business day until PSERS receives the reports.		
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Offeror Response

Category	Measurement	Benchmark	Penalty
Delivery of Rate Renewal Reports	Offeror will deliver its annual renewal reports to PSERS by May 1 st of the plan year preceding the renewal. Renewal Reports will include all data elements outlined in the reporting section of this RFP. Beginning on the first business day after May 31 st , Offeror will pay a penalty of \$100/business day until PSERS receives the reports.	>31 days maximum for any one occurrence	\$100/day \$3,000

Offeror Response

Category	Measurement	Benchmark	Penalty
Provider Turnover	Offeror will ensure provider turnover will occur at a rate of less than 5% on an annual basis. Turnover rates shall be calculated on all terminations for general and specialty dentist regardless of reason for termination.	5%-7% >7%	0.05% of total rates 0.10% of total rates

Offeror Response

Category	Measurement	Benchmark	Penalty
Network Access	Offeror will ensure that 2 open General Dentists are located within 8 miles of each member at the percentages set forth as follows:: Urban: 99% access for member in a Urban setting Suburban: 95% access for member in a Suburban setting Rural: 60% access for member in a Rural setting	Urban <99% Suburban <95% Rural <60%	0.05% of total rates 0.05% of total rates 0.05% of total rates

Offeror Response

Category	Measurement	Success Rate	Penalty
Implementation	Offeror will guarantee that all implementation targets identified in the implementation project plan will be met.	95% - 99% 90% - 94% <90%	0.05% of total rates 0.07% of total rates 0.10% of total rates

Offeror Response

C. Emergency Preparedness.

To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential contractors that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

1. Describe how you anticipate such a crisis will impact your operations.
2. Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:
 - a. Employee training (describe your organization's training plan, and how frequently your employees complete such training)
 - b. Identify essential business functions and key employees (within your organization) necessary to carry them out
 - c. Contingency plans for:
 - i. How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.
 - ii. How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.
 - d. How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
 - e. How and when your emergency plan will be tested, and if the plan will be tested by a third-party.

Offeror Response

III-7. Reports, Systems and Security.

- A. Reporting Capabilities.** The Offeror shall provide to the Director of the Health Insurance Office of PSERS at a minimum quarterly financial reports identifying the operation of the program and a detailed annual report as described below. These reports must be in a format as agreed to by PSERS. In addition, special reports will be provided upon mutual agreement with PSERS. The Offeror is to provide examples of

the reporting included in their quoted rates. Confirm your agreement to provide at a minimum the requested reports below.

1. **Quarterly & Annual Reporting:** The Offeror will prepare and deliver quarterly/annual reports showing monthly paid claims, service category, number of enrolled retirees, and number of enrolled dependents for the Dental Plan. The Offeror will also provide network summary reports showing change in provider network status including but not limited to new providers, terminated providers, and providers no longer accepting new patients.

Offeror Response

2. **Online Reporting:** The Offeror will provide an online reporting portal where PSERS will have access to the Offeror's standard reporting package. If such portal is provided or administered by a third-party, Offeror must work with PSERS to ensure there are no terms of use that are unacceptable to PSERS, including indemnification by PSERS of such third-party, consent by PSERS to jurisdiction, etc.

Offeror Response

3. **Ad Hoc Reporting:** The Offeror must agree to provide ad hoc reporting if requested by PSERS. Ad Hoc reporting may require a revision to the premium rates of the proposed contract attached hereto as **Appendix B**. Any such rate revisions shall be mutually agreed upon by the parties by an amendment to the contract.

Offeror Response

B. Technology and Systems.

1. Provide information related to your firm's internal systems and technology:
 - a. Hardware
 - b. Software platform
 - c. Operating system
 - d. System architecture/network configuration
 - e. Backup and disaster recovery procedures and most recent testing
 - f. User interface options
 - g. Anticipated upgrades or enhancements planned over the next three years

Offeror Response

2. All administrative materials and databases generated on behalf of PSERS are and shall remain the sole property of PSERS and are to be used solely for the purpose of operating the Health Options Program.

Offeror Response

3. Does your firm have the capability to transmit and receive data (eligibility, claims, payments, etc.) electronically? Please describe your firm's current capabilities in this regard.

Offeror Response

C. HIPAA/Security Protocols.

1. Does your system presently meet requirements in the regulations issued pursuant to HIPAA security and privacy standards, including the HITECH requirements? Describe how your firm and your systems meet the HIPAA security and privacy standards, including the HIPAA EDI requirements and all HITECH requirements. Include such items as ID and password protection, authentication processes, security access levels, physical security measures, risk analysis protocols, reporting protocols, audit trails, etc.

Offeror Response

2. Describe your compliance with HIPAA's transaction standards, medical data code sets, unique identifiers, privacy, and security.

Offeror Response

3. What safeguards exist for preventing breaches in patient confidentiality with regard to personal health information (PHI)?

Offeror Response

4. How will your firm help in the event of a HIPAA privacy or security incident relevant to the access and/or transactions conducted by the system?

Offeror Response

III-8. Objections and Additions to Standard Contract Terms and Conditions. The Offeror will identify which, if any, of the terms and conditions (contained in **Part VI**) it would like to negotiate and what additional terms and conditions the Offeror would like to add to the standard contract terms and conditions. The Offeror's failure to make a submission under this paragraph will result in its waiving its right to do so later, but the Issuing Office may consider late objections and requests for additions if to do so, in the Issuing Office's sole discretion, would be in the best interest of the Commonwealth. The Issuing Office may, in its sole discretion, accept or reject any requested changes to the standard contract terms and conditions. The Offeror shall not request changes to the other provisions of the RFP, nor shall the Offeror request to completely substitute its own terms and conditions for **Part VI**. All terms and conditions must appear in one integrated contract. The Issuing Office will not accept references to the Offeror's, or any other, online guides or online terms and conditions contained in any proposal. The Board will

not consider proposals that contain any limitations of Offeror liability for services provided. Any proposal containing such a limitation shall be rejected.

Regardless of any objections set out in its proposal, the Offeror must submit its proposal, including the cost proposal, on the basis of the terms and conditions set out in **Part VI**. The Issuing Office will reject any proposal that is conditioned on the negotiation of the terms and conditions set out in **Part VI or to other provisions of the RFP as specifically identified above.**

Offeror Response

PART IV

COST SUBMITTAL

IV-1. Cost Submittal. The information requested in this **Part IV** shall constitute the Cost Submittal. The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separated from the technical submittal in accordance with **Part I, Section I-12A1**. The total proposed cost should be broken down into the components set forth in **Appendix D – Cost Submittal Worksheet**. The percentage of commitment to Small Diverse Businesses and Small Businesses should not be stated in the Cost Submittal. Offerors should **not** include any assumptions in their cost submittals. If the Offeror includes assumptions in its cost submittal, the Issuing Office may reject the proposal. Offerors should direct in writing to the Issuing Office pursuant to **Part I, Section I-8** of this RFP any questions about whether a cost or other component is included or applies. All Offerors will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis.

The Issuing Office will reimburse the selected Offeror for work satisfactorily performed after execution of a written contract and the start of the contract term, in accordance with contract requirements, and only after the Issuing Office has issued a notice to proceed.

A. Rates, Administration Fees and Renewal Caps

The Offeror will provide guaranteed rates for the Initial Agreement Period regardless of actual enrollment. The Offeror will provide a Per Member Per Month Rate.

For the Self-Funded option, the Offeror will provide a per covered retiree fee for administration of the dental program. Additionally, for the Initial Agreement Period, the Offeror will provide a Per Member Per Month claim rate.

Proposed rates and fees will be net of commission.

For the optional Second, Third and Fourth Agreement Periods, the Offeror is requested to provide caps on rate increase, or cap on renewal rate, or cap on renewal fee. These caps will serve as the maximum increase PSERS will receive in the option years, with the finalized rates or fees for the Second, Third or Fourth Agreement Periods being subject to negotiation below such caps at the time PSERS decides to renew for the applicable agreement period.

All quoted fee, rate and caps will be guaranteed regardless of actual enrollment in the PSERS' Dental Plan.

B. Cost Submittal Questions. Please respond to the following questions in your Cost Submittal.

1. Are quoted rate, fee, and caps guaranteed regardless of actual enrollment?

Offeror Response

2. Does the Offeror agree to provide renewal rates/fee by May 31st of each year preceding the Second Agreement Period, Third Agreement Period and Fourth Agreement Period?

Offeror Response

3. Confirm all premium collection expenses are included in your fully insured rates?

Offeror Response

4. Have you assured that the services being quoted in this submittal are the same that you have described in the technical submittal?

Offeror Response

5. Are there any events that can occur during the term of the contract that permit you to adjust the quoted rates (e.g. changes in enrollment or benefits)?

Offeror Response

- C. **Best and Final Offer.** If your organization also provides a response to PSERS RFP 2020-4 (RETIREE VISION INSURANCE FOR THE HEALTH OPTIONS PROGRAM), and both proposals meet all requirements described in **Section I-17** to be eligible to submit a Best and Final Offer (BAFO), you may be asked to provide a revised proposal including a *combined* quote for dental and vision benefits.

PART V

SMALL DIVERSE BUSINESS AND SMALL BUSINESS PARTICIPATION SUBMITTAL

- V-1. Small Diverse Business and Small Business General Information.** The Issuing Office encourages participation by Small Diverse Businesses and Small Businesses as prime contractors, and encourages all prime contractors to make significant commitments to use Small Diverse Businesses and Small Businesses as subcontractors and suppliers.

A Small Business must meet each of the following requirements:

- The business must be a for-profit, United States business;
- The business must be independently owned;
- The business may not be dominant in its field of operation;
- The business may not employ more than 100 full-time or full-time equivalent employees;
- The business may not exceed an average of \$38.5 million in gross annual revenues over the preceding three years.

For credit in the RFP scoring process, a Small Business must complete the DGS/BDISBO self-certification process. Additional information on this process can be found at:

<https://www.dgs.pa.gov/Small%20Diverse%20Business%20Program/Small-Diverse-Business-Verification/Pages/default.aspx>

A Small Diverse Business is a DGS-verified minority-owned small business, woman-owned small business, veteran-owned small business, service-disabled veteran-owned small business, LGBT-owned small business, Disability-owned small business, or other small businesses as approved by DGS, that are owned and controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages.

