



**State of Oklahoma
Oklahoma State and Education
Employees Group Insurance Board**

Solicitation

1. **Solicitation #:** 100364

2. **Solicitation Issue Date:** July 11, 2011

3. **Brief Description of Requirement:**

Contract with a vendor to offer Health Savings Accounts administrative trust services to participants in the HealthChoice qualified High Deductible Health Plan in accordance with the attached request for proposal.

4. **Response Due Date¹:** August 4, 2011

Time: 10:00 AM CST/CDT

5. **Issued By and RETURN SEALED BID TO²:**

Agency Name: **Oklahoma State and Education Employees Group Insurance Board**

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- Carrier Delivery: U \ æ @ { æ Ò ã Æ U \ æ @ { æ Á H F F G

6. **Solicitation Type** (check one below):

- Invitation to Bid
- Request for Proposal
- Request for Quote

7. **Shipping Location:** B DCE

8. **Contracting Officer:**

Name: Ô @ e | ^ • Ô | ã - | ã
Phone: I € Æ F Æ Æ Æ Æ Æ
Email: & ã - | ã O • ã Æ \ Æ [ç

¹ Amendments to solicitation may change the Response Due Date (read GENERAL PROVISIONS, section 3, "Solicitation Amendments")

² If "U.S. Postal Delivery" differs from "Carrier Delivery", use "Carrier Delivery" for courier or personal deliveries



**State of Oklahoma
Oklahoma State and Education
Employees Group Insurance Board**

Responding Bidder Information

"Certification for Competitive Bid and Contract" (see page 3) **MUST** be submitted along with the response to the Solicitation.

1. **RE: Solicitation #** FEH1

2. **Bidder General Information:**

FEI / SSN : _____ VEN ID: _____
Company Name: _____

3. **Bidder Contact Information:**

Address: _____
City: _____ State: _____ Zip Code: _____
Contact Name: _____
Contact Title: _____
Phone #: _____ FAX#: _____
Email: _____ Website: _____

4. **Oklahoma Sales Tax Permit¹:**

- YES – Permit #: _____
- NO – Exempt pursuant to Oklahoma Laws or Rules

5. **Registration with the Oklahoma Secretary of State:**

- YES - Filing Number: _____
- NO - Prior to the contract award, the successful bidder will be required to register with the Secretary of State or must attach a signed statement that provides specific details supporting the exemption the supplier is claiming (www.sos.ok.gov or 405-521-3911).

6. **Workers' Compensation Insurance Coverage:**

Bidder is required to provide with the bid a certificate of insurance showing proof of compliance with the Oklahoma Workers' Compensation Act.

- YES – include a certificate of insurance with the bid
- NO - attach a signed statement that provides specific details supporting the exemption you are claiming from the Workers' Compensation Act (Note: Pursuant to Attorney General Opinion #07-8, the exemption from 85 O.S. 2001, § 2.6 applies only to employers who are natural persons, such as sole proprietors, and does not apply to employers who are entities created by law, including but not limited to corporations, partnerships and limited liability companies.)²

Authorized Signature Date

Printed Name Title

¹ For frequently asked questions concerning Oklahoma Sales Tax Permit, see <http://www.tax.ok.gov/faq/faqbussales.html>
² For frequently asked questions concerning workers' compensation insurance, see [http://www.ok.gov/oid/Consumers/Workers' Compensation Information.html](http://www.ok.gov/oid/Consumers/Workers'_Compensation_Information.html)



**State of Oklahoma
Oklahoma State and Education
Employees Group Insurance Board**

**Certification for Competitive
Bid and/or Contract
(Non-Collusion Certification)**

NOTE: A certification shall be included with any competitive bid and/or contract exceeding \$5,000.00 submitted to the State for goods or services.

Solicitation or Purchase Order #: FEH I

Supplier Legal Name: _____

SECTION I [74 O.S. § 85.22]:

A. For purposes of competitive bid,

1. I am the duly authorized agent of the above named bidder submitting the competitive bid herewith, for the purpose of certifying the facts pertaining to the existence of collusion among bidders and between bidders and state officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to said bid;
2. I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of such bid; and
3. Neither the bidder nor anyone subject to the bidder's direction or control has been a party:
 - a. to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding,
 - b. to any collusion with any state official or employee as to quantity, quality or price in the prospective contract, or as to any other terms of such prospective contract, nor
 - c. in any discussions between bidders and any state official concerning exchange of money or other thing of value for special consideration in the letting of a contract.

B. I certify, if awarded the contract, whether competitively bid or not, neither the contractor nor anyone subject to the contractor's direction or control has paid, given or donated or agreed to pay, give or donate to any officer or employee of the State of Oklahoma any money or other thing of value, either directly or indirectly, in procuring this contract herein.

SECTION II [74 O.S. § 85.42]:

For the purpose of a contract for services, the supplier also certifies that no person who has been involved in any manner in the development of this contract while employed by the State of Oklahoma shall be employed by the supplier to fulfill any of the services provided for under said contract.

The undersigned, duly authorized agent for the above named supplier, by signing below acknowledges this certification statement is executed for the purposes of:

the competitive bid attached herewith and contract, if awarded to said supplier;

OR

the contract attached herewith, which was not competitively bid and awarded by the agency pursuant to applicable Oklahoma statutes.

Supplier Authorized Signature

Certified This Date

Printed Name

Title

Phone Number

Email

Fax Number

GENERAL PROVISIONS

1. DEFINITIONS

As used herein, the following terms shall have the following meaning unless the context clearly indicates otherwise:

- 1.1. "Acquisition" means items, products, materials, supplies, services and equipment a state agency acquires by purchase, lease purchase, lease with option to purchase, or rental pursuant to the Oklahoma Central Purchasing Act;
- 1.2. "Bid" means an offer in the form of a bid, proposal or quote a bidder submits in response to a solicitation;
- 1.3. "Bidder" means an individual or business entity that submits a bid in response to solicitation;
- 1.4. "Solicitation" means a request or invitation by the State Purchasing Director or a state agency for a supplier to submit a priced offer to sell acquisitions to the state. A solicitation may be an invitation to bid, request for proposal, or a request for quotation; and
- 1.5. "Supplier" means an individual or business entity that sells or desires to sell acquisitions to state agencies.

2. BID SUBMISSION

- 2.1. Submitted bids shall be in strict conformity with the instructions to bidders, and shall be submitted with any other forms completed as required by the solicitation.
- 2.2. Bids shall be submitted to the procuring agency in a single envelope, package, or container and shall be sealed. The name and address of the bidder shall be inserted in the upper left corner of the single envelope, package, or container. SOLICITATION NUMBER AND SOLICITATION RESPONSE DUE DATE AND TIME MUST APPEAR ON THE FACE OF THE SINGLE ENVELOPE, PACKAGE, OR CONTAINER.
- 2.3. The required certification statement, "Certification for Competitive Bid and/or Contract (Non-Collusion Certification)", DCS-FORM-CP-004SA, must be made out in the name of the bidder and must be properly executed by an authorized person, with full knowledge and acceptance of all its provisions.
- 2.4. All bids shall be legibly written or typed. Any corrections to bids shall be initialed. Penciled bids and penciled corrections shall NOT be accepted and will be rejected as non-responsive.
- 2.5. All bids submitted shall be subject to the Oklahoma Central Purchasing Act, Central Purchasing Rules, and other statutory regulations as applicable, these General Provisions, any Special Provisions, solicitation specifications, required certification statement, and all other terms and conditions listed or attached herein—all of which are made part of this solicitation.

3. SOLICITATION AMENDMENTS

- 3.1. If an amendment is issued, then the bidder shall acknowledge receipt of any/all amendment(s) to solicitations by signing and returning the solicitation amendment(s). Amendment acknowledgement(s) may be submitted with the bid or may be forwarded separately. If forwarded separately, amendment acknowledgement(s) must contain the solicitation number and response due date and time on the front of the envelope. The procuring agency must receive the amendment acknowledgement(s) by the response due date and time specified for receipt of bids for the bid to be deemed responsive. Failure to acknowledge solicitation amendments may be grounds for rejection.
- 3.2. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the solicitation. All amendments to the solicitation shall be made in writing by the procuring agency.
- 3.3. It is the Bidder's responsibility to check frequently for any possible amendments that may be issued. The procuring agency is not responsible for a bidder's failure to acquire any amendment documents required to complete a solicitation.

4. BID CHANGE

If the bidder needs to change a bid prior to the solicitation response due date, a new bid shall be submitted to the procuring agency with the following statement "This bid supersedes the bid previously submitted" in a single envelope, package, or container and shall be sealed. The name and address of the bidder shall be inserted in the upper left corner of the single envelope, package, or container. SOLICITATION NUMBER AND SOLICITATION RESPONSE DUE DATE AND TIME MUST APPEAR ON THE FACE OF THE SINGLE ENVELOPE, PACKAGE, OR CONTAINER.

5. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

By submitting a response to this solicitation:

- 5.1. The prospective primary participant and any subcontractor certifies to the best of their knowledge and belief, that they and their principals or participants:
 - 5.1.1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal, State or local department or agency;
 - 5.1.2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or

14. AWARD OF CONTRACT

- 14.1. The procuring agency may award the Contract to more than one bidder by awarding the Contract(s) by item or groups of items, or may award the Contract on an ALL OR NONE basis, whichever is deemed by the procuring agency to be in the best interest of the State of Oklahoma.
- 14.2. Contract awards will be made to the lowest and best bidder(s) unless the solicitation specifies that best value criteria is being used.
- 14.3. In order to receive payments from the State of Oklahoma, suppliers who are not registered on the State of Oklahoma Vendor Registration list must complete the "Vendor/Payee Form" (www.ok.gov/OSF/documents/osfvend.pdf). Non-U.S. suppliers who are not registered on the State of Oklahoma Vendor Registration List must complete a W-8BEN (www.irs.gov/pub/irs-pdf/fw8ben.pdf). Failure to do so may delay contract award.

15. CONTRACT MODIFICATION

- 15.1. The Contract is issued under the authority of the procuring agency who signs the Contract. The Contract may be modified only through a written Contract Modification, signed by the procuring agency approving official.
- 15.2. Any change to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procuring agency in writing, or made unilaterally by the Supplier, is a breach of the Contract. Unless otherwise specified by applicable law or rules, such changes, including unauthorized written Contract Modifications, shall be void and without effect, and the Supplier shall not be entitled to any claim under this Contract based on those changes. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the resultant Contract.

16. DELIVERY, INSPECTION AND ACCEPTANCE

- 16.1. Unless otherwise specified in the solicitation or awarding documents, all deliveries shall be F.O.B. Destination. The bidder(s) awarded the Contract shall prepay all packaging, handling, shipping and delivery charges and firm prices quoted in the bid shall include all such charges. All products and/or services to be delivered pursuant to the Contract shall be subject to final inspection and acceptance by the State at destination. "Destination" shall mean delivered to the receiving dock or other point specified in the purchase order. The State assumes no responsibility for goods until accepted by the State at the receiving point in good condition. Title and risk of loss or damage to all items shall be the responsibility of the supplier until accepted by the receiving agency. The supplier(s) awarded the Contract shall be responsible for filing, processing, and collecting any and all damage claims accruing prior to acceptance.
- 16.2. Supplier(s) awarded the Contract shall be required to deliver products and services as bid on or before the required date. Deviations, substitutions or changes in products and services shall not be made unless expressly authorized in writing by the procuring agency.

