



## Request for Proposal

# New York State Department of Civil Service Dependent Eligibility Audit Services

## Technical Proposal

Presented by ADP, Inc.

July 2008

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## Section I. A. Project Administration

*The purpose of this section of the RFP is to describe the duties and responsibilities of the prospective Contractor and to pose questions for the Offeror's response to carrying out those duties and responsibilities.*

*The Offeror's Technical Proposal must contain responses to all questions in this Section in the order and format specified. **Offerors may not include any cost information in the technical portion of their Proposal including exhibits or attachments.** Offerors' proposed performance guarantee responses including fee amounts to be put at risk are not considered to be cost information and therefore should be stated in the Offeror's Technical Proposal.*

*The Technical Proposal will be evaluated based on the Offeror's responses to the questions contained in this section of the RFP. The evaluation of all Proposals and the selection of the Successful Offeror shall be based only upon the Offeror's proposal regarding the duties and responsibilities set forth in the RFP.*

*In this section, the Offeror must demonstrate that it has the experience and expertise to provide the required services for the implementation and administration of the Dependent Eligibility Audit Services.*

### 1. **Executive Summary**

*The Offeror must submit an Executive Summary outlining its capability to provide the Project Services required by this RFP. The Executive Summary must include:*

- a. *The name and address of the Offeror's main and branch offices and the name of the senior officer who will be responsible for this account;*

Main Office:

ADP

One ADP Boulevard

Roseland, NJ 07068-1728

Regional Office - Supporting Dependent Eligibility Audit Services:

ADP Benefit Services

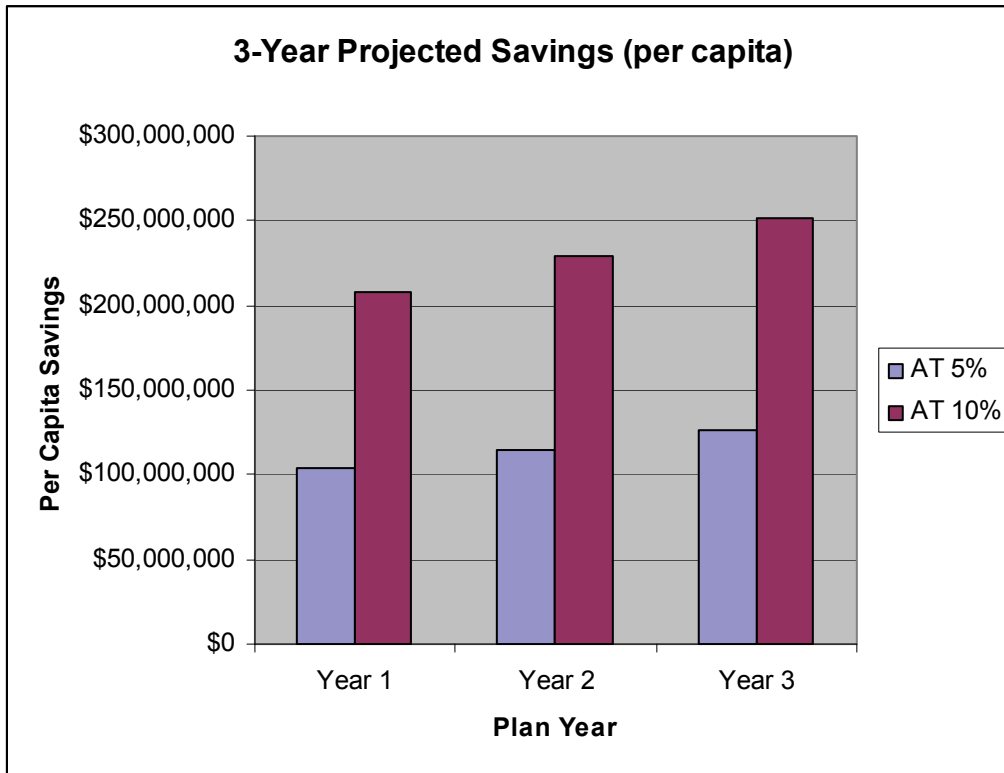
2835 South Decker Lake Drive

Salt Lake City, UT 84119

Senior Officer: Roger V. Sybrowsky, Division Vice President and General Manager

- b. *A description of its understanding of the requirements presented in the RFP and the Department's objectives as well as how the Offeror can assist the Department in accomplishing its objectives;*

We understand the New York State Department of Civil Services seeks to perform a dependent eligibility audit of the 557,870 spouses and children pertaining to approximately 326,000 employees enrolled in the Empire and HMO health plans. In 2007, the Department incurred more than \$1,800,000,000 in medical and prescription drug claim costs plus premiums for the members in the insured plans. In all likelihood, the 2008 costs will trend to nearly \$2,000,000,000. To that end, the projected 2008 per-capita dependent costs will be approximately \$3,600 in 2008 and nearly \$4,000 in 2009 for the members in the Empire Plan.