For credit in the RFP scoring process, a Small Diverse Business must complete the DGS verification process. Additional information on this process can be found at:

<https://www.dgs.pa.gov/Small%20Diverse%20Business%20Program/Small-Diverse-Business-Verification/Pages/default.aspx>

An Offeror that qualifies as a Small Diverse Business or a Small Business and submits a proposal as a prime contractor is not prohibited from being included as a subcontractor in separate proposals submitted by other Offerors.

A Small Diverse Business or Small Business may be included as a subcontractor with as many prime contractors as it chooses in separate proposals.

The Department's directory of self-certified Small Businesses and DGS/BDISBO-verified Small Diverse Businesses can be accessed from:

<http://www.dgs.internet.state.pa.us/suppliersearch>

Questions regarding the Small Diverse Business and Small Business Programs, including questions about the self-certification and verification processes can be directed to:

Department of General Services
Bureau of Diversity, Inclusion and Small Business Opportunities (BDISBO)
Room 611, North Office Building
Harrisburg, PA 17125
Phone: (717) 783-3119
Fax: (717) 787-7052
Email: [mailto: RA-BDISBOVerification@pa.gov](mailto:RA-BDISBOVerification@pa.gov)
Website: www.dgs.pa.gov

V-2. Small Diverse Business and Small Business (SDB/SB) Participation Submittal. All Offerors are required to submit the Small Diverse Business and Small Business Participation Submittal Form and related Letter(s) of Intent (available at <http://www.dgs.pa.gov/layouts/download.aspx?SourceUrl=http://www.dgs.pa.gov/Documents/Procurement%20Forms/Small%20Diverse%20Business%20and%20Small%20Business%20Participation%20Submittal.xlsx>) **as described in Part I, Section I-11.** To receive points for Small Diverse Business or Small Business participation commitments, the Small Diverse Business or Small Business must be listed in the Department's directory of self-certified Small Businesses and DGS/BDISBO-verified Small Diverse Businesses as of the proposal due date and time. BDISBO reserves the right to adjust overall Small Diverse Business or Small Business commitments to correctly align with the Small Diverse Business or Small Business status of a prime contractor or subcontractor as of the solicitation due date and time, and also to reflect the correct sum of individual subcontracting commitments listed within the Letters of Intent.

- A. Offerors must indicate their status as a Small Diverse Business and as a Small Business through selection of the appropriate checkboxes.
- B. Offerors must include a numerical percentage which represents the total percentage of the total cost in the Cost Submittal that the Offeror commits to paying to Small Diverse Businesses and Small Businesses as subcontractors.
- C. Offerors must include a listing of and required information for each of the Small Diverse Businesses and/or Small Businesses with whom they will subcontract to achieve the participation percentages outlined on the Small Diverse Business and Small Business Participation Submittal.
- D. Offerors must include a Letter of Intent (available at the following link: <http://www.dgs.pa.gov/layouts/download.aspx?SourceUrl=http://www.dgs.pa.gov/Documents/Procurement%20Forms/Small%20Diverse%20Business%20and%20Small%20Bus>

[iness%20Participation%20Submittal.xlsx](#)) signed by both the Offeror and the Small Diverse Business or Small Business for each of the Small Diverse Businesses and Small Businesses identified in the Small Diverse Business and Small Business Participation Submittal form. At minimum, the Letter of Intent must include the following:

1. The fixed numerical percentage commitment and associated estimated dollar value of the commitment made to the Small Diverse Business or Small Business; and
 2. A description of the services or supplies the Small Diverse Business or Small Business will provide; and
 3. The timeframe during the initial contract term and any extensions, options and renewals when the Small Diverse Business or Small Business will perform or provide the services and/or supplies; and
 4. The name and telephone number of the Offeror's point of contact for Small Diverse Business and Small Business participation; and
 5. The name, address, and telephone number of the primary contact person for the Small Diverse Business or Small Business.
- E. Each Small Diverse Business and Small Business commitment which is credited by BDISBO along with the overall percentage of Small Diverse Business and Small Business commitments will become contractual obligations of the selected Offeror.

NOTE: Offerors will not receive credit for any commitments for which information as above is not included in the Small Diverse Business and Small Business Participation Submittal. Offerors will not receive credit for stating that after the contract is awarded they will find a Small Diverse Business or Small Business.

NOTE: Equal employment opportunity and contract compliance statements referring to company equal employment opportunity policies or past contract compliance practices do not constitute proof of Small Diverse Business and/or Small Business Status or entitle an Offeror to receive credit for Small Diverse Business or Small Business participation.

V-3. Contract Requirements—Small Diverse Business and Small Business Participation.

All contracts containing Small Diverse Business and Small Business Participation must contain the following contract provisions to be maintained through the initial contract term and any subsequent options or renewals:

- A. Each Small Diverse Business and Small Business commitment which was credited by BDISBO and the total percentage of such Small Diverse Business and Small Business commitments made at the time of proposal submittal, BAFO or contract negotiations, as applicable, become contractual obligations of the selected Offeror upon execution of its contract with the Commonwealth.

- B. For purposes of monitoring compliance with the selected Offeror's SDB or SB commitments, the contract cost is the total amount paid to the selected Offeror throughout the initial contract term.
- C. All Small Diverse Business and Small Business subcontractors credited by BDISBO must perform at least 50% of the work subcontracted to them.
- D. The individual percentage commitments made to Small Diverse Businesses and Small Businesses cannot be altered without written approval from BDISBO.
- E. Small Diverse Business and Small Business commitments must be maintained in the event the contract is assigned to another prime contractor.
- F. The selected Offeror and each Small Diverse Business and Small Business for which a commitment was credited by BDISBO must submit a final, definitive subcontract agreement signed by the selected Offeror and the Small Diverse Business and/or Small Business to BDISBO within 30 days of the final execution date of the Commonwealth contract. A Model Subcontract Agreement which may be used to satisfy this requirement – **Model Form of Small Diverse and Small Business Subcontract Agreement** – is available at the following link: <http://www.dgs.pa.gov/layouts/download.aspx?SourceUrl=http://www.dgs.pa.gov/Documents/Procurement%20Forms/Model%20Form%20Subcontract%20Agreement.docx>). The subcontract must contain:
1. The specific work, supplies or services the Small Diverse Business and/or Small Business will perform; location for work performed; how the work, supplies or services relate to the project; and the specific timeframe during the initial term and any extensions, options and renewals of the prime contract when the work, supplies or services will be provided or performed.
 2. The fixed percentage commitment and associated estimated dollar value that each Small Diverse Business and/or Small Business will receive based on the final negotiated cost for the initial term of the prime contract.
 3. Payment terms indicating that the Small Diverse Business and/or Small Business will be paid for work satisfactorily completed within 14 days of the selected Offeror's receipt of payment from the Commonwealth for such work.
 4. Commercially reasonable terms for the applicable business/industry that are no less favorable than the terms of the selected Offeror's contract with the Commonwealth and that do not place disproportionate risk on the Small Diverse Business and/or Small Business relative to the nature and level of the Small Diverse Business' and/or Small Business' participation in the project.
- G. If the subcontract terms omit any of the information required in paragraph F, and that information is otherwise reflected within the selected Offeror's SDB and SB

Participation Submittal or LOI, that information is incorporated into the subcontract agreement. To the extent that any subcontract terms conflict with the requirements of paragraph F or information contained within the selected Offeror's SDB and SB Participation Submittal or LOI, the order of precedence is as follows: 1) the requirements of paragraph F, 2) the selected Offeror's SDB and SB Participation Submittal, and 3) the terms of the subcontract agreement.

- H.** If the selected Offeror and a Small Diverse Business or Small Business credited by BDISBO cannot agree upon a definitive subcontract within 30 days of the final execution date of the Commonwealth contract, the selected Offeror must notify BDISBO.
- I.** The Selected Offeror shall complete the Prime Contractor's Quarterly Utilization Report and submit it to the contracting officer of the Issuing Office and BDISBO within ten (10) business days at the end of each quarter of the contract term and any subsequent options or renewals. This information will be used to track and confirm the actual dollar amount paid to Small Diverse Business and Small Business subcontractors and suppliers and will serve as a record of fulfillment of the contractual commitment. If there was no activity during the quarter, the form must be completed by stating "No activity in this quarter." A late fee of \$100.00 per day may be assessed against the Selected Offeror if the Utilization Report is not submitted in accordance with the schedule above.
- J.** The Selected Offeror shall notify the Contracting Officer of the Issuing Office and BDISBO when circumstances arise that may negatively impact the selected Offeror's ability to comply with Small Diverse Business and/or Small Business commitments and to provide a corrective action plan. Disputes will be decided by the Issuing Office and DGS.
- K.** If the Selected Offeror fails to satisfy its Small Diverse Business and/or Small Business commitment(s), it may be subject to a range of sanctions BDISBO deems appropriate. Such sanctions include, but are not limited to, one or more of the following: a determination that the selected Offeror is not responsible under the Contractor Responsibility Program; withholding of payments; suspension or termination of the contract together with consequential damages; revocation of the selected Offeror's Small Diverse Business status and/or Small Business status; and/or suspension or debarment from future contracting opportunities with the Commonwealth.

PART VI

CONTRACT TERMS AND CONDITIONS

(Reference EUP on DGS website under Procurement Resources)

APPENDIX A

PROPOSED CONTRACT INCLUDING STANDARD TERMS AND CONDITIONS

DENTAL PLAN AGREEMENT

THIS AGREEMENT, dated _____, is by and between the Public School Employees' Retirement Board ("Board"), an independent administrative board of the Commonwealth of Pennsylvania transacting business as Public School Employees' Retirement System ("PSERS"), with principal offices at 5 North Fifth Street, Harrisburg, Pennsylvania 17101, and _____, a _____ with principal offices at _____.

WHEREAS, the PSERS sponsors an employee health benefit plan known as the Health Options Program (the "Health Options Program" or "HOP") for its annuitants ("Annuitants") and survivor annuitants and their spouses and eligible dependents (all of whom are collectively referred to as "Participants"); and

WHEREAS, HOP offers a range of self-funded and fully insured health insurance and prescription drug plan options provided by participating health insurance carriers and providers (the "Carriers"), and

WHEREAS, PSERS desires to engage an insurer to provide a voluntary dental insurance plan (Dental Plan) as set forth in or reasonably contemplated by the terms and conditions of this Agreement; and

WHEREAS, _____ submitted a response to the PSERS's Request For Proposal No. PSERS 2020-3 Retiree Dental Benefits for the Health Options Program (the "Proposal") to provide eligible Participants dental coverage ("Dental Plan") for the programs, which Proposal is attached hereto as Exhibit E and hereby made part of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and other valuable consideration and intending to be legally bound, PSERS and _____ agree to the following terms and conditions.