17. INVOICING AND PAYMENT

- 17.1. Pursuant to 74 O.S. §85.44(B), invoices will be paid in arrears after products have been delivered or services provided.
- 17.2. Interest on late payments made by the State of Oklahoma is governed by 62 O.S. §34.71 and 62 O.S. §34.72.

18. TAX EXEMPTION

State agency acquisitions are exempt from sales taxes and federal excise taxes. Bidders shall not include these taxes in price quotes.

19. AUDIT AND RECORDS CLAUSE

- 19.1. As used in this clause, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form. In accepting any Contract with the State, the successful bidder(s) agree any pertinent State or Federal agency will have the right to examine and audit all records relevant to execution and performance of the resultant Contract.
- 19.2. The successful bidder(s) awarded the Contract(s) is required to retain records relative to the Contract for the duration of the Contract and for a period of seven (7) years following completion and/or termination of the Contract. If an audit, litigation, or other action involving such records is started before the end of the seven (7) year period, the records are required to be maintained for two (2) years from the date that all issues arising out of the action are resolved, or until the end of the seven (7) year retention period, whichever is later.

20. NON-APPROPRIATION CLAUSE

The terms of any Contract resulting from the solicitation and any Purchase Order issued for multiple years under the Contract are contingent upon sufficient appropriations being made by the Legislature or other appropriate government entity. Notwithstanding any language to the contrary in the solicitation, purchase order, or any other Contract document, the procuring agency may terminate its obligations under the Contract if sufficient appropriations are not made by the Legislature or other appropriate governing entity to pay amounts due for multiple year agreements. The Requesting (procuring) Agency's decisions as to whether sufficient appropriations are available shall be accepted by the supplier and shall be final and binding.

21. CHOICE OF LAW

Any claims, disputes, or litigation relating to the solicitation, or the execution, interpretation, performance, or enforcement of the Contract shall be governed by the laws of the State of Oklahoma.

22. CHOICE OF VENUE

Venue for any action, claim, dispute or litigation relating in any way to the Contract shall be in Oklahoma County, Oklahoma.

23. TERMINATION FOR CAUSE

- 23.1.** The supplier may terminate the Contract for default or other just cause with a 30-day written request and upon written approval from the procuring agency. The State may terminate the Contract for default or any other just cause upon a 30-day written notification to the supplier.
- 23.2.** The State may terminate the Contract immediately, without a 30-day written notice to the supplier, when violations are found to be an impediment to the function of an agency and detrimental to its cause, when conditions preclude the 30-day notice, or when the procuring agency determines that an administrative error occurred prior to Contract performance.
- 23.3.** If the Contract is terminated, the State shall be liable only for payment for products and/or services delivered and accepted.

24. TERMINATION FOR CONVENIENCE

- 24.1.** The State may terminate the Contract, in whole or in part, for convenience if the procuring agency determines that termination is in the State's best interest. The procuring agency shall terminate the Contract by delivering to the supplier a Notice of Termination for Convenience specifying the terms and effective date of Contract termination. The Contract termination date shall be a minimum of 60 days from the date the Notice of Termination for Convenience is issued by the procuring agency.
- 24.2.** If the Contract is terminated, the State shall be liable only for products and/or services delivered and accepted, and for costs and expenses (exclusive of profit) reasonably incurred prior to the date upon which the Notice of Termination for Convenience was received by the supplier.

25. INSURANCE

The successful bidder(s) awarded the Contract shall obtain and retain insurance, including worker's compensation, automobile insurance, medical malpractice, and general liability, as applicable, or as required by State or Federal law, prior to commencement of any work in connection with the Contract. The supplier awarded the Contract shall timely renew the policies to be carried pursuant to this section throughout the term of the Contract and shall provide the procuring agency with evidence of such insurance and renewals.

26. EMPLOYMENT RELATIONSHIP

The Contract does not create an employment relationship. Individuals performing services required by this Contract are not employees of the State of Oklahoma or the procuring agency. The supplier's employees shall not be considered employees of the State of Oklahoma nor of the procuring agency for any purpose, and accordingly shall not be eligible for rights or benefits accruing to state employees.

27. COMPLIANCE WITH THE OKLAHOMA TAXPAYER AND CITIZEN PROTECTION ACT OF 2007

By submitting a bid for services, the bidder certifies that they, and any proposed subcontractors, are in compliance with 25 O.S. §1313 and participate in the Status Verification System. The Status Verification System is defined in 25 O.S. §1312 and includes but is not limited to the free Employment Verification Program (E-Verify) available at www.dhs.gov/E-Verify.

28. COMPLIANCE WITH APPLICABLE LAWS

The products and services supplied under the Contract shall comply with all applicable federal, state and local laws, and the supplier shall maintain all applicable licenses and permit requirements.

29. SPECIAL PROVISIONS

Special Provisions apply with the same force and effect as these General Provisions. However, conflicts or inconsistencies shall be resolved in favor of the Special Provisions.

Solicitation #100364
TABLE OF CONTENTS

A. Special Provisions	3
A.1 Issuing State Agencies	3
A.2 Statement of Purpose	3
A.3 Objectives	3
A.4 Identification of OSF	4
A.5 Identification of OSEEGIB	4
A.6 Identification of Employees Benefits Council	4
A.7 Identification of Members	5
A.8 Identification of Paid Claims History	5
A.9 Eligibility and Accounting System	5
A.10 CHECKLIST	5
B. RFP INSTRUCTIONS	6
B.1 Submission of a Proposal	6
B.2 Proposal Process	6
B.3 Proposal Format	7
B.4 Proposals Are Subject to Oklahoma Open Records Act	8
B.5 Restrictions on Communication with OSF and OSEEGIB Staff	8
B.6 Sole Contact	8
B.7 Information from One Supplier Concerning Another Is Prohibited	9
B.8 Revisions to the RFP and/or Responses	9
B.9 Proposal Withdrawal	9
B.10 Incurred Expenses	9
B.11 Notification of Award	10
C. Minimum Requirements	10
D. Contractual Provisions	13
D.1 Proposal Specifications	13
D.2 Contractual Term	15
D.3 Termination	15
D.4 Electronic and Information Technology Accessibility (EITA) Standards	16
D.5 Appropriated Funds	16
D.6 HIPAA Requirements	17
D.7 Right to Audit	27
D.8 Ownership of Data	28
D.9 Contract Defined	30
D.10 Hold Harmless	30
D.11 Designation of Personnel	30
D.12 Severability	30

D.13	Notice	31
D.14	Supremacy of State Statutes	31
D.15	Force Majeure	31
D.16	Assignments	31
D.17	Subcontractors	31
D.18	Compliance with the Oklahoma Taxpayer and Citizen Protection Act of 2007.....	32
E.	Other	32
E.1.	Local Office	32
E.2	Local Representation.....	32
E.3	Questionnaire.....	32
F.	EVALUATION	37
F.1	Evaluation and Award.....	37
F.2	Competitive Negotiations of Proposals	37
F.3	Selection Criteria.....	38
G	Statement of Compliance	40
	Statement of Compliance	40
H.	PRICE AND COST	41

A. Special Provisions

A.1 Issuing State Agencies

This Request for Proposal (“RFP”) is issued by the Office of State Finance (“OSF”) and the Oklahoma State and Education Employees Group Insurance Board (“OSEEGIB”), each an agency of the State of Oklahoma, however for purposes of this RFP, denoted herein (the “Agencies”). All vendor proposals must be submitted in accordance with the policies, procedures, requirements and dates described herein and when accepted by award and purchase order from the Agencies, a Contract with the Agencies will be formed.

A.2 Statement of Purpose

The Agencies request that vendors who currently serve as a trustee of Health Savings Accounts (“HSA”) according to Section 223(d)(1)(B) of the Internal Revenue Code of 1986, as amended (the “Code”), respond with a proposal to offer HSA administrative trust services to participants in the HealthChoice qualified High Deductible Health Plan (“HDHP”) as defined in Section 223(c)(2) of the Code. In this RFP, the term “HSA Administrator” means the vendor who responds with a proposal.

A.3 Objectives

The following new Oklahoma law was enacted by the Oklahoma 53rd Legislature when House Bill No. 1062 passed the House and Senate and was signed into law by the Governor with an effective date of November 1, 2011.

“The State and Education Employees Group Insurance Board, and the Office of State Finance, shall contract with a vendor to make available a health savings account to all enrollees in the HealthChoice qualified high-deductible health plan. Any employer or employee contributions to the health savings account shall be allowable as a remittance to the vendor through payroll deduction in conjunction with the employer’s Section 125 Plan and shall not be subject to any assessment of administrative fees by the Board, the office of State Finance or any state agency for remittance to the vendor. The State of Oklahoma, the Board, the Office of State Finance and the Oklahoma State Employees Benefits Council shall take necessary measures to make any employer or employee health savings account contributions permissible under the state’s Section 125 Plan.”

[74 O.S. (2011) § 1329]

OSEEGIB maintains a HDHP for the benefit of OSEEGIB’s eligible (“Members”) as defined in OSEEGIB Rule 360:10-1-2. The term Members is synonymous with the term “enrollee” in the new law which law will be codified as 74 O.S (2011) §1329. The Agencies seek to utilize the services of an HSA Administrator to provide convenient HSA account access, and administration services for Members who enroll in OSEEGIB’s HDHP and choose to execute individual Trust Agreements with the HSA Administrator.

A.4 Identification of OSF

OSF is the agency of the State of Oklahoma, which prepares the Oklahoma Governor's annual budget, analyzes the effectiveness of state management, manages the state's budget system and makes appropriate allotments and transfers throughout the state government. The Oklahoma Governor appoints the presiding officer of OSF, and when approved by the Oklahoma Senate, serves at the pleasure of the Governor.

A.5 Identification of OSEEGIB

OSEEGIB was established, and operates pursuant to the Oklahoma State and Education Employees Group Insurance Act, 74 O.S. (2001) § 1301, et seq., hereinafter (Act). The Act was established for the benefit of state and education employees, employees of other state governmental entities and quasi-state governmental entities authorized by the Act to participate in the insurance plans offered by OSEEGIB. The health, dental and life insurance plans offered by OSEEGIB are legally known under the trade name-- "HealthChoice" plans. One of the HealthChoice plans is a HDHP. The OSEEGIB Board promulgates Rules and determines all policy matters concerning the group insurance plans, including member benefits, premium rates and the investment of premiums.

Pursuant to legislative authority, OSEEGIB Rules set forth the eligibility, type of participation and benefits guidelines for all participating employers. A copy of the official agency Rules is on file with the Office of the Secretary of State beginning at Oklahoma Administrative Code Title 360:1-1-1, or the Rules may be found at www.sib.ok.gov/sib ("About OSEEGIB").

Hewlett Packard Administrative Services LLP (HP) is the current third party Administrator for health, dental and life claims and the administration of the certification process.