ARTICLE I

TERM AND TERMINATION

- 1.1 Agreement Term. This Agreement shall become effective on January 1, 2021 and shall remain in effect through December 31, 2022 (the “Initial Agreement Period”). At the end of the Initial Agreement Period, PSERS shall have the right, in its sole discretion, to renew the Agreement beyond the Initial Agreement Period for an additional twelve months to December 31, 2023 (the “Second Agreement Period”) by providing written notice to _____. In the event that this Agreement is renewed for the Second Agreement Period, at the end of the Second Agreement Period PSERS shall have the right, in its sole discretion, to renew the Agreement for an additional twelve months to December 31, 2024 (the “Third Agreement Period”) by providing written notice to _____. In the event that this Agreement is renewed for the Third Agreement Period, at the end of the Third Agreement Period PSERS shall have the right, in its sole discretion, to renew the Agreement for an additional twelve months to December 31, 2025 (the “Fourth Agreement Period”).
- 1.2 Termination. Either party may terminate this Agreement by giving at least one hundred and eighty days written notice to the other party.
- 1.3 Effect of Termination. Upon termination of this Agreement, _____ shall have no further obligation to provide claims adjudication services for claims submitted after the termination date of the Agreement, except that _____ shall pay run-out claims incurred prior to the date of contract termination. _____ shall cause the orderly and prompt transfer of all records and funds, if any, from _____ to PSERS or to the successor provider of the Dental Plan.

ARTICLE II

PREMIUMS OR FEES

[The final contract shall include one of the below Options for section 2.1 depending on whether a fully insured Dental PPO Plan or Administrative Services only for Dental PPO Plan is selected.]

[OPTION 1:

- 2.1 Premium Rates under Fully Insured Agreement. The following implementation fees and per member per month premium rates shall apply to each unique person electing coverage under the Dental Plan:

A. Per member per month premium rates

For calendar years 2021 and 2022 (Initial Agreement Period)

Per Member Rate \$ _____

For calendar year 2023 (Second Agreement Period)

Rate Cap \$ _____

Rate Increase Cap _____%

For calendar year 2024 (Third Agreement Period)

Rate Cap \$ _____

Rate Increase Cap _____%

For calendar year 2025 (Fourth Agreement Period)

Rate Cap \$ _____

Rate Increase Cap _____%

B. Implementation Fees

Implementation fees \$ _____

- 2.1.01 For Plan Years 2023, 2024 and 2025 (January 1 to December 31 of each year), in the event that this Agreement is renewed, the parties shall negotiate mutually acceptable rates for the Second Agreement Period, Third Agreement Period and Fourth Agreement Period subject to the maximum increases indicated in section 2.1.

2.1.02 Premium rates are due on the first day of each month. Premiums shall be collected by PSERS' Third Party Administrator and paid to _____ within 10 business days.

OR

OPTION 2:

2.1 Administrative Service Only Agreement. The following implementation fees and per member per month fees shall apply to each unique person electing coverage under the Dental Plan:

A. Per member per month administration fees

For calendar years 2021 and 2022 (Initial Agreement Period)

Administration Fee \$ _____

Per Member Fee \$ _____

For calendar year 2023 (Second Agreement Period)

Fee Cap \$ _____

Fee Increase Cap _____ %

For calendar year 2024 (Third Agreement Period)

Fee Cap \$ _____

Fee Increase Cap _____ %

For calendar year 2025 (Fourth Agreement Period)

Fee Cap \$ _____

Fee Increase Cap _____ %

B. Implementation Fees

Implementation fees \$ _____

2.1.01 For Plan Years 2023, 2024 and 2025 (January 1 to December 31 of each year), in the event that this Agreement is renewed, the parties shall negotiate mutually acceptable rates for the Second Agreement Period, Third Agreement Period and Fourth Agreement Period subject to the maximum increases indicated in section 2.1.

2.1.02 Premium rates are due on the first day of each month. Premiums shall be collected by PSERS' Third Party Administrator and paid to _____ within 10 business days.

2.3 Performance-Based Fees and Penalties. If _____'s performance does not meet the standards set forth in Exhibit B, _____ shall pay to PSERS any fees or penalties due. Penalties shall be paid on a quarterly basis. Performance standard measurement reporting and implementation of fees at risk shall commence during the quarter immediately following execution of this Agreement.

2.4 Services Included in Premiums or Fees. The Premiums set forth in Section 2.1 include all costs to PSERS for the services set forth in this Agreement, including the cost of establishing and maintaining the entire system by which _____ shall perform such plan services. _____ shall assume responsibility for the payment of any expenses it may incur in providing the Dental Plan and shall not look to PSERS for the payment of any sums beyond those set forth in Section 2.1.

In the event that the parties determine that additional services are required to carry out the terms of this Agreement other than those that are expressly described or reasonably contemplated herein, the parties shall use their best efforts to develop procedures for such additional services. The terms and conditions applicable to such additional services shall be governed either by an amendment to this Agreement or by a separate written agreement.

ARTICLE III

DUTIES OF _____

- 3.1 Administration Generally. _____ shall perform all Dental Plan services in accordance with this Agreement.
- 3.2 Standard of Care. In providing the Dental Plan services, _____ shall use the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character, and with like aims.
- 3.3. Enrollment. _____ shall work with PSERS' third party administrator (TPA) in receiving enrollment data during an annual option selection period or ad hoc open enrollment period for the Dental Plan. The option selection period or open enrollment period runs from October 1 to November 15 of each calendar year for coverage effective the following January 1. In addition, _____ shall work with the TPA in receiving enrollment data for PSERS' Annuitants and their dependents who become eligible for the plan during the calendar year at times different from the option selection period or open enrollment period.
- 3.3.01 Customer Service. _____ shall provide an adequate number of customer service inquiry toll-free telephone lines to be open from 8:00 a.m. to 8:00 p.m., EST, Monday through Friday, for the first two weeks of the annual option selection period or ad hoc open enrollment period, and from 8:00 a.m. to 7:00 p.m., EST, for the remainder of the annual option selection period or ad hoc open enrollment period. An adequate number of dedicated customer service representatives shall staff these customer service lines during the enrollment periods and through the third week of December. Customer service representatives must be trained and knowledgeable about the features and operation of the Dental Plan. The customer service representatives shall respond to inquiries on the features, network and operation of the Dental Plan. _____ shall be responsible for answering all questions specific to the dental benefit policies or claims under the Dental Plan throughout the contract.
- 3.3.02 Billing Services. _____ shall provide the TPA with the appropriate premium rates for the current contract year. The TPA shall facilitate collection of monthly premium payments from enrolled Participants and forwarding of total monthly premiums to _____ along with a reconciliation to the enrolled Participant list.
- 3.3.03 Initial Application Process. _____ shall coordinate with PSERS' TPA to ensure the use of appropriate application forms for the Dental Plan.
- 3.3.04 Timetable. _____ shall provide the Dental Plan services for each contract year in accordance with the mutually agreed upon timetable established for each annual period.

3.4 Dental Plan.

3.4.01 _____ shall perform appropriate dental care utilization management services for the Dental Plan, including, but not limited to, prior authorizations, second opinions, and retrospective utilization review.

3.4.02 _____ shall design and produce necessary claim forms and instructions (including explanation of benefits), and assist in the design and production of program literature (including benefit booklets, certificates of coverage or summary plan descriptions and enrollment materials) to effectively communicate and administer the benefits of the Dental Plan.

3.4.03 Complaint Resolution. _____ shall establish and maintain throughout the term of this Agreement written policies and procedures for resolving complaints from Participants pertaining to the claims adjudication services. _____ shall provide the Board with written copies of such policies and procedures upon request. _____ shall ensure that the complaint resolution procedures and policies are administered in accordance with the written descriptions and generally accepted standards for such procedures and policies.

3.4.04 Written Correspondence and Telephone Inquiry Responsiveness. _____ shall respond to all telephone inquiries and written correspondence from Participants in a timely manner.

3.5 Communications - _____ shall assist in developing and distributing Dental Plan communication materials as described in this subsection.

3.5.01 _____, at the request of PSERS, shall participate with PSERS' staff in review of Dental Plan' supplemental communication material content and format. Supplemental communications material includes, but is not limited to, plan summaries, benefit schedules, claims and enrollment forms and instructions.

3.5.02 As requested by PSERS' staff and in accordance with project schedules, _____ shall review draft communications materials for accuracy.

3.5.03 _____ shall provide a PSERS' landing page on its website to facilitate member access to information about the Dental Plan. _____ shall provide a link to PSERS for such landing page for inclusion on the HOPBenefits.com website.

3.6 Workers' Compensation Coverage and Other Personnel Expenses. _____ shall provide workers' compensation insurance for its employees. _____ shall be

responsible for the payment of, and shall pay when due, premiums for workers' compensation insurance, Social Security taxes, all income tax deductions, and all other payments and deductions required by law for its employees, servants, or agents who perform services specified by this Agreement.

3.7 Changes in Status. _____ shall provide immediate written notice to the Board of any change in the control or ownership of _____ or of any material reorganization of _____, or of any change in the key personnel servicing the account.

3.8 Reporting to PSERS.

3.8.01 Quarterly & Annual Reports. _____ shall prepare and deliver quarterly/annual reports showing monthly paid claims, service category, number of enrolled retirees, and number of enrolled dependents for the Dental Plan. _____ will provide network summary reports showing change in provider network status, including but not limited to new provider, terminated providers and providers no longer accepting new patients.

3.8.02 Online Reporting. _____ shall provide an online reporting portal where PSERS will have access to _____'s standard reporting package.

3.8.03 Special and Ad Hoc Reports. _____ shall provide additional reports as requested by PSERS' staff in a format as mutually agreed. Ad hoc reporting may require revision to the premium rates of this Agreement. Any such rate provisions shall be mutually agreed upon by the parties by an amendment to this Agreement.

3.9 Service Performance. The following reports shall also be provided to PSERS at the frequency described in Exhibit B:

- A. Telephone Customer Service Responsiveness (abandon rate, average speed to answer, busy signal rate)
- B. Telephone Inquiry Responsiveness
- C. Written Correspondence
- D. Enrollment Updates
- E. Annual Provider Reconciliation

3.10 Background Checks.

3.10.01 _____ shall, at its expense, arrange for a background check for each of its employees, as well as the employees of its subcontractors, who will have access to Commonwealth IT facilities, either through on-site access or through remote access. Background checks are to be conducted via the Request for Criminal Record Check form and procedure found at <http://www.psp.state.pa.us/psp/lib/psp/sp4-164.pdf>. The background check must be conducted prior to initial access and on an annual basis thereafter.

- 3.10.02 _____ shall provide written confirmation that the background checks have been conducted. If, at any time, it is discovered that a _____ employee has a criminal record that includes a felony or misdemeanor involving terroristic behavior, violence, use of a lethal weapon, or breach of trust/fiduciary responsibility or that raises concerns about building, system or personal security or is otherwise job-related, the _____ shall not assign that employee to any Commonwealth facilities, shall remove any access privileges already given to the employee and shall not permit that employee remote access unless PSERS consents to the access, in writing, prior to the access. PSERS may withhold its consent at its complete discretion. Failure of _____ to comply with the terms of this paragraph on more than one occasion or _____'s failure to appropriately address any single failure to the satisfaction of PSERS may result in default of _____ under this Agreement. PSERS specifically reserves the right to conduct its own background check over and above that described herein.
- 3.11 Books and Records. _____ shall maintain complete and current books and records in accordance with generally-accepted accounting principles that reflect the day-to-day business transactions of _____ in connection with the Administrative Services. _____ shall employ a qualified accountant whose minimum qualifications shall be a four-year degree in accounting and a minimum of three years of accounting experience to maintain such books and records. The monthly financial statements and bank reconciliation statements shall be completed within twenty (20) calendar days after the close of the accounting month. _____ reconciliation shall be completed within thirty (30) days of the receipt of the quarterly match report from the _____. The monthly _____ provider reconciliations shall be completed within thirty (30) days of the premium due date for each month. Member refunds and rebillings due to _____ retroactive rate changes will be completed within sixty (60) days after the close of the month in which the rate change information was invoiced to the member.
- 3.12 Audits. PSERS and its duly authorized representatives shall have the right to audit all records in order to confirm and evaluate _____'s performance of the Dental Plan services. PSERS, at its discretion, may select representatives to perform the audit. Before performing the audit, PSERS shall provide fifteen (15) business days written notice to _____. Such written notice shall include an audit plan that describes the purpose, scope and objectives of the audit, the timetables for performing the audit and the types of records required for review. PSERS and its representatives shall have the right to make copies of any records at PSERS' expense, subject to the confidentiality provisions of this Agreement. _____ shall provide PSERS' representatives with access to HOP-related operations, computer systems, and paper and electronic files as required to complete the audit.
- 3.12.01 *Review of Audit Findings* - After any audit is completed, _____ shall have the right to review a draft of the audit findings and to comment on those findings, in writing, within five (5) business days.
- 3.12.02 *SSAE 16 Audit* - _____ shall provide a SSAE 16 Audit at least every three (3) years.

ARTICLE IV

DUTIES OF PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

4.1 Membership. At the request of _____, PSERS shall verify the eligibility of an applicant for participation in the Dental Plan.

ARTICLE V

GENERAL PROVISIONS

- 5.1 Confidentiality of Reports. All reports and documents prepared by _____ under this Agreement shall be confidential and shall become the property of PSERS and shall not be published, circulated, or used in any manner by _____ without PSERS' prior written approval.
- 5.2 Conflict of Interest. _____ represents that it has no interest and shall not acquire any interest, direct or indirect, that would conflict in any material manner or degree with the performance of its services under this Agreement. _____ represents that in the performance of this Agreement, it will not knowingly employ any person having any such conflicting interest.
- 5.3 Waiver. Failure of either PSERS or _____ to require the strict performance of any provision of this Agreement shall not constitute waiver of, or estoppel against asserting the right to require such performance, nor shall a waiver or estoppel in one case constitute a waiver or estoppel with respect to a later breach whether of similar nature or otherwise.
- 5.4 Notices.
- 5.4.01 Any notices required or permitted under the Agreement shall be in writing and shall be sufficiently given for all purposes when sent (a) by certified or registered U.S. mail, postage prepaid, (b) by a nationally recognized courier service that maintains verifications of actual delivery, (c) by facsimile, with a copy sent by first-class U.S. mail (provided that if the date of dispatch is not a working day, the facsimile shall be deemed to have been received at the opening of business of the addressee on the next working day), or (d) by delivering the same in person to any party at the following addresses or such other addresses as may be designated in writing from time to time by the parties:

To PSERS:

Executive Director
Pennsylvania, Public School Employees' Retirement System
Five North 5th Street, Harrisburg, Pennsylvania 17101

With a copy to: Director, Health Insurance Office at the same address.

To _____:

- 5.4.02 A party may change its address to which such notices should be sent by written notice to the other party.

5.4.03 Notices complying with the provisions of Section 5.4 shall be deemed to have been given three (3) business days following the date of mailing if given by United States mail, one (1) business day following the date of delivery to an overnight courier, at the time of delivery to the other party if delivered by hand and signed for, and immediately upon transmission by facsimile (provided that if the date of dispatch is not a working day, the facsimile shall be deemed to have been received at the opening of business of the addressee on the next working day).

5.5 Assignment or Transfer.

5.5.01 _____ may not assign or otherwise transfer this Agreement, whether voluntarily or by operation of law and whether by sale, merger, division, consolidation, encumbrance, sale of stock, or otherwise, or any interest, or any claim arising under this Agreement, to any other party or parties without PSERS' prior written consent. Such consent may not be unreasonably withheld.

5.5.02 PSERS may assign this Agreement or assign its rights or delegate its obligations and liabilities under this Agreement either in whole or in part (an "Assignment") at any time and without _____'s consent, to any entity. PSERS shall give _____ written notice of any Assignment and the effective date thereof. The Assignment shall neither affect nor diminish any rights or duties that _____ or PSERS may then or thereafter have relating to any period prior to the effective date of the Assignment. Upon the acceptance of the Assignment and the assumption of the duties under this Agreement by the assignee, PSERS shall be released and discharged, to the extent of the Assignment, from all further duties under this Agreement.

5.6 Warranties and Representations.

5.6.01 PSERS and _____ each warrant that it has the authority to enter into this Agreement.

5.6.02 PSERS represents that its enabling legislation is the statute known as the "Public School Employees' Retirement Code," found at 24 Pa. C.S. §8101 *et seq.* PSERS acknowledges that PSERS is the HOP sponsor and administrator. In these capacities, PSERS acknowledges that it is responsible for all policies and procedures related to the administration of HOP.

5.6.03 _____ certifies that it is not currently under suspension or debarment by the Commonwealth of Pennsylvania, any other state, or the federal government. If _____ enters into any subcontracts under this Agreement with subcontractors that are currently suspended or disbarred by the Commonwealth of Pennsylvania or the federal government, or that become suspended or disbarred by the Commonwealth of Pennsylvania or the federal government during the term of this Agreement, or any extensions or renewals of this Agreement, PSERS shall have the right to require _____ to terminate such subcontracts.

- 5.6.04 _____ agrees that it shall be responsible for reimbursing the Commonwealth for all necessary and reasonable costs and expenses incurred by the Office of the Inspector General relating to an investigation of _____'s compliance with the terms of this or any other agreement between _____ and the Commonwealth which results in the suspension or debarment of _____.
- 5.7 Applicable Law. This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania. The parties consent to service of process in any manner authorized by Pennsylvania law. In addition, _____ and all persons furnished by _____ shall comply at their expense, where applicable, with the Internal Revenue Code, Health Insurance Portability and Accountability Act, the Fair Labor Standards Act, the Occupational Safety and Health Act, the Americans With Disabilities Act, the Family and Medical Leave Act of 1993, all federal, state and local anti-discrimination laws, and all other federal, state and local laws, ordinances, regulations and codes including procurement of required permits and certificates required to be complied with by _____ in connection with _____ performing its obligations under this Agreement. _____ shall indemnify PSERS for any loss or damage that may be sustained by reason of _____'s failure to do so.
- 5.8 Commonwealth Contract Provisions. _____ agrees to comply with the Commonwealth Contract Provisions, which are attached hereto as Exhibit A.
- 5.9 HIPAA Compliance. _____ represents and warrants that it shall comply with the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder by the U.S. Department of Health of Human Services and other applicable laws during the term of this Agreement and any extension thereof. Without limiting the generality of the foregoing, the "HIPAA Business Associate Addendum" attached hereto is hereby made part of this Agreement and incorporated herein as if set forth in full.
- 5.10 Maintenance, Preservation, and Review of Records. _____ shall maintain all records, books, and accounts pertaining to Dental Plan services and payments hereunder in accordance with generally accepted accounting principles consistently applied. All such records, books, and accounts shall be maintained and preserved during the Initial Agreement Period and any subsequent agreement period(s), if applicable and for four years thereafter. During such period, PSERS, or any other Department or representative of the Commonwealth of Pennsylvania, shall have the right to inspect, duplicate, and audit such records, books, and accounts pertaining to this Agreement for all purposes authorized and permitted by law. _____ may preserve such records, books, and accounts in original form or on microfilm, magnetic tape, or any other generally recognized and accepted process.
- 5.11 Reservation of Immunities. PSERS reserves all immunities, defenses, rights, or actions arising out of its status as a sovereign entity or from the Eleventh Amendment to the United States Constitution. No provision of this Agreement shall be construed as a waiver of any such immunities, defenses, rights, or actions.

- 5.12 Binding Effect. This Agreement inures to the benefit of and binds all parties and their respective successors and assigns.
- 5.13 Amendment. No amendment or modification of this Agreement shall have any force or effect unless it is in writing and signed by the parties.
- 5.14 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which shall be deemed an original, but the several counterparts shall together constitute but one and the same instrument.
- 5.15 Severability. If any one or more of the covenants, agreements, provisions, or terms of this Agreement shall be held contrary to any express law, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants and shall in no way affect the validity or enforceability of the remainder of this Agreement or the rights of the parties hereto.
- 5.16 Headings. The headings and captions in this Agreement are for convenience and reference purposes only and shall not be construed or deemed to explain, modify, amplify, or aid in the interpretation, constructions, or meaning of the provisions hereto.
- 5.17 Agreement Supersession. Except as expressly provided, this Agreement supersedes all prior contracts and undertakings, written or oral between the same parties concerning the same subject matter.
- 5.18 Defense of Lawsuits. If a suit is brought with respect to any issue regarding HOP, _____ shall do the following:
- 5.18.01 If the suit is brought against _____, _____ shall promptly notify PSERS of the suit and shall defend the suit;
- 5.18.02 If the suit is brought against _____ and PSERS or HOP, _____ shall arrange for the defense so long as there are no conflicts of interest among the parties and the parties agree to the joint defense; and
- 5.18.03 If the suit is brought against PSERS and/or HOP and _____ is not a party, PSERS shall promptly notify _____. _____ shall review the complaint with PSERS and provide all necessary information and assistance to PSERS for its defense at PSERS sole cost and expense, and PSERS shall determine how to proceed.
- 5.18.04 _____ shall be responsible for the legal costs and expense of any suit to the extent that _____ failed to act in accordance this Agreement.
- 5.18.05 _____ has the right to settle any suit in which neither PSERS nor HOP is a party; provided, however that _____ shall first consult with PSERS prior to settling any suit in which PSERS or HOP has a direct interest.