Medco Health Solutions, Inc. is the current Pharmacy Benefit Manager (PBM) for pharmacy claims administration and performs OSEEGIB's required Medicare D Employer Direct Waiver Prescription Drug Program services according to a direct contract with the Centers for Medicare and Medicaid (CMS).

A.6 Identification of Employees Benefits Council

The State of Oklahoma Employees Benefits Council, ("EBC"), was established by the Employees Benefits Act, 74 O.S. (2001) § 1361, et seq. EBC is responsible for providing health and dental benefit choices for active State employees and their eligible dependents, administering the Internal Revenue Code Section 125 Flexible Benefits Program, preparation and oversight of all employee benefit communication materials, and collecting premiums offered to active State employees. The EBC population includes approximately 35,000 State employees.

A.7 Identification of Members

OSEEGIB Rules define Members as “all persons covered by one or more of the group insurance plans offered by OSEEGIB including eligible current and qualified former employees of participating entities and their eligible covered dependents.” [OAC, 360:10-1-2] For plan year 2011 there are 92 primary members and 105 dependents enrolled in the HealthChoice HDHP.

A.8 Identification of Paid Claims History

For 2010, the HealthChoice HDHP Plan medical claims totaled \$153,454 for medical and 1,346 prescription claims in the amount of \$17,045.

Any statistical information contained in Exhibits and throughout this document, is believed to be accurate for the date specified but is not intended as, and must not be considered, an express or implied warranty by the Agencies.

A.9 Eligibility and Accounting System

OSEEGIB uses and manages the V3 eligibility and premium accounting system which was developed by Vitech Systems Group, Inc. This system is currently operating in a Windows server environment utilizing an Oracle database.

A.10 CHECKLIST

The Agencies reserve the right to alter these dates, issue amendments to this RFP, cancels, or re-issue this RFP at any time for any reason. The HSA Administrator must agree to make any of its facilities available to the Agencies if it is determined that an on-site visit would be beneficial and utilized as part of the final evaluation process.

- A.10.1** RFP Released.....Monday July 11, 2011
- A.10.2** Notice of Intent to Bid/Questions.....Monday, July 18, 2011
- A.10.3** OSEEGIB Responds to Questions July 21, 2011
- A.10.4** Proposals due August 4, 2011
- A.10.5** Pre-Award On-Site Visits (if necessary) August
- A.10.6** Negotiation Meeting(s) (if necessary) August
- A.10.7** The Agencies select a vendor August 19, 2011
- A.10.8** Intended Contract Effective DateSeptember 1, 2011

B. RFP INSTRUCTIONS

B.1 Submission of a Proposal

- B.1.1 The submission of a proposal shall constitute a binding offer to perform those services described within the proposal. The proposal shall remain in effect for six (6) months after submission. The Agencies shall have the option of accepting the proposal at any time within that six (6) month period. If the proposal is accepted more than six (6) months after submission, the Agencies and the HSA Administrator shall agree to adjust the time lines up to six (6) months. The HSA Administrator is advised that its proposal may be accepted any time within that six (6) month period, even if the Agencies accepted another HSA Administrator's proposal and subsequently that contract was terminated.
- B.1.2 By submitting a proposal, the HSA Administrator agrees not to make any claims for, or have any right to, damages because of any misunderstanding or misrepresentation of the specifications or because of any misinformation or lack of information.
- B.1.3 If a HSA Administrator fails to notify the Agencies of an error, ambiguity, conflict, discrepancy, omission or other error in the RFP known to the HSA Administrator, or an error that reasonably should have been known by the HSA Administrator, the HSA Administrator shall submit a proposal at its own risk. The HSA Administrator shall not be entitled to additional compensation, relief or time by reason of the error or its later correction.

B.2 Proposal Process

- B.2.1 HSA Administrator's should offer a Notice of Intent to Bid no later than July 18, 2011. Along with the Notice of Intent the Agencies will accept questions regarding this RFP. Both the Notice and the questions should be directed to Charles Clifford. The Agencies will respond to all questions in one document by July 21, 2011.

No late proposal shall be accepted. An original, six (6) copies, and one (1) electronic copy on CD in a searchable PDF format allowing full text searches of the HSA Administrator's response language, including exhibits when possible must be submitted by 3:00 p.m., Thursday, August 4, 2011 to

Charles Clifford, Director of Procurement
Purchase Card Administrator
Oklahoma State and Education Employees Group Insurance Board
3545 NW 58th, Suite 1000
Oklahoma City, Oklahoma 73112

- B.2.2 The HSA Administrator shall submit with its proposal an executive summary no longer than two (2) pages, outlining significant features of the proposal. The summary should highlight the HSA Administrator's philosophy, its experience with similar programs and the administrative approach presented in the proposal. The summary must also include a description of the HSA Administrator's understanding of OSEEGIB's RFP along with organizational and conceptual approaches to be used.
- B.2.3 The proposal will be received by the Agencies. After opening, it will be reviewed by the Agencies for conformation with the Proposal Submission Requirements. Non-conforming proposals will not be considered further.
- B.2.4 The Agencies' Evaluation Committee will in turn review for compliance with Minimum Requirements. Proposals that do not meet Minimum Requirements shall not be considered further.
- B.2.5 OSEEGIB will then review the acceptable proposals in their entirety. That process will result in the identification of proposals, which, in the opinion of OSEEGIB would result in an acceptable HSA Administrator. References will then be checked and OSEEGIB will invite selected HSA Administrators to Oklahoma City for discussions and demonstrations or OSEEGIB may request a site visit to the HSA Administrator's offices.
- B.2.6 If OSEEGIB determines that one of the proposals is preferred and acceptable, the Agencies will be notified and the negotiations with that HSA Administrator will begin. If the HSA Administrator and OSEEGIB cannot conclude this negotiation phase, OSEEGIB shall begin negotiations with the next ranked HSA Administrator. If one proposal is not preferred, OSEEGIB shall simultaneously negotiate with more than one HSA Administrator.
- B.2.7 When negotiations are finished, the Agencies will complete their processes, likely resulting in a contract award and all HSA Administrators submitting responses will be notified.

B.3 Proposal Format

- B.3.1 Proposals shall be prepared in the format described below. Failure to comply with the specified format shall lead to a HSA Administrator's proposal being declared non-responsive. OSEEGIB is especially concerned that the format of the proposal sequentially responds to the Contractual Provisions, the Solicitation Specifications, Minimum Requirements and the questionnaire addressed within the RFP. The HSA Administrator should restate the service,

requirement, or question and then state its response. The HSA Administrator shall assign consecutive page numbers in its response.

- B.3.2 Appendices should be similarly sequential. Any other information thought to be relevant, but not applicable to the prescribed format, should be provided as appendices to the proposal. If a HSA Administrator supplied a publication to respond to a requirement, the response should include references to the publication and page number. Proposals without this reference shall be considered to have no reference materials included.
- B.3.3 An official copy of the RFP is obtainable through the OSEEGIB website <http://www.ok.gov/sib/>.
- B.3.4 The proposal shall be configured to arrive at the designated office in one physical container (the “Outer Container”). FAX or electronic submissions are not acceptable.

B.4 Proposals Are Subject to Oklahoma Open Records Act

- B.4.1 To the extent permitted by the Oklahoma Open Records Act, 51 O. S. (2001) § 24A.1-27, the HSA Administrators’ proposals will not be disclosed, except for purposes of evaluation, prior to approval by the Department of Central Services of the resulting contract. All material submitted becomes the property of the State of Oklahoma. Proposals will not be considered confidential after a contract is awarded.
- B.4.2 Submitted proposals may be reviewed and evaluated by any person designated by the Agencies, other than one associated with a competing bidder. OSEEGIB reserves the right to use any and all ideas presented in any response to the RFP. Selection or rejection of a proposal does not affect this right.
- B.4.3 PROPOSALS MARKED AS PROPRIETARY and/or CONFIDENTIAL SHALL NOT BE CONSIDERED.

B.5 Restrictions on Communication with OSF and OSEEGIB Staff

- B.5.1 From the issue date of this RFP until a HSA Administrator is selected, HSA Administrators are not allowed to discuss this RFP with any OSF employee, OSEEGIB Board member, employee or any Consultant to OSEEGIB unless the discussion is part of the Agencies’ negotiation process. Any violation of this restriction shall result in disqualification.

B.6 Sole Contact

- B.6.1 If the HSA Administrator has questions regarding any proposal requirements of the RFP, the contact is:

Paul King, Assistant Administrator/Compliance and Industry practice
Oklahoma State and Education Employees Group Insurance Board
3545 NW 58th, Suite 1000
Oklahoma City, Oklahoma 73112
pking@sib.ok.gov

B.7 Information from One Supplier Concerning Another Is Prohibited

B.7.1 HSA Administrators are advised that the Agencies are not interested in, nor will it consider, allegations of lack of qualification or of impropriety made or initiated by any HSA Administrator concerning another HSA Administrator at any point during the competitive bid process. Inclusion of such information in the RFP response or communication of such information to any state officials, state staff or its contractors after proposal submission shall be grounds for disqualification. This clause in no way limits the right to file a protest or appeal under the laws or rules governing the State of Oklahoma.

B.8 Revisions to the RFP and/or Responses

B.8.1 OSEEGIB shall at any time hereafter supplement the RFP, the proposal and the resulting contract for purposes of enumerating, defining, and clarifying services, duties and functions, but not to add new services, duties or functions unless approved by the Department of Central Services.

B.8.2 During the evaluation period, the HSA Administrators may be requested to present supplemental information clarifying its proposal. This supplemental information will be requested by Agencies and the information must be submitted in writing to Agencies and will be included as a formal part of the HSA Administrator's proposal.

B.9 Proposal Withdrawal

B.9.1 Before the proposal opening date and time, a submitted proposal shall be withdrawn by a written request signed by the proposer to:

Charles Clifford, Director of Procurement
Purchase Card Administrator
Oklahoma State and Education Employees Group Insurance Board
3545 NW 58th, Suite 1000
Oklahoma City, Oklahoma 73112
cclifford@sib.ok.gov

B.10 Incurred Expenses

- B.10.1 OSEEGIB shall not be responsible for any costs a proposing HSA Administrator may incur in preparing and submitting a proposal, making an oral presentation, providing a demonstration, or performing any other related activities.

B.11 Notification of Award

- B.11.1 Notification will be made to the successful HSA Administrator by issuance of a purchase order. Public information releases pertaining to this project shall not be made without prior written approval by OSEEGIB and then only in conjunction with OSEEGIB.
- B.11.2 The HSA Administrator shall provide proper documentation in its response to each Minimum Requirement and each evaluation question in the questionnaire. The HSA Administrator's compliance with the requirements in this section shall be determined according to the sole unrestricted discretion of the Agencies. The HSA Administrator must state in its proposal exactly how it shall comply, provide detailed information and affirm its understanding of the requirement and its agreement to comply with that requirement for the duration of the contract. Proposals failing to meet Minimum Requirements shall not be considered.

C. Minimum Requirements

C.1 Financial Information

- C.1.1 The HSA Administrator must demonstrate its financial stability by providing OSEEGIB with copies of audited financial statements for the HSA Administrator's three (3) fiscal years previous to the date of its response and its most recent SSAE 16 or SAS 70 Type II report. OSEEGIB shall exercise its sole discretion in evaluating such information. The contracted HSA Administrator shall continue to provide such financial information and a SSAE 16 report to OSEEGIB on an annual basis.

If the HSA Administrator is a wholly owned subsidiary of a parent organization, this requirement may be fulfilled by the audited financial statement of the parent organization, provided that the parent organization agrees to have the same legal and financial responsibilities under the contract as the HSA Administrator.

C.2 Experience

- C.2.1 The HSA Administrator shall document its experience in performing the requested HSA Administrator services outlined in this RFP at Section D.1, Proposal Specifications. The HSA Administrator shall specifically document experience providing HSAs.

C.2.2 The HSA Administrator shall describe the size, qualifications and experience of the HSA Administrator's account staff and how it will provide support to OSEEGIB and its HDHP Members.

C.2.3 The HSA Administrator shall indicate: its Plan name; the total number of HSAs currently under management; the total value of HSAs currently under management; significant losses and whether it proposes to operate as a custodian or trustee.

C.3 References

C.3.1 Provide contact names of at least three (3) non-affiliated clients, addresses, telephone numbers, email addresses, fax numbers, types of services provided, and the number of participants.

C.4 License

C.4.1 To be eligible to submit a proposal under this RFP, a HSA Administrator must meet all legal requirements for doing business in the State of Oklahoma.

C.5 No Commissions

C.5.1 The HSA Administrator must agree that absolutely no commissions or finder's fees shall be paid to anyone or any organization resulting from the State of Oklahoma's contract, either arising from an agreement to pay a commission or finder's fee prior to or during the term of this contract; and, to provide a statement as part of its response to this RFP, and prior to each contract renewal, that absolutely no commissions or finder's fees are to be paid to any subcontractor, broker, agent or other individual, organization or entity.

C.6 Conflict

C.6.1 The HSA Administrator shall disclose any apparent or potential conflict of interest or affirm that it has none. The HSA Administrator shall have no interest, direct or indirect, that could be perceived to conflict in any manner or degree with the performance of services required under this contract. The HSA Administrator shall not engage in any conduct that violates or induces others to violate provisions in the Oklahoma Statutes regarding the conduct of public employees. See, The Anti-Kickback Act of 1974 at 74 O.S. (2001), § 3401, et seq., and the Conflict of Interest provision in the Oklahoma Central Purchasing Act at 74 O. S. (2001), § 85.3.

C.7 Lawsuits and Litigation

- C.7.1 The HSA Administrator must disclose, unless prohibited by securities laws, any prior lawsuits and litigation, violations of administrative rules and hearings, or any lawsuits and litigation threatened or impending, involving itself and the State of Oklahoma or any political subdivisions, and/or any state officer and/or any state employee acting in the capacity of a state employee. The HSA Administrator must disclose any settlements, compromises or Judgments of Record resulting from the foregoing described litigation or administrative proceedings for the past five (5) years or affirm there are none. If the HSA Administrator determines the aforementioned information to be confidential, it shall provide a statement of that fact.
- C.7.2 The HSA Administrator shall list and disclose contract cancellations or negligent causes of action that arose from work performed that is the same or similar to work identified in the Proposal Specifications in this RFP that was initiated by persons or entities other than the HSA Administrator and resulted in a settlement with or judgment against the HSA Administrator in any jurisdiction in the United States in an amount of One Hundred Thousand Dollars (\$100,000) or more within the previous five (5) years, or affirm there are none.
- C.7.3 The HSA Administrator shall disclose any data security breaches and specifically any HIPAA security breaches that were reported to any federal or state authority by the HSA Administrator within the previous three (3) years.
- C.7.4 The HSA Administrator shall disclose if it has any past or pending investigation, legal actions, administrative actions, or matter subject to arbitration brought involving the HSA Administrator (and HSA Administrator's parent firm if applicable), including any key management or executive staff, over the past three years on matters relating to payments from governmental entities, both federal and state, for healthcare and/or prescription drug services. The disclosure should include an explanation as well as the current status and or disposition.

C.8 Certification Regarding Debarment, Suspension, and Other Responsibility Matters

- C.8.1 By submitting a proposal the prospective vendor and any named subcontractor certifies to the best of their knowledge and belief, that they and their principals:
 - C.8.1.1 Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal, State or local department or agency;

- C.8.1.2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) contract; or for violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- C.8.1.3 Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph C.8.1.2. of this certification; and
- C.8.1.4 Have not within a three-year period preceding this application/proposal had one or more public (Federal, State or local) contracts terminated for cause or default.

The HSA Administrator must affirm its understanding of all contractual terms and agree to comply with each term for the duration of the contract.

D. Contractual Provisions

D.1 Proposal Specifications

OSEEGIB shall provide general administration of the HDHP. The HSA Administrator shall provide convenient HSA access, and administration services for eligible Members who enroll in OSEEGIB's HDHP and execute individual Trust Agreements with the HSA Administrator. The HSA Administrator must state in its response exactly how it shall offer the necessary services providing detailed information.

- D.1.1 The HSA Administrator shall open and maintain an HSA in its name, as trustee, for the benefit of each participating HDHP Member who contracts with the HSA Administrator.
- D.1.2 The HSA Administrator shall accept HSA contributions from the HSA Member or designee (employer group), who establishes an HSA with the HSA Administrator.
- D.1.3 The HSA Administrator shall hold in the HSA all cash contributed and gains and losses attributable thereto for the exclusive purpose of administering the HDHP Member's HSA.
- D.1.4 The HSA Administrator shall hold assets in compliance with the non-forfeit ability rules applicable to HSAs, including, but not limited to, the provisions restricting recoupment by employers to circumstances described in Internal Revenue Service ("IRS") Notice 2008-59, Q&A

23-25 or any future guidance issued regarding the non-forfeit ability of Employer contributions to HSAs.

- D.1.5 The HSA Administrator shall act upon the written directions of the HDHP Member, including settling investment transactions and making distributions from the HSA. Directions given by the HDHP Member in electronic form shall be treated as written directions. The HSA Administrator is not required to determine whether a request distribution is for the payment or reimbursement of qualified medical expenses or to maintain records sufficient to show that the distribution is tax free.
- D.1.6 The HSA Administrator shall maintain records reflecting an inventory of the assets of each HSA, all activity transacted during the previous year and the market value of the assets of the HSA.
- D.1.7 The HSA Administrator shall prepare and deliver reports to the Employer setting forth information including, but not limited to, contribution and reconciliation data. Such reports may be delivered electronically to the extent permitted by law and agreed upon by the Employer and HSA Administrator.
- D.1.8 The HSA Administrator shall take direction from the HDHP Member with respect to the voting or tender of proxy materials.
- D.1.9 The HSA Administrator shall prepare tax reporting with respect to contributions and distributions as required by the Internal Revenue Code and applicable law or regulations (Forms 5498-SA and 1099-SA).
- D.1.10 The HSA Administrator shall provide and service debit cards or stored-value cards as permitted by law.
- D.1.11 The HSA Administrator shall designate a contact to be responsible for responding to all inquiries and requests made by HDHP Member and/or the employer with respect to HSAs.
- D.1.12 The HSA Administrator shall notify OSEEGIB if there are changes in regulations which may require OSEEGIB to amend the HDHP as necessary to remain qualified and comply with changes in applicable federal, state, or local statutes or regulations.
- D.1.13 The HSA Administrator shall make available to OSEEGIB prior to each option period all enrollment materials and instructions as may be required for Members utilizing the HSA Administrator's services in conjunction with the HDHP.

- D.1.14 The HSA Administrator shall assist eligible Members in the HSA enrollment process, including providing educational information and toll-free customer assistance.
- D.1.15 The HSA Administrator shall provide employers with monthly and year-end reports summarizing the previous period's HSA account deposit activities with sufficient detail to provide for the audit and control of deposits made.
- D.1.16 The HSA Administrator shall maintain all records prepared by the HSA Administrator relating to the HSA services provided pursuant to this Contract for a period no less than seven (7) years.
- D.1.17 The HSA Administrator shall rely on the eligibility information furnished by OSEEGIB and signed statements by the HDHP Member regarding eligibility and enrollment in the HDHP.
- D.1.18 The HSA Administrator shall provide OSEEGIB with the HSA Administrator's HDHP Member's HSA enrollment data.

D.2 Contractual Term

- D.2.1 The Contract shall be awarded for a one (1) year term to be effective September 1, 2011.
- D.2.2 The Contract shall include a provision for the Agencies, in its sole discretion and at the end of each term, to renew the one (1) year term for four (4) additional one-year renewal terms. The Agencies intend to renew the Contract for the additional four (4) years subject to the terms and conditions of the Contract, unless the Agencies determine in their sole discretion, that re-bidding Contract services is in HealthChoice HDP Members' best interest.

D.3 Termination

- D.3.1 Within thirty (30) days after the date the HSA Administrator receives notice of termination, the HSA Administrator shall, at no additional cost to the Agencies, copy and deliver to the Agencies all files and data bases in an agreed upon electronic format, together with necessary and appropriate documentation (including record layouts and data dictionaries of the data bases and systems) used in the administration of the program.
- D.3.2 At the close of business on the termination date, the HSA Administrator shall transfer to the Agencies all funds held in Health Savings Accounts on behalf of the HealthChoice HDHP Members.
- D.3.3 The HSA Administrator shall give the Agencies at least one hundred eighty (180) days written notice prior to cancellation. The HSA Administrator shall

also provide one hundred eighty (180) days written notice prior to non-renewal.

- D.3.4 The Agencies shall terminate this contract for cause upon giving the HSA Administrator thirty (30) days written notice. Termination for cause is defined as the failure of the HSA Administrator to maintain the quality of its services provided for by this contract to the satisfaction of the Agencies. The Agencies may terminate this contract without cause upon giving the HSA Administrator one hundred eighty (180) days written notice.
- D.3.5 Following the effective date of termination, this contract shall be of no further force and effect, except that each party shall remain liable for any obligations or liabilities arising from activities carried on by it hereunder prior to the effective date of termination of this contract.
- D.3.6 The Agencies and the HSA Administrator shall agree that each party reserves the right to terminate this contract if funds are not available to support the continuation of the HealthChoice HDHP administered by OSEEGIB, or if it is otherwise determined by the Agencies, at its sole discretion, that it is in the best interest of the State to terminate the contract.

D.4 Electronic and Information Technology Accessibility (EITA) Standards

- D.4.1 All electronic and information technology procurements, agreements, and contracts shall comply with Oklahoma Information Technology Accessibility Standards issued by OSF Electronic Information Standards. The State of Oklahoma information technology Accessibility Standards are based on the standards developed to implement Federal Section 508 of the Rehabilitation Act. Compliance with these standards is required for all software application systems utilized by HSA Administrator of the State of Oklahoma.
- D.4.2 Upon request, the HSA Administrator shall provide a description of conformance with the applicable Oklahoma Information Technology Accessibility Standards for the proposed product, system or application development/customization by means of either a Voluntary Product Accessibility Template or other comparable document.
- D.4.3 The HSA Administrator shall indemnify and hold harmless the State of Oklahoma and any Oklahoma governmental entity purchasing the product, system or application developed and/or customized by the HSA Administrator from any claim arising out of the HSA Administrator's failure to comply with the aforementioned requirements.