- 5.18.06 Failure by PSERS to notify _____ promptly shall not serve as a bar on PSERS to seek indemnification from _____.
- 5.19 Independent Contractors. Neither party to this Agreement, nor their respective directors, officers, agents or employees, shall be deemed to be the agent or principal of the other. Neither PSERS nor any of its agents, directors, officers or employees is the agent or representative of _____ and neither PSERS nor any of its agents, directors, officers or employees shall be liable for any acts or omissions of _____ or any of its agents or employees, or any other person or organization with which _____ has made or hereafter shall make arrangements for the performance of services under this Agreement.
- 5.20 Disaster Recovery. _____ shall maintain a formalized disaster recovery and back-up plan to ensure against the loss of data.
- 5.21 Ownership of Information. All PSERS or Program-specific documents, records, reports, and management data related to the Dental Plan services shall at all times be considered the property of PSERS. _____ may, however, retain copies of any documents that might be necessary to defend any suit related to the subject matter of this Agreement. The records described in this provision do not include _____ proprietary information.
- 5.22 Confidential Information and Protected Health Information. Personally-identifiable Participant information may include names, dates of birth and social security numbers ("Confidential Information"). Because of the sensitivity of such information, _____ shall keep such Confidential Information in confidence and take all safeguards and precautions to ensure the confidentiality of Confidential Information. _____ shall be liable for any breach of confidentiality by _____ regarding such Confidential Information. _____ shall use the Confidential Information only in performing the Dental Plan services. Confidential information shall not be used by _____, for purposes other than those stated in this Agreement, without the Participant's authorization unless required pursuant to legal process or unless prescribed by statute or government regulation. _____ shall, however, disclose Confidential Information to PSERS in cases involving actual or suspected fraud or misrepresentation.
- 5.23 PSERS' Proprietary Information. Any specifications, drawings, sketches, models, toll free numbers, computer or other apparatus programs, samples, tools, technical or business information or data, written, oral or otherwise (all hereinafter designated "Proprietary Information") furnished to _____ under this Agreement or in contemplation of this Agreement shall remain PSERS' property. All copies of such Proprietary Information in written, graphic or other tangible form shall be returned to PSERS at PSERS' request. Unless such Proprietary Information was previously known to _____ free of any obligation to keep it in confidence, or has been or is subsequently made public by PSERS or a third party, it shall be kept in confidence by _____, shall be used only in performing under this Agreement, and may not be used for other purposes except upon such terms as may be agreed upon between _____ and PSERS in writing.
- 5.24 Survival of Obligations. The obligations of each party to the other under this Agreement which by their nature would continue beyond the termination, cancellation or expiration of this Agreement in whole or in part, including, by way of illustration only and not limitation,

those pertaining to use of information, applicable laws, and indemnification of PSERS by _____, shall survive termination, cancellation or expiration of this Agreement.

5.25 Exhibits. The following Exhibits are hereby made a part of this Agreement:

5.25.01 Exhibit A - Standard Contract Terms and Conditions for Services

5.25.02 Exhibit B - Performance Guarantees

5.25.03 Exhibit C – PSERS’ Request for Proposal

5.25.04 Exhibit D – _____ Proposal

Except as otherwise provided, any changes to any and all exhibits hereunder shall be made only as agreed upon in writing by _____ and PSERS.

5.26 Indemnification of PSERS. _____ hereby indemnifies, defends, and holds harmless PSERS, its officers, directors, employees, and agents from and against all damages, claims, demands, suits, costs, disbursements, actions, expenses and liabilities of any nature, including attorney’s fees and disbursements suffered or incurred by PSERS which arise out of or result from services performed, or the failure to perform services, by _____.

5.27 Releases Void. Neither party shall require (i) waivers or releases of any personal rights that conflict with the terms of this Agreement, or (ii) execution of documents that conflict with the terms of this Agreement, from employees or representatives of the other in connection with visits to its premises and both parties agree that no such releases or waivers or documents shall be pleaded by them or third persons in any action or proceeding.

5.28 Insurance. _____ shall maintain and cause _____’s subcontractors to maintain during the term of this Agreement (i) Worker’ Compensation insurance as prescribed by the law of the state or nation in which the work is performed; (ii) employer’s liability insurance with limits of at least one million dollars (\$1,000,000) for each occurrence; (iii) if the use of motor vehicles is required, comprehensive automobile liability insurance with combined single limits of at least one million (\$1,000,000) for bodily injury and property damage for each occurrence; (iv) commercial general liability (“CGL”) insurance, including blanket contractual liability and broad form property damage, with limits of at least one million dollars (\$1,000,000) combined single limit for bodily injury and property damage for each occurrence; (v) professional liability or errors and omissions insurance in the amount of at least two million dollars (\$2,000,000) per claim, with an annual aggregate of at least three million dollars (\$3,000,000) inclusive of legal defense costs; (vi) fidelity (crime) coverage with limits of at least five million dollars (\$5,000,000); and (vii) fiduciary liability insurance with limits of at least five million dollars (\$5,000,000).

_____ shall furnish adequate proof of the foregoing insurance at PSERS’ request . PSERS shall be promptly notified in writing prior to cancellation or any change in _____’s insurance coverage. If it is not reasonably possible for _____ to provide such prior notice, the notice will be provided to PSERS as soon as reasonably possible after the event that affects insurance coverage.

- 5.29 Successors and Assign. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns subject to the provisions in Section 5.5 (Assignment or Transfer).
- 5.30 Entire Agreement. This Agreement shall constitute the entire Agreement between the parties with respect to the subject matter described herein and shall not be modified or rescinded, except by a writing signed by both parties; provided, however, that notwithstanding the foregoing, PSERS may modify HOP and shall notify _____ of any such modification provided same is in compliance with and does not violate any portion of Section 5.7 (Applicable Law). The provisions of this Agreement supersede all prior oral and written quotations, communications, agreements and understandings of the parties with respect to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties, intending to be legally bound, have caused this Dental Plan Agreement to be executed by their respective authorized officers as of the date and year first above written.

**COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

Federal Tax Identification Number-

By: _____

By: _____

Executive Director

Deputy Executive Director

Date: _____

Date: _____

_____.

Federal Tax Identification Number: _____

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGALITY:

By: _____

Chief Counsel

Date: _____

By: _____

Deputy Attorney General
Office of Attorney General

Date: _____

APPROVED:

By: _____
Secretary/Comptroller

Date: _____

Budget

By: _____
Comptroller

Date: _____

Information Security Addendum

This Information Security Addendum (“Addendum”) made as of the Effective Date, by and between the Commonwealth of Pennsylvania, Public School Employees’ Retirement System (“PSERS”) and _____ (“Contractor”) sets forth additional terms and conditions with respect to information security applicable to _____ (the “Agreement”). The terms and conditions agreed to in this Addendum are the minimum required for the Agreement and shall take precedence over any term of the Agreement which attempts to reduce, waive or remove these terms and conditions.

WHEREAS, PSERS wishes to disclose certain information to Contractor, and Contractor is authorized to collect and/or use certain information, pursuant to the terms of the Agreement; and

WHEREAS, PSERS and Contractor intend to protect the privacy and provide for the confidentiality of such information.

NOW THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, and the mutual promises and undertakings hereinafter set forth, and the exchange of information pursuant to the Agreement and this Addendum, the parties agree as follows:

I. Definitions

- A. Authorized Persons. Authorized Persons include Contractor’s employees and contractors who have appropriate PSERS’ clearance and a specific need for such access in order to perform Contractor’s services for PSERS.
- B. Industry Standards. Industry Standards include National Institute of Standards and Technology (NIST) 800 Series, NIST Cybersecurity Framework and ISO 27001/2, or their generally recognized equivalents.
- C. PSERS Data. PSERS Data is any data or information that Contractor creates, obtains, accesses, receives (from PSERS or on behalf of PSERS), hosts or uses in the course of its performance of the Agreement;
- D. Public Data. Public Data means any specific information or data, regardless of form or format, that PSERS has actively and intentionally disclosed, disseminated, or made available to the public.
- E. Multi-Factor Authentication: The use of two or more of the Authentication Methods listed below. Two-factor would employ two of the methods; three-factor would employ one each of all three methods.
 - i. Something you know (e.g. PIN, password, shared information)
 - ii. Something you possess (e.g. token, smart card, digital certificate)
 - iii. Something you are (biometrics – e.g. fingerprint, voice, iris, face).
- F. Services. The services pursuant to the Agreement and any Statement of Work (“SOW”).

- G. Documentation. All documentation related to the Services, including but not limited to the SOW.
- H. PSERS Confidential Information. PSERS Data that is not Public Data, including but not limited to information containing personally identifiable information (“PII”) protected health information (“PHI”) and electronic protected health information (“ePHI”) as defined in HIPPA regulations, investment portfolio information and trade secrets. (For the avoidance of doubt, trade secrets include but are not limited to limited partnership agreements, side letters, private placement memoranda and similar information.)