D.5 Appropriated Funds

- D.5.1 The Agencies understand and agree that none of the sums to be paid under this agreement are appropriated funds. Should there be a revenue shortfall, the Agencies shall not seek appropriations and shall not use appropriated funds to

pay for this obligation. The most recent financial statement of OSEEGIB is posted on OSEEGIB's website: www.sib.ok.gov/sib/ (go to "About OSEEGIB" 2009 Annual Report Statement)

D.6 HIPAA Requirements

D.6.1 The HSA Administrator agrees that it maintains internal practices, policies, books and records, including policies and procedures relating to the use and disclosure of OSEEGIB confidential and protected health information and will provide OSEEGIB a summary description of those policies and procedures upon request. All OSEEGIB member information concerning this RFP is the sole property of the State of Oklahoma and shall remain confidential. It shall not be used by the HSA Administrator nor transmitted to others for any reason whatsoever, except as shall be required to administer and implement the Proposal Specifications described in this RFP, or with prior written approval from OSEEGIB.

D.6.1.1 The HSA Administrator must identify its HIPAA compliance officer.

D.6.2 In the event the HSA Administrator receives, manages, or possesses any individual protected health information as that term is defined by HIPAA, then the HSA Administrator agrees to the terms of the HIPAA Business Associate Agreement herein.

D.6.2.1 Definitions:

D.6.2.1.1 "Business Associate" shall have the meaning given to Business Associate under the Privacy Rule, including, but not limited to, 45 CFR § 160.103.

D.6.2.1.2 "Contract" shall mean the definition of contract as defined in Section B.19.

D.6.2.1.3 "Data Aggregation" shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR § 164.501.

D.6.2.1.4 "Designated Record Set" shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR § 64.501.

D.6.2.1.5 "Health Care Operations" shall have the meaning given to such term under the Privacy Rule including, but not limited to, 45 CFR § 164.501.

D.6.2.1.6 "HIPAA" means Health Insurance Portability and Accountability Act of 1996.

- D.6.2.1.7 “HITECH” means the Health Information Technology for Economic and Clinical Health Act
- D.6.2.1.8 “Individual” shall have the same meaning as the term “individual” as used in 45 CFR § 164.501 and shall include a person who qualifies as a “personal representative” in accordance with 45 CFR § 164.502(g), and shall also mean the person or “individual” who is the subject of information that constitutes PHI, and has the same meaning as the term “individual” as used in 45 CFR § 160.103
- D.6.2.1.9 “OSEEGIB” shall have the meaning given to the term ‘Covered Entity’ under the Privacy Rule including, but not limited to, 45 CFR § 160.103 for purposes of this Business Associate Agreement only and to the extent required by law.
- D.6.2.1.10 “Privacy and Security Rule” shall mean the HIPAA Regulations codified at 45 CFR Parts 160 through 164.
- D.6.2.1.11 “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 the Privacy Rule, including, but not limited to, 45 CFR § 160.103 [45 CFR §§160.103]
- D.6.2.1.12 “Protected Information” shall mean PHI provided by OSEEGIB to or created or received by the HSA Administrator on OSEEGIB’s behalf.
- D.6.2.1.13 “Required by Law” shall have the same meaning as the term “required by law” in 45 CFR §164.103
- D.6.2.1.14 “Security Incident” shall have the same meaning as “security incident” in 45 CFR §164.304.

D.6.2.2 Obligations of the HSA Administrator

- D.6.2.2.1 Permitted Uses. The HSA Administrator shall not use Protected Information except for the purpose of performing the HSA Administrator’s obligations under the Contract and as permitted under the Contract. Further, the HSA Administrator shall not use Protected Information in any

manner that would constitute a violation of the Privacy Rule if so used by OSEEGIB, except that the HSA Administrator shall use Protected Information (i) for the proper management and administration of the HSA Administrator, (ii) to carry out the legal responsibilities of the HSA Administrator, or (iii) for Data Aggregation purposes for the Health Care Operations of OSEEGIB, and also as permitted in Section (3) of this Business Associate Agreement [45 CFR §§ 164.504(e)]

D.6.2.2.2 Permitted Disclosures. The HSA Administrator shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule if disclosed by OSEEGIB, except that the HSA Administrator shall disclose Protected Information (i) in a manner permitted pursuant to the Contract (ii) for the proper management and administration of the HSA Administrator, (iii) as required by law, or (iv) for Data Aggregation purposes for the Health Care Operations of OSEEGIB and as permitted in the Business Associate Agreement. Unless agreed otherwise herein, to the extent that the HSA Administrator discloses Protected Information to a third party, the HSA Administrator must obtain, prior to making any such disclosure, (i) reasonable assurance from such third party that such Protected Information shall be held confidential and secure and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) an agreement from such third party to notify the HSA Administrator of any breaches of confidentiality or security of the Protected Information, to the extent it has obtained knowledge of such breach. [45 CFR § 164.504(e)]

D.6.2.2.3 Appropriate Safeguards. The HSA Administrator shall use appropriate safeguards and train its workforce according to HSA Administrator procedures as necessary to prevent the use or disclosure of Protected Information; and ensure the integrity and availability of electronic protected information that the HSA Administrator creates, receives, maintains or transmits. The HSA Administrator shall implement administrative, technical and physical safeguards that are reasonable and appropriate to the size and complexity of the HSA Administrator's operations and the nature and scope of its activities. [45 CFR § 164.504(e)] [45 CFR § 164.306(a)]

D.6.2.2.4 HSA Administrator's Agents. The HSA Administrator shall ensure that any agents, including subcontractors to whom it provides Protected Information, agree to the same restrictions

and conditions that apply to the HSA Administrator with respect to such PHI. [45 CFR § 164.504(e)(2)(ii)(D)] The HSA Administrator shall maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation. [45 CFR § 164.530(e)(1) and 164.530(f)]

- D.6.2.2.5 Access to Protected Information. The HSA Administrator shall make Protected Information, maintained in a Designated Record Set by the HSA Administrator or its agents or subcontractors, available to OSEEGIB for inspection and copying within ten (10) days of a request by OSEEGIB to enable OSEEGIB to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.524. [45 CFR § 164.504(e)(2)(ii)(E)]
- D.6.2.2.6 Amendment of PHI. Within ten (10) days of receipt of a request from OSEEGIB for an amendment of Protected Information in a Designated Record Set or other record about an individual, the HSA administrator or its agents or subcontractors shall make such Protected Information, within its possession, available to OSEEGIB for amendment and incorporate any such amendment to enable OSEEGIB to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.526. If any individual requests an amendment of Protected Information directly from the HSA Administrator or its agents or subcontractors, the HSA Administrator must notify OSEEGIB in writing within five (5) days of the request. Any denial of amendment of Protected Information maintained by the HSA Administrator or its agents or subcontractors shall be the responsibility of OSEEGIB. [45 CFR § 164.504(e)(2)(ii)(F)]
- D.6.2.2.7 Accounting Rights. The HSA Administrator agrees to implement a process to prepare an accounting of a member's Protected Information that is collected and maintained by the HSA Administrator and its agents or subcontractors, subject to the exceptions, if any, to enable OSEEGIB to respond to a request for an accounting of disclosures. At a minimum, such information shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. The HSA

Administrator and its agents or subcontractors shall make the accounting available to OSEEGIB, within a reasonable time or the time allowed by the applicable Privacy Rule, to enable OSEEGIB to fulfill its obligations under the Privacy Rule, as amended., In the event that the request for an accounting is delivered directly to the HSA Administrator or its agents or subcontractors, the HSA Administrator shall process the request according to the current Privacy Rule (s) as amended, and forward a copy to OSEEGIB.

- D.6.2.2.8 Governmental Access to Records. The HSA Administrator shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to the Secretary of the U.S. Department of Health and Human Services (the “Secretary”) for purposes of determining OSEEGIB’s compliance with the Privacy Rule. [45 CFR § 164.504(e)(2)(ii)(H)] The HSA Administrator agrees to notify OSEEGIB with the date it provides access to OSEEGIB Protected Information to the Secretary and a general description of any OSEEGIB Protected Information it provides to the Secretary.
- D.6.2.2.9 Minimum Necessary. The HSA Administrator and its agents or subcontractors shall only request, use and disclose the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure. [45 CFR § 164.514(d)(3)]
- D.6.2.2.10 Data Ownership. The HSA Administrator acknowledges that the HSA Administrator has no ownership rights with respect to the Protected Information.
- D.6.2.2.11 Retention of Protected Information. The HSA Administrator and its subcontractors or agents shall transmit the Protected Information described in the Contract to OSEEGIB on a scheduled basis according to Contract terms. The HSA Administrator shall maintain all Protected Information that has not been previously transmitted to OSEEGIB for a period of six (6) years after the date it was created or the last effective date, whichever is later or transmit it to OSEEGIB for receipt and storage. [See, 45 CFR §§ 164.530 (j)(1)(2)]
- D.6.2.2.12 Notification of Breach. During the term of this RFP, HSA Administrator agrees to notify OSEEGIB within three (3) days of discovery of any use or disclosure of PHI not authorized by this agreement or the terms of the Contract, of which the HSA Administrator becomes aware. Within thirty

(30) days after the date discovered, HSA Administrator agrees to report to OSEEGIB the following: the nature of the non-permitted use or disclosure; the OSEEGIB PHI used or disclosed; who made the non-permitted or violating use or received the non-permitted or violating disclosure; what corrective actions HSA Administrator has taken or will take to prevent further non-permitted or violating uses or disclosures; and what HSA Administrator did or will do to mitigate any deleterious effect of the non-permitted or violating use or disclosure. The HSA Administrator shall also notify OSEEGIB of a finding or stipulation that the HSA Administrator has violated any standard or requirement of the HIPAA Regulations or other security or privacy laws arising from any administrative or civil proceeding in which the HSA Administrator has been joined. The HSA Administrator agrees that OSEEGIB and the HSA Administrator will investigate an actual breach; however, the HSA Administrator shall coordinate with OSEEGIB to control the investigation or any notification procedures related to the incident. HSA Administrator agrees and acknowledges CMS Guidance and special notifications to HHS and the CMS/OSEEGIB Account Representative in the event of a security or privacy breach of Medicare beneficiaries' protected health information.

With regard to implementation of the HIPAA Security Rule, 45 CFR Part 164, Subpart C, Oklahoma Statute 74 O.S. § 3113.1 and the occurrence of a Security Incident, HSA Administrator agrees to report to OSEEGIB any successful (i) unauthorized access, use, disclosure, modification, or destruction of OSEEGIB electronic PHI or (ii) interference with HSA Administrator system operations that contain OSEEGIB member information of which HSA Administrator becomes aware. HSA Administrator shall make such report to the OSEEGIB HIPAA Security Officer immediately after HSA Administrator learns of any successful Security Incidents. Attempted, but unsuccessful unauthorized access, use, disclosure, modification, or destruction of the HSA Administrator's electronic PHI or interference with system operations in the HSA Administrator's information systems that involve OSEEGIB electronic PHI will only be required to be reported by the HSA Administrator to OSEEGIB upon the request of OSEEGIB. OSEEGIB's request shall be made no more often than is reasonable based upon the relevant facts, circumstances and industry practices.

D.6.2.2.13 Audits, Inspection and Enforcement. Upon request, the HSA Administrator agrees that OSEEGIB or its designee, shall conduct a reasonable inspection of HSA Administrator facilities, systems, books, records, policies and procedures relating to the use or disclosure of Protected Information pursuant to the Contract for the purpose of determining whether the HSA Administrator has complied with HIPAA; provided, however, that (i) the HSA Administrator and OSEEGIB shall mutually agree in advance upon the scope, timing and location of such an inspection, (ii) OSEEGIB shall protect the confidentiality of all confidential and proprietary information of the HSA Administrator to which OSEEGIB has access during the course of such inspection; and (iii) OSEEGIB shall execute a nondisclosure agreement, upon terms mutually agreed upon by the parties, if requested by the HSA Administrator. The fact that OSEEGIB inspects, or fails to inspect, or has the right to inspect, the HSA Administrator's facilities, systems, books records, policies and procedures does not relieve the HSA Administrator of its responsibility to comply with these terms of the Contract between HSA Administrator and OSEEGIB. OSEEGIB's failure to detect deficiencies or failure to notify the HSA Administrator or require the HSA Administrator's remediation of any unsatisfactory practices does not constitute acceptance of such practices or a waiver of OSEEGIB's enforcement rights under the Contact between HSA Administrator and OSEEGIB.

D.6.2.3 Special Uses and Disclosures

D.6.2.3.1 HSA Administrator shall create, receive, use, or disclose PHI related to OSEEGIB Plan members only in a manner that is consistent with the terms of the Contract and the Privacy Rule, and only in connection with providing the services to OSEEGIB that are related to the administration of prescription drug benefits and/or identified in the Contract. HSA Administrator shall de-identify OSEEGIB PHI, provided HSA Administrator complies with 45 CFR §164.514(b); does not violate the Privacy Rule if done by OSEEGIB; and the HSA Administrator provides written assurances to OSEEGIB regarding use and disclosure of the de-identified data.

D.6.2.3.2 HSA Administrator shall, consistent with the Privacy Rule, use or disclose PHI that a Business Associate receives in its capacity as manager of prescription drug benefits and in its capacity as a Business Associate to OSEEGIB if such use

relates to the proper management and administration of the Business Associate or to carry out legal responsibilities of the Business Associate under the RFP. “Legal responsibilities” of the Business Associate used herein shall mean responsibilities imposed by law or regulation, but (unless otherwise expressly permitted by OSEEGIB) shall not mean obligations the HSA Administrator shall assume pursuant to contracts, agreements, or understandings other than the terms of the Contract.

D.6.2.3.3 HSA Administrator shall engage in “data aggregation services” related to OSEEGIB in a manner permitted by the Privacy Rule at 45 CFR § 164.504(e)(2)(i)(B) and that complies with the terms of the Contract. “Data aggregation services” as used herein shall mean the combining of PHI by HSA Administrator with PHI received by the HSA Administrator in its capacity as a Business Associate of another covered entity, to permit analysis of data that relates to the health care operations of OSEEGIB or another covered entity.

D.6.2.3.4 HSA Administrator shall use PHI to report violations of law to appropriate federal and state authorities, consistent with 45 CFR § 164.502.

D.6.2.3.5 Any right of the HSA Administrator to create, use, or disclose PHI pursuant to this Agreement shall not include the right to ‘de-identify’ or aggregate PHI, except as provided for in this Business Associate Agreement or as expressly permitted by OSEEGIB or the Privacy Rule, provided that such use or disclosure would not violate the Privacy Rule if done by OSEEGIB.

D.6.2.4 Obligations of OSEEGIB

D.6.2.4.1 OSEEGIB shall be responsible for using appropriate safeguards to maintain and ensure the confidentiality, privacy and security of PHI transmitted to the HSA Administrator pursuant to this RFP, in accordance with the standards and requirements of the Privacy and Security Rules, until such PHI is received by the HSA Administrator.

D.6.2.4.2 OSEEGIB shall notify HSA Administrator of any limitation(s) in its notice of privacy practices of OSEEGIB in accordance with 45 CFR § 164.520, to the extent that such limitations shall affect HSA Administrator use or disclosure of PHI, and shall also notify HSA Administrator of any

material change in privacy practices and procedures of OSEEGIB.

- D.6.2.4.3 OSEEGIB shall notify HSA Administrator of any changes in, or revocation of, permission by an Individual to use or disclose PHI to the extent such changes shall affect HSA Administrator use and disclosure of PHI.
- D.6.2.4.4 OSEEGIB shall notify HSA Administrator of any restrictions in the use or disclosure of PHI that OSEEGIB has agreed to in accordance with 45 CFR § 164.522, to the extent such restriction shall affect HSA Administrator use or disclosure of PHI. Prior to agreeing to any restriction, OSEEGIB will consult with HSA Administrator regarding whether the proposed restriction will affect its functions, activities, or services under the Contract.
- D.6.2.4.5 If OSEEGIB or HSA Administrator receives a request from an Individual for confidential communication of PHI by alternative means or at alternative locations in accordance with 45 CFR 164.522(b), both OSEEGIB and HSA Administrator will accommodate the request to the extent feasible
- D.6.2.4.6 OSEEGIB shall not request HSA Administrator to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if such use or disclosure were made by OSEEGIB.

D.6.2.5 Termination

- D.6.2.5.1 **Material Breach.** A breach by the HSA ADMINISTRATOR of any material provision of the terms of the Business Associate Agreement Section of the Contract shall constitute a material breach of the Contract and provide grounds for immediate termination of the Contract by OSEEGIB pursuant to Termination Section of the Contract. [45 CFR § 164.504(e)(2)(iii)]
- D.6.2.5.2 **Reasonable Steps to Cure Breach.** If OSEEGIB knows of a pattern of activity or practice of the HSA Administrator that constitutes a material breach or violation of the HSA Administrator's obligations under the provisions of the terms of the Business Associate Agreement Section, OSEEGIB shall provide HSA Administrator with an opportunity to cure the breach and end the violation. If HSA Administrator does not cure the breach with ninety

(90) days after OSEEGIB notifies HSA Administrator of the opportunity to cure, then, within the sole discretion of OSEEGIB, OSEEGIB shall take reasonable steps to cure such breach or end such violation, as applicable. If OSEEGIB's efforts to cure such breach or end such violation are unsuccessful, OSEEGIB shall either (i) terminate the Contract, if feasible or (ii) if termination of this the Contract is not feasible, OSEEGIB shall report the HSA Administrator's breach or violation to the Secretary of the Department of Health and Human Services. [45 CFR § 164.504(e)(1)(ii)]

D.6.2.5.3 Compliance with the HITECH Act. Sections 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), and 164.316 (policies and procedures and documentation requirements) of title 45, Code of Federal Regulations the Security Rule, shall apply to a Business Associate in the same manner that such sections apply to a Covered Entity. The additional requirements of Title XXXXIII of the "Health Information Technology for Economic and Clinical Health Act" or the "HITECH Act" contained in Public Law 111-005 that relate to security and that are made applicable with respect to covered entities shall also be applicable to a Business Associate and shall be and by this reference hereby are incorporated into this Business Associate Agreement.

Business Associate shall use and disclose Protected Health Information that a Business Associates obtains or creates only if such use or disclosure, respectively, is in compliance with each applicable requirement of Section 164.504(e) of Title 45, Code of Federal Regulations, the Privacy Rule, relating to business associate contracts. The additional requirements of Subtitle D of the "Health Information Technology for Economic and Clinical Health Act" or the "HITECH Act" contained in Public Law 111-005 that relate to privacy and that are made applicable with respect to covered entities shall also be applicable to Business Associate and shall be and by this reference hereby are incorporated into the Business Associate Agreement. Business Associate agrees that HIPAA and HITECH civil and criminal penalties for data security and privacy violations apply to Business Associate when acting on behalf of OSEEGIB to the extent the penalties apply to OSEEGIB.

D.6.2.5.4 Effect of Termination. Upon termination of the terms of the Business Associate Agreement for any reason, the HSA Administrator shall return all OSEEGIB Protected Information to OSEEGIB that the HSA Administrator or its agents or subcontractors still maintain in any form according to paragraph D.3 of the RFP.

D.7 Right to Audit

D.7.1 OSEEGIB, or its designated representatives, including the State Auditor and Inspector and independent third parties, shall be authorized to examine all records, data and systems of the HSA Administrator which are directly related to the performance of this contract. All records and data, without regard to form or media, shall be available during normal business hours upon forty-eight (48) hours' notice. Included in this right to audit shall be the following provisions:

D.7.1.1 OSEEGIB, or its designated representative, is authorized to visit the HSA Administrator's premises and have full access to all records and data including paper documents, electronic documents, policies and procedures, benefit document, imaged and magnetically-stored data which relate to this contract.

D.7.1.2 OSEEGIB, or its designated representative, is authorized to perform claims review and/or a review of the operational procedures and adjudication process. An operational review includes a review of the policies and procedures, work flow, staffing and training, system capabilities and edits, and disaster recovery plans.

D.7.1.3 The HSA Administrator shall assist OSEEGIB by promptly providing requested records and data and reasonable access to the HSA Administrator's personnel.

D.7.1.4 The findings of the audits performed by OSEEGIB or its designated representative shall be conclusive. The HSA Administrator shall cooperate with OSEEGIB and implement the recommendations of the audit findings.

D.7.1.5 The HSA Administrator is required to retain all records relative to this contract for the duration of the contract term and for a period of three (3) years following completion and/or termination of the contract. If an audit, litigation, or other action involving such records is started before the end of the three (3) year period, the records are required to be maintained for three (3) years from the date that all issues arising out of the action are resolved or until the end of the three (3) year retention period, whichever is later.