II. Data Security.

- A. Compliance. Contractor shall comply with the Information Technology (“IT”) standards and policies issued by the Governor’s Office of Administration, Office for Information Technology (OA/OIT) (located at: <http://www.oa.pa.gov/Policies/Pages/itp.aspx>), including the accessibility standards set out in IT Bulletin ACC001, IT Accessibility Policy. The Contractor shall ensure that Services procured under this Contract comply with the applicable standards. In the event such standards change during Contractor’s performance, and the Commonwealth requests that Contractor comply with the changed standard, then any incremental costs incurred by Contractor to comply with such changes shall be paid for pursuant to a change order to the Contract.
- B. Data Protection. To the extent that Contractor is charged with creating, accessing, transmitting, maintaining, hosting or using PSERS’ Data under the Agreement, Contractor shall preserve the confidentiality, integrity and availability of PSERS’ Data by implementing and maintaining administrative, technical and physical controls that conform to Commonwealth of Pennsylvania IT Policies and Industry Standards. Implemented security controls shall provide a level of security which is commensurate with the sensitivity of the data to be protected.
- C. Data Use and Access. Contractor shall use PSERS’ Data only and exclusively to support the performance of services for PSERS under the Agreement and not for any other purpose. With the exception of Public Data, absent PSERS’ prior written consent, Contractor shall not at any time during or after the term of the Agreement disclose PSERS’ Data to any person, other than Authorized Persons and PSERS personnel in connection with the performance of the services (except as required by law). If such disclosure is required by law, Contractor shall notify PSERS prior to such disclosure, unless such notification is prohibited by law.
- D. Data Backup. Where appropriate to protect the integrity and availability of PSERS’ Data, Contractor shall maintain (and cause any third-party hosting company that it uses to maintain) a means to backup and recover PSERS’ Data in the event that PSERS’ Data is lost, corrupted or improperly destroyed. PSERS shall have the right to establish backup security for PSERS’ Data and to keep backup PSERS’ Data and PSERS’ Data files in its possession if it chooses.
- E. Return of PSERS’ Data. Contractor shall ensure that, upon request, PSERS can retrieve PSERS’ Data in the event the Contractor is unable to continue providing the services under the Agreement due to termination of the Agreement or

otherwise. In the event of a termination and upon PSERS' request, the Contractor will provide PSERS' Data in a mutually acceptable format.

- F. Destruction of PSERS' Data. Contractor shall erase, destroy, and/or render unrecoverable all PSERS' Data in Contractor's possession that is no longer required for the performance of its duties under the Agreement. Upon request, Contractor shall certify in writing that these actions have been completed within seven (7) days of PSERS' request.
- G. Effect of Termination. Unless directed otherwise by PSERS, upon termination of the Agreement for any reason, Contractor shall maintain PSERS' Data and continue to extend the protections of the Agreement and this Addendum to such information for a period of six months at which point it shall return and destroy all PSERS' Data received from PSERS (or created or received by Contractor on behalf of PSERS) regardless of form, and shall retain no copies of PSERS' Data. If return or destruction of PSERS' Data is not feasible, Contractor shall continue to extend the protections of the Agreement and this Addendum to such information and limit further use of PSERS' Data to those purposes that make the return or destruction of PSERS' Data infeasible.

III. Contractor Security.

- A. Information Security Program. For the term of the Agreement, Contractor agrees that it has and will maintain a formal information security program which is appropriate for the types of services that it provides. Such program is and will be consistent with Industry Standards.
- B. Contractor Personnel. Contractor agrees that it shall only use highly qualified personnel and contractors in performing the Agreement and, to the extent not prohibited by applicable law, shall require each to pass a background check.
- C. Acceptance of Acceptable Use Policy. Contractor shall ensure that all Contractor personnel, including employees and contractors, who access PSERS' network as a part of performing the Agreement, will agree to PSERS' Acceptable Use Policy as found in Management Directive 205.34, as it may be amended from time to time.
- D. Multi-Factor Authentication. For services exposed to the Internet, where sensitive information is stored, processed or transmitted, Contractor will provide Multi-Factor Authentication for user authentication to the web application via workstation and mobile browsers. If the service is provided via mobile application as well, that application must also be protected by Multi-Factor Authentication.
- E. Security Awareness Training. Contractor shall ensure its personnel and partners are provided cybersecurity awareness education and are adequately trained to perform their information security-related duties and responsibilities consistent with Commonwealth of Pennsylvania IT Policies.

IV. Security Incident and Breach Notification.

- A. Contractor agrees to notify PSERS upon learning of: (i) unauthorized access, loss, alteration, theft or corruption of PSERS' Confidential Information; (ii) any

event that creates a substantial risk to the confidentiality, integrity or availability of PSERS' Data; (iii) a breach of any of Contractor's security obligations under this Addendum; or (iv) any other event requiring notification under applicable law. In such an instance, Contractor agrees to:

- i. Take such action as may be necessary to preserve forensic evidence and eliminate the cause of the risk or breach within Contractor's reasonable control. As soon as practicable after discovery, Contractor shall undertake a thorough forensic investigation of any compromise or improper use and provide PSERS all information necessary to enable PSERS to fully understand the nature and extent of the compromise or improper use to the extent known.
- ii. And, notify PSERS by telephone at (____) ____ - ____ and (____) ____ - ____ and by e-mail at RA-PSISO@pa.gov regarding such an event without undue delay and in any event within 24 hours of discovery, and
- iii. To the extent that the breach or incident was the fault of Contractor:
 - a) assume the cost of informing all such affected individuals in accordance with applicable law, and
 - b) indemnify, hold harmless and defend PSERS and its trustees, officers, and employees from and against any claims, damages, or other harm related to such incident or breach.

B. Security Incident Investigations.

Contractor agrees to cooperate with PSERS in investigating a security incident, as declared by PSERS, and provide the name and contact information, of at least two (2) security contacts who will respond to PSERS in a timely manner, dependent on criticality, in the event that PSERS must investigate a security incident. The current security contacts are as follows:

Contact Names: _____
Phone Numbers: _____
Email Addresses: _____

V. Maintenance of Safeguards.

- A. Contractor shall maintain and follow Industry Standards with respect to any of PSERS' Confidential Information in Contractor's possession or control and protect such information against any loss, alteration, theft or corruption.
- B. At PSERS' request, Contractor shall provide PSERS with copies of its information security policies, processes, and procedures. Contractor will notify PSERS of any changes to its policies, processes or procedures that relate to the security of PSERS' Confidential Information in Contractor's possession.

VI. Information Security Audit.

- A. PSERS shall have the right to review Contractor's information security program prior to the commencement of Services and from time to time during the Term of the Agreement. During the performance of the Services, on an ongoing basis annually and immediately in the event of a security incident, PSERS, including its professional advisors and auditors, at its own expense, shall be entitled to

perform, or to have performed, an on-site assessment of Contractor's information security program.

- B. PSERS shall have the right to review Contractor's information security program through Contractor's annual submission to PSERS of its current SOC2 report. The report must document an assessment conducted by a qualified, independent third party. Assessment scope must address the services provided to PSERS, including but not limited to related people, process and technology.
- C. Upon PSERS' request, Contractor agrees to complete, within forty-five (45 days) of receipt of PSERS' request, an assessment questionnaire provided by PSERS regarding Contractor's information security program, including artifacts for a subset of controls.

VII. Application Security.

In the event the Contractor conducts application software development for PSERS, Contractor will either make source codes available for review by PSERS or will conduct source code scanning using a commercial security tool. Scans must be conducted annually and at any time significant code changes are made. Scan reports will be made available to PSERS within two weeks of execution. Contractor must disclose remediation timelines for high, medium and low risk security code defects. Scans must occur before code is implemented in production. High risk security code defects may not be implemented in production without written approval from either PSERS' Executive Director, Deputy Executive Director or Assistant Executive Director.

VIII. Compliance with Applicable State and Federal Law.

Contractor shall comply with all applicable federal, state, and local laws concerning data protection and privacy when handling PSERS' Data.

IX. Enforcing Compliance.

Contractor shall enforce and be responsible for compliance by all its personnel and contractors with the provisions of this Information Security Addendum and all other confidentiality obligations owed to PSERS.

X. Accommodation of Additional Protections.

Contractor agrees to comply with such additional protections as PSERS shall reasonably request.

XI. Termination.

A breach by Contractor of any provision of this Addendum, as reasonably determined by PSERS, shall constitute a material breach of the Agreement and shall provide grounds for immediate termination of the Agreement by PSERS pursuant to the Agreement.

XII. Indemnification.

Contractor shall indemnify, hold harmless and defend PSERS from and against all claims, losses, liabilities, damages, judgments, costs and other expenses, including PSERS's costs and attorney fees, incurred as a result of, or arising directly or indirectly

out of or in connection with Contractor's failure to meet any of its security obligations under this Addendum; and (ii) any claims, demands, awards, judgments, actions and proceedings made by any person or organization arising out of or in any way connected with Contractor's performance under this Addendum. Limitations on Contractor's liability, regardless of conflicting language elsewhere in the Agreement, shall not apply to claims related to Contractor's breach of the information security sections of this Addendum.

XIII. Intellectual Property Infringement Indemnification.

Contractor shall indemnify, defend and hold PSERS harmless from any and all claims brought against PSERS alleging that the Services and/or Documentation or PSERS' use of the Services and/or Documentation constitutes a misappropriation or infringement of intellectual property ("IP") of any Third Party. Contractor agrees to be responsible for all costs or expenses, to include reasonable attorneys' fees awarded or resulting from any claim. PSERS shall, after receiving notice of a claim, advise Contractor of such notification. Limitations on Contractor's liability, regardless of conflicting language elsewhere in any Agreement, shall not apply to claims related to Contractor's misappropriation or infringement of another's intellectual property.

XIV. Contractor Liability Insurance.

Contractor shall procure, and maintain for the duration of the contract, insurance against claims and damages which may arise from or in connection with the performance of its work to include IP infringement and privacy or data breaches coverage. Coverage shall have limits of no less than \$5,000,000.00 per occurrence and \$10,000,000.00 aggregate.

XV. Survival; Order of Precedence.

The provisions of this Addendum shall survive expiration or termination of the Agreement.

XVI. Entire Agreement.

The Agreement, including any exhibits and/or schedules thereto, and this Addendum contain the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, and all other communications between the Parties relating to such subject matter.

HIPAA BUSINESS ASSOCIATE ADDENDUM

This HIPAA Business Associate Agreement (“Agreement”) is made as of the Effective Date, by and between the Public School Employees’ Retirement System (“PSERS”) and _____ (“Associate”).

RECITALS

WHEREAS, PSERS and Associate intend to protect the privacy and provide for the confidentiality of Protected Health Information (“PHI”), including Individually Identifiable Health Information, and the security of Electronic Protected Health Information (“ePHI”) disclosed to or collected by Associate pursuant to the Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“HIPAA”) and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the “HIPAA Regulations”) and other applicable laws; and

WHEREAS, PSERS wishes to disclose certain information to Associate, and Associate is authorized to collect certain information (collectively, “Information”), pursuant to the terms of the Agreement, some of which may constitute PHI and/or Ephi; and

WHEREAS, the purpose of this Addendum is to satisfy certain standards and requirements of HIPAA and the HIPAA Regulations, including, but not limited to, Title 45, Sections 160 through 164 of the Code of Federal Regulations (“CFR”), as the same may be amended from time to time.

NOW THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, and the mutual promises and undertakings hereinafter set forth, and the exchange of information pursuant to the Agreement and this Addendum, the parties agree as follows:

1. Definitions

a. “Business Associate” shall have the meaning given to such term under HIPAA and the HIPAA Regulations, including, but not limited to, 45 CFR Section 160.103.

b. “Covered Entity” shall have the meaning given to such term under HIPAA and the HIPAA Regulations, including, but not limited to, 45 CFR Section 160.103.

c. “Designated Record Set” shall have the meaning given to such term under HIPAA and the HIPAA regulations, including, but not limited to, 45 CFR Section 164.524.

d. “Electronic Media” shall have the meaning given to such term under HIPAA and the HIPAA Regulations, including, but not limited to, 45 CFR Section 160.103.

e. “Electronic Protected Health Information” or “ePHI” shall have the meaning given to such terms under HIPAA and HIPAA Regulations, including, but not limited to, 45 CFR Section 160.103, that is transmitted by Electronic Media or maintained in Electronic Media, and shall be at all times considered PHI for purposes of this Agreement and the Agreement.

f. “HITECH” shall mean the Health Information Technology for Economic and Clinical Health Act of 2009, Public Law 111-5, as set forth in 42 U.S.C. Sections 17921 – 17940 of the American Recovery and Reinvestment Act of 2009 and 45 CFR Sections 160 through 164.

g. “Individually Identifiable Health Information” shall have the meaning given to such term under HIPAA, including, but not limited to the privacy regulation (“Privacy Rule”) and the security regulation (“Security Rule”) promulgated by the United States Department of Health and Human Services under the authority of HIPAA, and shall at all times be considered PHI for purposes of this Agreement and the Agreement.

h. “Protected Health Information” or “PHI” means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual, and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under HIPAA and the HIPAA Regulations, including, but not limited to, 45 CFR Section 164.103 and Section 164.501.

2. Obligations of Associate

a. Permitted Uses and Disclosures. Associate may use and/or disclose PHI received by Associate pursuant to this Agreement (“PSERS’ PHI”) solely in accordance with the specifications set forth in the Agreement, and in conjunction with the services it provides pursuant to the Agreement, consistent with the manner in which PSERS is permitted to use and disclose such information by 45 CFR Section 164.502 (as it may be amended from time to time) or as otherwise permitted or required by law.

b. Nondisclosure. Associate shall not use or further disclose PSERS’ PHI otherwise than as permitted or required by the Agreement or as required by law.

c. Safeguards. Associate shall use appropriate safeguards as required by the Privacy Rule to prevent use or disclosure of PSERS’ PHI otherwise than as provided for by the Agreement or this Agreement. Associate shall maintain a comprehensive written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Associate’s operations and the nature and scope of its activities.

d. Agents. Associate shall require any of its non-affiliated subcontractors and/or agents utilized in providing services to PSERS under the Agreement to agree, in writing, to adhere to equivalent restrictions and conditions on the use and/or disclosure of PHI that apply to Associate under this Agreement.

e. Reporting of Disclosures. Associate shall report to PSERS any use or disclosure of PSERS’ PHI otherwise than as provided for by the Agreement of which Associate becomes aware.

f. Associate's Agents. Associate shall ensure that any agents, including subcontractors, to whom it provides PHI received for (or created or received by Associate on behalf of) PSERS agree to the same restrictions and conditions that apply to Associate with respect to such PHI.

g. Availability of Information to PSERS. Associate shall make available to PSERS such information as PSERS may require to fulfill PSERS' obligations to provide access to, provide a copy of, and account for disclosures with respect to PHI pursuant to HIPAA and the HIPAA Regulations, including, but not limited to, 45 CFR Sections 164.524 and 164.528.

h. Amendment of PHI. Associate shall make PSERS' PHI available to PSERS as PSERS may require to fulfill PSERS' obligations to amend PHI pursuant to HIPAA and the HIPAA Regulations, including, but not limited to, 45 CFR Section 164.526, and Associate shall, as directed by PSERS, incorporate any amendments to PSERS' PHI into copies of such PHI maintained by Associate.

i. Internal Practices. Associate shall make its internal practices, agreements, policies and procedures and books and records relating to the use and disclosure of PHI received from PSERS (or created or received by Associate on behalf of PSERS) available to the Secretary of the U.S. Department of Health and Human Services for purposes of determining Associate's compliance with the Privacy Rule, HIPAA and the HIPAA Regulations.

j. Accounting of Disclosures of PHI. Within thirty (30) days of receiving notice by PSERS that PSERS has received a request by an individual for an accounting of the disclosures of the individual's PHI in accordance with 45 C.F.R. § 164.528, Associate shall provide to PSERS a list of disclosures (if any) made: for public health purposes, regarding abuse, neglect or domestic violence; to a health oversight agency; in the course of a judicial or administrative proceeding; for law enforcement purposes; to coroners, medical examiners and funeral directors; to organ procurement organizations; for research; as required by law; to prevent a serious harm to health or safety; to military and veterans officials; or for workers' compensation purposes. In each case Associate shall provide at least the following information with respect to each such disclosure: (a) the date of the disclosure; (b) the name of the entity or person who received the PHI; (c) a brief description of the PHI disclosed; (d) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure.

k. Access to Designated Record Set. At such time as Associate holds all or a portion of a PSERS' member's Designated Record Set that is not in PSERS' possession, Associate shall provide such information to PSERS to allow PSERS to fulfill access requests made in compliance with 45 C.F.R. § 164.524 or, at its option, respond directly to such requests.

l. Amendment to Designated Record Set. At such time as Associate holds and has edit control over portions of the Designated Record Set with respect to a PSERS covered member, Associate shall process at PSERS' cost, in the manner required by 45 C.F.R. § 526, requests for amendment to the Protected Health Information relevant to those persons.

m. Security of ePHI. Associate shall comply with the privacy, security, and security breach notification provisions applicable to a Business Associate under Subtitle D of the HITECH

Act, and any regulations promulgated thereunder. To the extent Associate creates, receives, maintains, or transmits the ePHI, it shall:

- (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the ePHI;
- (ii) require all of its non-affiliated subcontractors and agents utilized in providing services to PSERS to agree, in writing, to implement reasonable and appropriate safeguards for the ePHI as those that apply to Associate pursuant to this subsection m; and
- (iii) report to PSERS, in writing, any security incident of which it becomes aware. For purposes of this Agreement, "security incident" shall mean successful unauthorized access or disclosure or modification, destruction or interference with the ePHI by a third party.

n. Notification of Breach. During the term of the Agreement, Associate shall notify PSERS within twenty-four (24) hours of any suspected or actual breach of security, intrusion or unauthorized use or disclosure of PHI and/or any actual or suspected use or disclosure of data in violation of any applicable federal or state laws or regulations. Associate shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.

3. Obligations of PSERS.

a. Safeguards. PSERS shall be responsible for using appropriate safeguards to maintain and ensure the confidentiality, privacy and security of PHI transmitted to Associate pursuant to the Agreement, in accordance with the standards and requirements of HIPAA and the HIPAA Regulations, until such PHI is received by Associate, and to obtain any consent or authorization required under the Privacy Rule or state law prior to transmitting the PHI to Associate.

b. Arrangements Pertaining to Restrictions on Use/Disclosure of PHI. PSERS shall provide written notice of any arrangements permitted or required of PSERS under 45 C.F.R. parts 160 and 164 that may affect in any manner the use and/or disclosure of PHI by Associate under the Agreement and this Addendum including, but not limited to, restrictions on use and/or disclosure of PHI as provided for in 45 C.F.R. Section 164.522, entered into by PSERS.

4. Audits, Inspection and Enforcement. From time to time, upon reasonable notice, upon a reasonable determination by PSERS that Associate has breached the Agreement or this Addendum, PSERS may inspect the facilities, systems, books and records of Associate to monitor compliance with this Addendum. Associate shall promptly remedy any violation of any term of this Addendum and shall certify the same to PSERS in writing. The fact that PSERS inspects, or fails to inspect, or has the right to inspect, Associate's facilities, systems and procedures does not relieve Associate of its responsibility to comply with this Addendum, nor does PSERS' (i) failure to detect or (ii) detection, but failure to notify Associate or require Associate's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of PSERS' rights under the Agreement or this Addendum.

5. Termination

a. Material Breach. A breach by Associate of any provision of this Addendum, as reasonably determined by PSERS, shall constitute a material breach of the Agreement and shall provide grounds for immediate termination of the Agreement by PSERS pursuant to the Agreement.

b. Reasonable Steps to Cure Breach. If PSERS knows of a pattern of activity or practice of Associate that constitutes a material breach or violation of Associate's obligations under the provisions of this Addendum or another arrangement and does not terminate the Agreement, then PSERS shall take reasonable steps to cure such breach or end such violation, as applicable. If PSERS' efforts to cure such breach or end such violation are unsuccessful, PSERS shall either (i) terminate the Agreement, if feasible or (ii) if termination of the Agreement is not feasible, PSERS shall report Associate's breach or violation to the Secretary of the Department of Health and Human Services.

c. Judicial or Administrative Proceedings. Either party may terminate the Agreement, effective immediately, if (i) the other party is named as a defendant in a criminal proceeding for a violation of HIPAA or (ii) a finding or stipulation that the other party has violated any standard or requirement of HIPAA or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

d. Effect of Termination. Upon termination of the Agreement for any reason, Associate shall return and destroy all PHI received from PSERS (or created or received by Associate on behalf of PSERS) that Associate still maintains in any form, and shall retain no copies of such PHI or, if return or destruction is not feasible, it shall continue to extend the protections of the Agreement and this Addendum to such information and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible.

6. Indemnification. Associate will indemnify, hold harmless and defend PSERS from and against any and all claims, losses, liabilities, costs and other expenses incurred as a result of, or arising directly or indirectly out of or in connection with: (i) any misrepresentation, breach of warranty or non-fulfillment of any undertaking on the part of the Associate under this Addendum; and (ii) any claims, demands, awards, judgments, actions and proceedings made by any person or organization arising out of or in any way connected with Associate's performance under this Addendum.

7. Disclaimer. PSERS makes no warranty or representation that compliance by Associate with this Addendum, HIPAA or the HIPAA Regulations will be adequate or satisfactory for Associate's own purposes or that any information in Associate's possession or control, or transmitted or received by Associate, is or will be secure from unauthorized use or disclosure. Associate is solely responsible for all decisions made by Associate regarding the safeguarding of PHI.