D.8 Ownership of Data

- D.8.1 Although OSEEGIB is subject to the Oklahoma Open Records Act, 51 O.S. (2001) § 24A.1, OSEEGIB maintains documents and information that are considered confidential by law, 74 O.S. (2001) § 1322. In connection with this Contract, the HSA Administrator will have access to information that is considered confidential, and the HSA Administrator warrants and represents that such confidential information shall not be sold, assigned, conveyed, provided, released, disseminated or otherwise disclosed by the HSA Administrator, its employees, officers, directors, subsidiaries, affiliates, agents, representatives, assigns, subcontractors, independent contractors, successors, or any other persons or entities without OSEEGIB's express written permission. The HSA Administrator shall instruct its agents, representatives, subcontractors and/or independent contractors that they shall not use or disclose such confidential information to any other person or entity without the express written permission of OSEEGIB, except as absolutely necessary for HSA Administrator to render services under this Contract or as required by law. The HSA Administrator warrants and represents that it has a tested and proven system in effect to protect all confidential information as defined herein.
- D.8.2 OSEEGIB "Confidential Information" includes the records and resulting data generated from the confidential information of all OSEEGIB members, retirees, and beneficiaries in any plan administered by OSEEGIB and all other related information that is subject to protection from disclosure pursuant to Oklahoma or federal law, including, without limitation all privacy protections as provided in and in the "Privacy Rule" adopted pursuant to HIPAA.
- D.8.3 The HSA Administrator agrees that OSEEGIB possesses exclusive property rights to the records and data designated herein as confidential information on behalf of OSEEGIB members. The HSA Administrator shall establish, maintain, and enforce agreements with its officers, directors, employees, subcontractors, independent contractors, affiliates, subsidiaries, assigns, agents and representatives who have access to any confidential information to fulfill the HSA Administrator's duties and obligations in this Contract and to specifically prohibit any use, sale, assignment, conveyance, provision, release, disclosure or other dissemination of any confidential information, except as otherwise required by law or authorized by OSEEGIB.
- D.8.4 The HSA Administrator shall immediately report to OSEEGIB any and all unauthorized use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of any confidential information of which it or its subsidiaries, affiliates, employees, officers, directors, assigns, agents, representatives, independent contractors, and subcontractors is aware or has knowledge or reasonably should have knowledge. The HSA Administrator shall also promptly furnish to OSEEGIB full details of the unauthorized use, appropriation, sale, assignment,

conveyance, provision, release, access, acquisition, disclosure or other dissemination, or attempt thereof, and use its best efforts to assist OSEEGIB in investigating or preventing the reoccurrence of such event in the future. The HSA Administrator shall cooperate with OSEEGIB in connection with any litigation and investigation deemed necessary by OSEEGIB to protect any confidential information. The HSA ADMINISTRATOR further agrees to promptly prevent a reoccurrence of any unauthorized use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of confidential information.

- D.8.5 The HSA Administrator acknowledges that any improper use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of any confidential information to others may cause immediate and irreparable harm to OSEEGIB and/or HealthChoice members and may violate state or federal laws and regulations. If the HSA Administrator or its affiliates, subsidiaries, employees, officers, directors, assigns, agents, representatives, independent contractors, and subcontractors improperly use, appropriate, sell, assign, convey, provide, release, access, acquire, disclose or otherwise disseminate such confidential information to any person or entity in violation of the Contract, OSEEGIB will immediately be entitled to injunctive relief and/or any other rights or remedies available to OSEEGIB under this Contract, at equity or pursuant to applicable statutory, regulatory, and common law without a cure period.
- D.8.6 During the term of this Contract, the HSA Administrator agrees that OSEEGIB is granted access to all OSEEGIB Confidential Data in the possession of the HSA Administrator and upon OSEEGIB request the HSA Administrator shall deliver to OSEEGIB a copy of any specified OSEEGIB confidential information and data that the HSA Administrator prepared, developed and/or stored by the HSA Administrator as part of this contract.
- D.8.7 Prior to the expiration, or upon the earlier termination of this Contract, the HSA Administrator shall provide OSEEGIB all confidential information and data as defined herein within the HSA Administrator's possession in the form of hard copy and/or electronic storage media. This paragraph does not apply to the HSA Administrator's proprietary formats or systems that contain the confidential information or proprietary documents pertaining to the operation of the HSA Administrator's business. The HSA Administrator may retain copies of those records or documents which it considers necessary for proof of performance.
- D.8.8 This entire Section shall survive any termination, renewal, extension or amendment of this Contract.

D.9 Contract Defined

- D.9.1 This RFP, together with the HSA Administrator's response, exhibits, written questions and clarifications, amendments or revisions signed by the parties and presented to the Agencies and the Agencies purchase order, constitute the entire and final agreement between OSEEGIB and the HSA Administrator and is the Contract.
- D.9.2 Any prior agreements, promises, negotiations, or representations, either oral or written, relating to the subject matter of this RFP and the HSA Administrator's response thereto, not expressly set forth, are of no force or effect.

D.10 Hold Harmless

- D.10.1 The HSA Administrator shall be responsible for the work, direction, and compensation of HSA Administrator employees, agents and subcontractors. Neither OSF, OSEEGIB nor the State of Oklahoma shall be liable, directly or indirectly, for the work and direction of HSA Administrator employees, agents or subcontractors. The HSA Administrator agrees to indemnify and hold harmless OSF and OSEEGIB, its employees and agents, and the State of Oklahoma from damages, loss, or liability to persons or property arising from claims of any kind, including, but not limited to compensation by HSA Administrator employees, agents, and subcontractors of the HSA Administrator against the HSA Administrator; negligent or willful acts of the HSA Administrator its employees or agents in performance of this Contract; acts, omissions or liabilities of the HSA Administrator acting in any capacity that relate to the Contract; and damages, costs, fines or penalties arising from HIPAA violations committed by HSA Administrator employees, agents or subcontractors. The State of Oklahoma does not waive compromise, concede, surrender, or relinquish any rights, privileges, immunities, or remedies that the State of Oklahoma and its employees possess under State or Federal law.

D.11 Designation of Personnel

- D.11.1 OSF and OSEEGIB shall designate personnel or professionals under contract with OSEEGIB to administer any of the terms or conditions of this contract referenced herein, and any and all duties or acts required of the Agencies.

D.12 Severability

- D.12.1 The terms and provisions of this contract shall be deemed to be severable one from the other, and any determination at law or in a court of equity that one term or provision is unenforceable, shall have no effect on the remaining terms and provisions of this contract, or any one of them, in accordance with the intent and purposes of the parties hereto.

D.13 Notice

- D.13.1 Any notice required to be given, pursuant to the terms and provisions of the contract, shall be in writing, and delivered either by hand delivery with written receipt, or delivered by the U. S. Postal Service, (USPS) postage prepaid, by certified mail, return receipt requested, to OSEEGIB Attn: Charles Clifford, at 3545 N.W. 58th, Oklahoma City, Oklahoma 73112, or the HSA Administrator at the address listed on the Agencies purchase order. The USPS notice shall be effective on the date indicated on the return receipt.

D.14 Supremacy of State Statutes

- D.14.1 This Contract is subject to all applicable Federal Regulations and Oklahoma State Statutes, OSEEGIB's Rules and Administrative Directives. Any provision of this contract which is not in conformity with existing or future legislation shall be considered amended to comply with such legislation. Any interpretation or disputes with respect to contract provisions shall be resolved according to the laws of the State of Oklahoma. Jurisdiction and venue for any litigation between the Agencies and the HSA Administrator shall occur in either a State or Federal court in Oklahoma County, Oklahoma.

D.15 Force Majeure

- D.15.1 Neither party shall be liable for any delay or failure of performance under this contract due to an act of God, or due to war mobilization, insurrection, rebellion, riot, sabotage, explosion, fire, flood or storm.

D.16 Assignments

- D.16.1 This contract shall not be assigned in whole or in part without written understanding and OSEEGIB approval.

D.17 Subcontractors

- D.17.1 In the event a proposal is jointly submitted by more than one vendor, one of the organizations must be designated as the HSA Administrator prime contractor. All other entities should be designated as subcontractors. The HSA Administrator shall certify that each subcontractor complies with the minimum requirements of this RFP and all contract provisions. The HSA Administrator shall provide said certification for future subcontractors when a subcontractor is engaged to perform services for the Agencies on behalf of the contracted HSA Administrator.
- D.17.2 The prime contractor shall be completely responsible for all contract services to be performed. Prime contractors must demonstrate that all aspects of system integration have been carefully and completely considered.

D.17.3 Additionally, HSA Administrators utilizing subcontractors for this RFP shall name the subcontractor, define the relationship, the services to be performed by the subcontractor, and clearly state the years of experience. The HSA Administrator shall document procedures implemented allowing the HSA Administrator to fully interface with its subcontractors. Failure to adequately demonstrate the ability to timely integrate the organizations shall result in the elimination of the proposal.

D.18 Compliance with the Oklahoma Taxpayer and Citizen Protection Act of 2007

D.18.1 By submitting a bid for services, the bidder certifies that they, and any proposed subcontractors, are in compliance with 25 O.S. §1313 and participate in the Status Verification System as defined in 25 O.S. §1312 and includes but is not limited to the free Employment Verification Program (E-Verify) available at www.dhs.gov/E-Verify.

E. Other

E.1. Local Office

E.1.1 The HSA Administrator must describe the Oklahoma City facilities that will be used to manage the HSAs or agree to establish an office in Oklahoma City that is accessible to HDHP Members and OSEEGIB's staff.

E.2 Local Representation

E.2.1 The HSA Administrator must describe the management staff or agree to establish a staff that will be available in the local office, including qualifications, experience and resumes.

E.3 Questionnaire

E.3.1 Account Management

E.3.1.1 Do sponsors have 24/7 online access to account information and educational material?

E.3.1.2 Describe abilities employers have to perform the following:

- a. Enroll new participants
- b. Update employee addresses and other personal information
- c. View consolidated accounts
- d. Generate reports
- e. Find answers to common employee questions

E.3.1.3 Describe abilities HSA Owners have to perform the following:

- a. Check balance and personal information

- b. Pay medical expenses online
- c. Review lists of eligible expenses
- d. Use tools and calculators
- e. Get answers to common questions
- f. Order additional debit cards
- g. Make a one-time or recurring contribution to their HSA (current or prior year)
- h. Select automatic transfers to investments
- i. View online tax documents and monthly statements

E.3.1.4 Do you offer an HSA debit card or checkbook that allows members to pay for medical expenses directly from their account? Please outline the services offered by the HSAs.

E.3.1.5 Describe any additional account management services available and associated fees.

E.3.2 Administration

E.2.2.1 Will all applicable tax-reporting forms be issued at no additional cost? If no, detail cost structure.

E.2.2.2 Describe and provide examples of documents employers will need to sign to participate in this process for purposes of pre-tax contributions.

E.2.2.3 What services can the HSA Administrator provide to employers for purposes of testing for comparable contributions for comparable participating employees under IRC Section 4980G and applicable regulations?

E.3.3 Enrollment/Eligibility

E.3.3.1 Is the HSA Administrator willing to send a representative, at no cost, to perform educational sessions and enrollment meetings at client sites, as necessary, to ensure understanding of the HSA?

E.3.3.2 Please indicate the HSA Administrator's willingness to provide detailed enrollment materials that educate Members about how to use an HSA.

- a. Indicate the method by which these materials are made available (paper vs. electronic, mail vs. client distribution).
- b. Does the HSA Administrator provide enough print materials for all potential members, and at what cost?
- c. Provide a sample of all enrollment materials.

E.3.4 Banking Services

E.3.4.1 Detail how the HSA fund balance can be accessed by the member.

- E.3.4.2 What administrative fees are associated with methods of access?
- E.3.4.3 Will the HSA accept rollovers from other HSAs and Medical Spending Accounts? If so, describe the process for this transfer.
- E.3.4.4 Are there any delays before funds are accessible?

E.3.5 Financial Arrangement

- E.3.5.1 By what means does the HSA Administrator support receipt and allocation of pre-tax contributions in HSAs (funds transfer with detail through FTP files or internet; ACH; other)?
- E.3.5.2 Given that there is a potential for dealing with 900 separate payroll systems and Section 125 plans, describe the recommended processes to be used.
- E.3.5.3 Describe how the HSA Administrator will handle post-tax contributions to HSAs.