8. Certification. To the extent that PSERS determines that such examination is necessary to comply with PSERS' legal obligations pursuant to HIPAA relating to certification of its security practices, PSERS, or its authorized agents or contractors, may, at PSERS' expense, examine

Associate's facilities, systems, procedures and records as may be necessary to certify to PSERS the extent to which Associate's security safeguards comply with HIPAA, the HIPAA regulations or this Addendum.

9. Amendment. The parties acknowledge that state and federal laws relating to electronic data security and privacy are rapidly evolving and that amendment of the Agreement may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HIPAA Regulations and other applicable laws relating to the security or confidentiality of PHI. The parties understand and agree that PSERS must receive satisfactory written assurance from Associate that Associate will adequately safeguard all PHI that it receives or creates pursuant to the Agreement or this Addendum. Upon PSERS' request, Associate agrees promptly to enter into negotiations with PSERS concerning the terms of an amendment to the Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HIPAA Regulations or other applicable laws. PSERS may terminate the Agreement upon 30 days' written notice in the event (i) Associate does not promptly enter into negotiations to amend the Agreement when requested by PSERS pursuant to this Section or (ii) Associate does not enter into any amendment to the Agreement providing assurances regarding the safeguarding of PHI that PSERS reasonably deems sufficient to satisfy the standards and requirements of HIPAA and the HIPAA Regulations.

10. Assistance in Litigation or Administrative Proceedings. Associate shall make itself, and any subcontractors, employees or agents assisting Associate in the performance of its obligations under the Agreement or this Addendum, available to PSERS, at no cost to PSERS, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against PSERS, its directors, officers, or employees, based upon claimed violation of HIPAA, the HIPAA Regulations or other laws relating to security and privacy, except where Associate or its subcontractor, employee or agent is a named adverse party.

11. No Third Party Beneficiaries. Nothing express or implied in the Agreement or this Addendum is intended to confer, nor shall anything herein confer, upon any person other than PSERS, Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

12. Effect on Agreement. Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Agreement shall remain in force and effect.

13. Interpretation. This Addendum and the Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, HIPAA regulations, and applicable state laws.

Exhibit B

Standard Contract Terms and Conditions for Services

Please refer to this website for Commonwealth Standard Contract Terms and Conditions (BOP-1203):

<http://www.dgsweb.state.pa.us/comod/CurrentForms/BOP-1203.doc>

APPENDIX B

Non-Disclosure Agreement

Limited Data Use Agreement

A limited data set is a set of records containing protected health information (PHI), from which direct identifiers have been removed, but in which certain potentially identifying information remains. The use or disclosure of a limited data set is limited to research, public health, and health care operations purposes only.

Name of data recipient: _____

Description of data: Commonwealth of Pennsylvania, Public School Employees Retirement System (PSERS) Health Options Program data for its HOP Medical Plan population.

Purpose of use: PSERS will disclose PHI in the form of a limited data set, to Dental Plan Providers that will submit bids in response to this RFP. The data will be used by bidding Dental Plan Provider to prepare the financial portion of their proposals.

By signing this Agreement the recipient agrees:

- **Not to use or disclose any of the information, except for the specific purpose identified above, without prior written permission from PSERS or as otherwise required by law;**
- **To use appropriate safeguards to prevent use or disclosure of the information;**
- **To report to PSERS any use or disclosure of the information in contravention of this Agreement;**
- **Not to identify the information or contact the individuals to whom the information pertains, if applicable;**
- **To properly dispose of all data provided by PSERS upon completion of the project described above in "Purpose of use."**

PSERS may, in its sole discretion, disqualify the bid of any Dental Plan Provider if such Dental Plan Provider has breached this Agreement or violated law. In addition, such Dental Plan Provider shall cure the breach or end the violation immediately. PSERS shall report violations of law to the appropriate authorities.

Signature of Recipient Representative

Date

**APPENDIX C
PROPOSAL COVER SHEET
COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
RFP# 2020-3**

Enclosed in three separately sealed submittals for Technical, Cost and SDB/SB is the proposal of the Offeror identified below for the above-referenced RFP:

Offeror Information:	
Offeror Name	
Offeror Mailing Address	
Offeror Website	
Offeror Contact Person	
Contact Person's Phone Number	
Contact Person's E-Mail Address	
Offeror Federal ID Number	
Offeror SAP/SRM Vendor Number	

Submittals Enclosed and Separately Sealed:	
	Technical Submittal Domestic Workforce Utilization Certification
	Small Diverse Business and Small Business Participation Submittal Small Diverse Business and Small Business Participation Submittal Form Small Diverse Business and Small Business Letter(s) of Intent
	Cost Submittal

<i>Signature</i>	
Signature of an official authorized to bind the Offeror to the provisions contained in the Offeror's proposal:	
Printed Name	
Title	

FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE OFFEROR'S PROPOSAL MAY RESULT IN THE REJECTION OF THE OFFEROR'S PROPOSAL

**APPENDIX D
COST SUBMISSION WORKSHEET
COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
RFP# 2020-3**

Exhibit A

Fully Insured Premium Rates Exhibit

Guaranteed premium rates are requested on a mature basis for January 1, 2021 through December 31, 2022 with an option for CY2023, CY2024, and CY2025. If you are not proposing guaranteed premium rates for CY2023, CY2024, and CY2025 then propose guaranteed rate caps.

1. Proposed rates must be on a mature basis where you are responsible for all claims incurred during the policy year.
2. Guaranteed premium rates are requested for Year 1 and 2. If you are not proposing guarantee premium rates for Year 3 or Year 4 or Year 5, propose guaranteed rate increase caps here.
3. Include NO commissions.
4. Identify any costs not included under the rates quoted above.
5. Rates quoted must be valid for 180 days after receipt of quote & guaranteed for each 12-month period.
6. Rates quoted are to cover services for claims incurred on or after the contract effective date.

Initial Agreement Period Calendar 2021-2022			
Dental Plan	Members	Proposed Per Member Per Month Rate	Annual Premium
Member	18,899	Offeror Response	Offeror Response
Second Agreement Period Calendar 2023 (Option 1)			
Third Agreement Period Calendar 2024 (Option 2)			
Fourth Agreement Period Calendar 2025 (Option 3)			
Rate Cap	Offeror Response	Offeror Response	Offeror Response
Rate Increase Cap %	Offeror Response	Offeror Response	Offeror Response

APPENDIX E
COST SUBMISSION
COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
PSERS RFP# 2020-3

Exhibit B

Self-Funded Administration Fee and Premium Equivalent Rates Exhibit

Confirm completion of the Administrative Services Only Fees Chart assuming a January 1, 2021 effective date. Fees are requested on a mature basis for January 1, 2021 through December 31, 2022 with an option for CY2023, CY2024, and CY2025. Fees should be on a per subscriber (contract) per month basis.

1. Administration/fees are requested on a mature basis. The administration fee should include a 12-month run-out period for claims incurred during the contract period and paid after termination (i.e., there should not be an additional charge for run-out administration).
2. Include NO commissions.
3. Note any fees that will not be billed directly as part of the administrative fees (i.e. fees paid as part of the claims costs running through the bank account).
4. Fees quoted must be valid for 180 days after receipt of quote & guaranteed for each 12-month period.
5. List services/supplies not covered under the fees quoted above (e.g., custom reports, printing, etc.).
6. Identify separately any start-up costs. (e.g., communications material, orientation meetings).
7. Fees quoted are to cover services for claims incurred on or after the contract effective date.
8. Please indicate whether an advance deposit is required, the amount, and the basis for determining the amount. In addition, please indicate the amount of interest paid on the deposit.

Claims rate per member are requested on a mature basis for January 1, 2021 through December 31, 2022.

Initial Agreement Period Calendar 2021-2022			
Dental Plan	Covered Lives	Proposed Per Person Per Month Fee	Annual \$
Administration Fee	16,769	<i>Offeror Response</i>	<i>Offeror Response</i>
Member	18,899	<i>Offeror Response</i>	<i>Offeror Response</i>
Dental Plan	Second Agreement Period Calendar 2023 (Option 1)	Third Agreement Period Calendar 2024 (Option 2)	Fourth Agreement Period Calendar 2025 (Option 3)
Fee Cap	<i>Offeror Response</i>	<i>Offeror Response</i>	<i>Offeror Response</i>
Fee Increase Cap %	<i>Offeror Response</i>	<i>Offeror Response</i>	<i>Offeror Response</i>

APPENDIX F
DOMESTIC WORKFORCE UTILIZATION CERTIFICATION

To the extent permitted by the laws and treaties of the United States, each proposal will be scored for its commitment to use the domestic workforce in the fulfillment of the contract. Maximum consideration will be given to those offerors who will perform the contracted direct labor exclusively within the geographical boundaries of the United States or within the geographical boundaries of a country that is a party to the World Trade Organization Government Procurement Agreement. Those who propose to perform a portion of the direct labor outside of the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement will receive a correspondingly smaller score for this criterion. In order to be eligible for any consideration for this criterion, offerors must complete and sign the following certification. This certification will be included as a contractual obligation when the contract is executed. Failure to complete and sign this certification will result in no consideration being given to the offeror for this criterion.

I, _____ **[title]** of _____ **[name of Contractor]** a
_____ **[place of incorporation]** corporation or other legal entity, ("Contractor") located at
_____ **[address]** do hereby certify and represent to
the Commonwealth of Pennsylvania ("Commonwealth") (Check **one** of the boxes below):

☐ All of the direct labor performed within the scope of services under the contract will be performed exclusively within the geographical boundaries of the United States or one of the following countries that is a party to the World Trade Organization Government Procurement Agreement: Aruba, Austria, Belgium, Bulgaria, Canada, Chinese Taipei, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Liechtenstein, Lithuania, Luxemburg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and the United Kingdom

OR

☐ _____ **percent (____%) [Contractor must specify the percentage]** of the direct labor performed within the scope of services under the contract will be performed within the geographical boundaries of the United States or within the geographical boundaries of one of the countries listed above that is a party to the World Trade Organization Government Procurement Agreement. Please identify the direct labor performed under the contract that will be performed outside the United States and not within the geographical boundaries of a party to the World Trade Organization Government Procurement Agreement and identify the country where the direct labor will be performed:

[Use additional sheets if necessary]

The Department of General Services **[or other purchasing agency]** shall treat any misstatement as fraudulent concealment of the true facts punishable under Section 4904 of the *Pennsylvania Crimes Code*, Title 18, of Pa. Consolidated Statutes.

Attest or Witness:

Corporate or Legal Entity's Name

Signature/Date

Signature/Date

Printed Name/Title

Printed Name/Title