E.3.6 Communications

- E.3.6.1 It is OSEEGIB's intent to have the HSA option under this contract available to eligible employees for the plan year beginning January 1, 2012. The associated Option Period process normally begins during the month of September and continues until early November. Given the short time frame, provide recommendations for communication plans and associated timelines for the following:
 - a. Introduction/announcement/education process for employers and employees. Include examples of materials that would be presented to employers and to employees.
 - b. Employee enrollment process. Include reference materials, flyers, Q & As, web sites, interactive tools, comparison information, hotlines, webinars, etc.
- E.3.6.2 What kind of training is available to employer human resource and benefit departments?
- E.3.6.3 What will be the typical communications on an ongoing basis following enrollment?
- E.3.6.4 OSEEGIB has more than 900 participating employers in its health insurance program. To what degree is the HSA Administrator capable of customizing the information it provides?

E.3.6.5 Provide a communication plan and associated timelines for employee enrollment for subsequent plan years which would reflect a normalized process.

E.3.6.6 Given the long-standing prior existence of 900 separate Section 125 plans for the employers participating with OSEEGIB, how does the HSA Administrator intend to facilitate the education process with members regarding incompatibility with all-purpose FSA accounts? Give particular emphasis to how this will be handled during the initial offering.

E.3.7 Customer Service

E.3.7.1 Is the HSA Administrator willing to send a representative, at no cost, to perform post-enrollment, ongoing educational meetings?

E.3.7.2 Describe the capabilities the HSA Administrator has to provide customer service to each of the following groups, along with the associated processes response times, and any guarantees:

1) Members

- a) Telephone
- b) Email
- c) Letters
- d) Website
- e) Other (describe)

2) Employers

- a) Telephone
- b) Email
- c) Letters
- d) Website
- e) Other (describe)

3) OSEEGIB

- a) Telephone
- b) Email
- c) Letters
- d) Website
- e) Other (describe)

E.3.8 Tools

E.3.8.1 Does the HSA Administrator have a website available for plan participants? If so, please provide the website address and “guest” password, if needed, or a website demo link.

- E.3.8.2 Does the HSA Administrator provide web-site demo for members considering an HSA prior to the open enrollment election period?
If “Yes”, does this demo include a tool for employees to compare out-of-pocket cost impact to other available plans, including contributions, copays, deductibles, coinsurance, etc. (i.e. a decision “wizard”)?
- E.3.8.3 Please explain how the HSA Administrator will assist Members who do not have access to the internet. Specify if there are alternative means for Members who are not internet-capable to access the same level of information and services available to on-line Members.
- E.3.8.4 Has the HSA Administrator added, improved or changed any of its web tools in the last 12 months? If yes, please describe.

E.3.9 Reporting

- E.3.9.1 Describe the type of statements received by Members regarding activities and balances. Indicate whether the statements are paper or online, the frequency, and whether there are any associated fees.
- E.3.9.2 Describe and provide samples of any investment account statements provided, along with the frequency and any associated fees.
- E.3.9.3 Describe the HSA Administrator’s tax reporting process and statements provided, including 1099-SA and Form 5498-SA.

E.3.10 Privacy

- E.3.10.1 Describe the degree to which HSA Owner information gathered is shared with other financial institutions, etc., and the ability of HSA Owners to limit the distribution.
- E.3.10.2 While it is not anticipated that the HSA Administrator would receive PHI, what are its procedures to handle/dispose/protect such information if received from a member?

E.3.11 Financial Investments

- E.3.11.1 Detail the HSA Administrator’s current investment options available to HSA Owners and the associated rate of returns.
- E.3.11.2 Indicate if additional options are currently being planned and associated timeline for implementation.
- E.3.11.3 What is the threshold balance the account must reach before investment options are available?

F. EVALUATION

F.1 Evaluation and Award

- F.1.1 Proposals will be evaluated on the “best value” determination in accordance with 74 O.S. §85.
- F.1.2 The State reserves the right to request demonstrations and clarifications from any or all responding bidders.
- F.1.3 The State reserves the right to accept or reject any or all proposals or portions thereof.
- F.1.4 The State reserves the right, at its sole discretion, to request clarifications of technical proposals or to conduct discussions for the purpose of clarification with any or all bidders. The purpose of any such discussion shall be to ensure full understanding of the proposal. If clarifications are made because of such discussion, the supplier shall put such clarification in writing.

F.2 Competitive Negotiations of Proposals

In accordance with 74 O.S. § 85.5 J(5) and 85.9D.A, the State of Oklahoma reserves the right to negotiate with one, selected few, all, or none of the bidders responding to this solicitation to obtain the best value for the State. Negotiations could entail discussions on product services, pricing, contract terminology or any other issue that mitigate the state’s risks. The State will consider all issues to be negotiable and not artificially constrained by internal corporate policies. Negotiation shall be with one or more bidders, for any and all items in the bidder’s proposal. Firms that contend it lacks flexibility because of its corporate policy on a particular negotiation item will face a significant disadvantage and may not be considered.

- F.2.1 All proposals will be evaluated for compliance with Minimum Requirements at C.1 – C.8 of this RFP. Proposals clearly failing to meet minimum requirements or proposals needing substantial clarifications to determine compliance will be eliminated from future consideration or evaluation. HSA Administrators whose proposals need minor clarification will be allowed to clarify those points. Only bids meeting all Minimum Requirements will be evaluated further.
- F.2.2 OSEEGIB reserves the right to consider historical information and facts, whether gained from the HSA Administrator’s proposal question and answer conferences, references, or any other source in the evaluation process.
- F.2.3 The HSA Administrator is cautioned that it is the HSA Administrator’s sole responsibility to submit information pertinent to the evaluation and that OSEEGIB is under no obligation to solicit such information if it is not included

with the HSA Administrator's proposal. Failure to submit such information may cause an adverse impact on the evaluation of the HSA Administrator's proposal.

- F.2.4 In accordance with 74 O.S. § 85.5 .J(5) and 85.9D.A, the State of Oklahoma reserves the right to negotiate with one, selected few, all, or none of the bidders responding to this solicitation to obtain the best value for the State. Negotiations could entail discussions on product services, pricing, contract terminology or any other issue that mitigate the state's risks. The State will consider all issues to be negotiable and not artificially constrained by internal corporate policies. Negotiation shall be with one or more bidders, for any and all items in the bidder's proposal. Firms that contend it lacks flexibility because of its corporate policy on a particular negotiation item will face a significant disadvantage and may not be considered.
- F.2.5 Negotiations may be conducted in person, in writing or by telephone.
- F.2.6 Negotiations will only be conducted with potentially acceptable proposals. The State reserves the right to limit negotiations to those proposals that received the highest rankings during the initial evaluation phase, if the negotiation does not result in modifications to the proposal the HSA Administrator will be scored based on the initial submitted proposal.
- F.2.7 Terms, conditions, prices, methodology, or other features of the HSA Administrator's proposal shall be subject to negotiations and subsequent revision. As part of the negotiations, the HSA Administrator shall be required to submit supporting financial, pricing, and other data in order to allow a detailed evaluation of the feasibility, reasonableness, and acceptability of the proposal.
- F.2.8 BEST and FINAL – The state shall request best and final offers if deemed necessary, and will determine the scope and subject of any best and final request. However, it should not be expected that the state will ask for best and finals to give the HSA Administrator an opportunity to enhance its proposal. Therefore, the HSA Administrator should submit its best offer based on the terms and conditions set forth in this solicitation.

F.3 Selection Criteria

- F.3.1 Compliance with Minimum Requirements
- F.3.2 Experience and Compliance with Proposal Specifications
- F.3.3 Location of HSA Administrator's office and quality of local representation
- F.3.4 Quality of responses to Questionnaire

F.3.5 Member's Price and Cost

G Statement of Compliance

Statement of Compliance

- G.1.1 Certain conditions may preclude the HSA Administrator’s strict compliance with a term specified in this RFP. The HSA Administrator shall describe its method of compliance to accomplish the requirements of the specific term and the Agencies reserve unrestricted discretion to determine, whether an alternative method offered by the HSA Administrator is acceptable to OSEEGIB.
- G.1.2 Any alternative method or exceptions to terms, conditions or other requirements in any part of the RFP must be clearly described in both the appropriate section of the solicitation and listed as an attachment to the Statement of Compliance and shall be made a part of this RFP. Otherwise, OSEEGIB shall consider that all items offered are in strict compliance with the RFP and the HSA Administrator shall be responsible for compliance. OSEEGIB shall specify at the time of the awarding of the contract what, if any, optional, alternative methods are accepted.
- G.1.3 Notwithstanding anything to the contrary, OSEEGIB maintains the unrestricted discretion to make any decision as to suitability, competency, ability to perform, conflicts of interest or the appearance thereof, responsiveness of the HSA Administrator's proposal, acceptability of such proposal, or other decisions concerning qualifications.,
- G.1.4 Each HSA Administrator shall be required to submit a response to this Request for Proposal as it is written. Any HSA Administrator who wishes to propose exceptions or alternatives to any term, condition, or requirement of this RFP must specify the exception and/or alternative and submit a response for each deviation. If a Statement of Compliance is not returned to OSEEGIB with the Consultant’s original bid, the response shall be excluded from further consideration. If a Statement of Compliance is submitted with deviations, OSEEGIB will consider such exceptions and/or alternatives in the evaluation process or such exception and/or alternative may constitute grounds for rejection of the proposal.

The solicitation submitted to the Agencies is in strict compliance with this RFP, and if selected as the HSA Administrator, the HSA Administrator will be responsible for meeting all requirements of this RFP.

The solicitation submitted to the Agencies contains deviations from the terms and specifications of this RFP. The deviations are attached.

Name: _____ Company: _____

Signature: _____ Address: _____

Title: _____

Phone: _____ Fax: _____

H. PRICE AND COST

H.1.1 The Agencies intend to benefit from this Contract by providing uniform HSA Administrative services, simplifying the enrollment process for its HDHP Members thereby increasing its HDHP enrollment. The Agencies shall not incur costs or pay fees associated with this Contract. All fees established by and pursuant to this Contract shall be included in an agreement executed with HDHP Members utilizing the HSA Administrator's services and shall be the responsibility of the Member.

The HSA Administrator shall benefit from this Contract by gaining access to HDHP Members that choose to contract with the HSA Administrator.

The Agencies shall provide all HDHP administrative functions, offer the HSA Administrator promotional access to its population and exchange eligibility information with the HSA Administrator.

The HSA Administrator shall state all fees that may be incurred pursuant to this Contract by a HDHP Member utilizing the HSA Administrator's services. The HDHP Member shall not be assessed fees that are not identified in this Contract.

H.1.1.1 Describe all fees associated with the opening, operation, funding, and closure of HSAs.

H.1.1.2 Describe the billing and collection process.

H.1.1.3 Provide detailed documentation demonstrating how the financial proposal was determined, including the specific elements and methodology of the bid, assumptions used in pricing elements of the bid and the inflation factor used for each year of the contract.

H.1.1.4 Describe how the HSA Administrator proposes to profit from this contract.