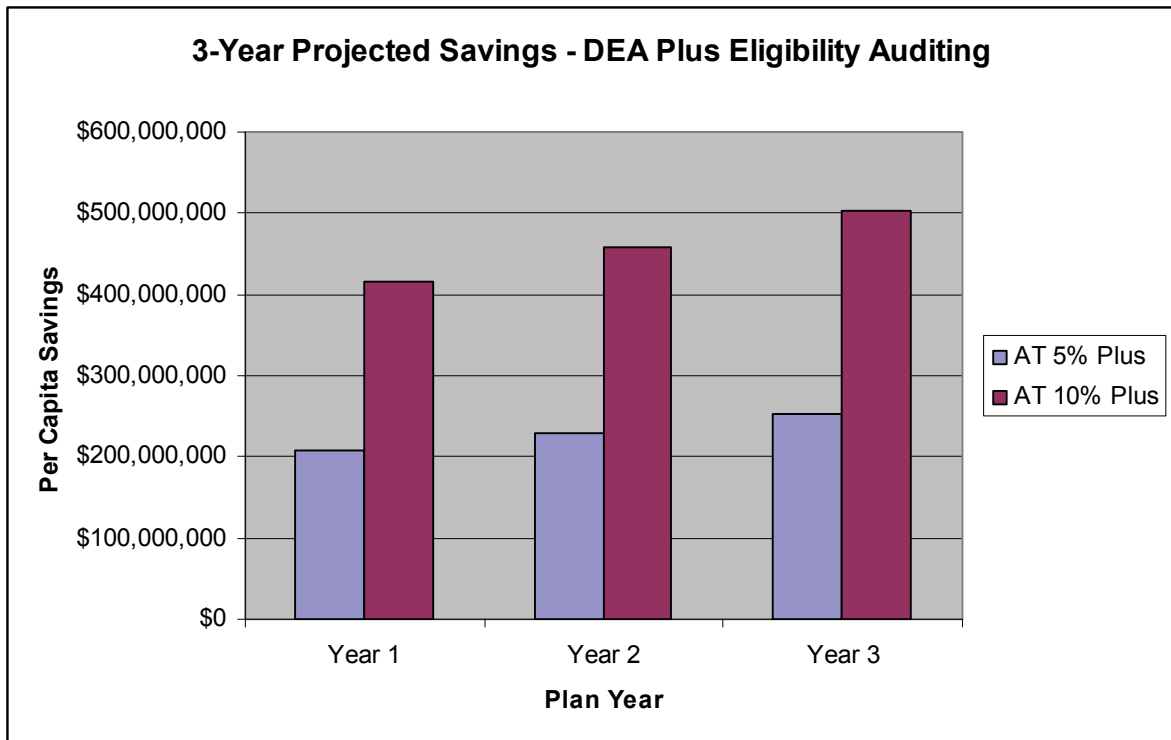


**Chart 1**

Through our dependent eligibility industry relationships, we understand a dependent eligibility audit was recently completed by a New York state county government. The results of this particular audit confirm that the Department should be able to remove between 28,000 and 56,000 ineligible, plus additional ineligible in the HMO and student plans. While we recognize the Department plans to use historical claims data as well as premium reductions to understand its actual savings, using the 2009 per capita cost of \$4,000, the Department can save as much as \$104,000,000 to \$208,000,000 (gross) in the first completed plan year. Chart 1 illustrates the three-year projected savings based on per capita costs.

Over a three-year period, the Department has the opportunity to save between \$345,000,000 and \$690,000,000 (gross). However, assuming the actual claim costs and premium shifts are much lower, a more conservative savings estimate range is \$26,000,000 to \$52,000,000 in the first plan year.

Given the materiality of the anticipated savings in conjunction with dependent eligibility audit industry costs, the Department has a genuine opportunity to enjoy a compelling ROI consistent with the ROI requirements cited in the RFP. The ROI potentially could **double** should the Department choose to expand the dependent eligibility initiative into broader eligibility auditing opportunities, such as point-in-time eligibility and non-subscriber eligibility auditing. Three-year savings projections including dependent, point-in-time and non-subscriber eligibility auditing are illustrated in Chart 2.



**Chart 2**

Point-in-time and non-subscriber eligibility auditing includes the following types of erroneous claim payments:

- Pre-waiting period.
- Beyond termination date.
- Beyond COBRA expiration date.
- Not on census.
- Mystery.
- Duplicate ID (insured plans only).
- Ineligible.
- Not covered – single coverage only.
- Not covered – employee + spouse only.
- Not covered – employee + children only.

These audits would be performed for both medical and prescription drug claims. The State of NY has the unique opportunity to join other states who have successfully audited eligibility and recovered millions of dollars.

In order to meet its dependent eligibility audit objectives, the Department seeks to employ a two-phased approach comprised of 1) an amnesty period and 2) an audit. Due to its size and complexity, the Department needs an industrial strength partner because the Department has:

- 368 NYS agencies.
- 92 participating employers.
- 800 participating agencies.
- 11 State collective bargaining units.
- 5 State non-represented groups.
- 326,000 plus employees with at least one dependent.
- 567,000 plus dependents.

ADP not only has the dependent eligibility auditing expertise but also provides the comfort and safety of a multi-billion dollar, publicly traded partner with the requisite infrastructure to meet the Department's business goals and objectives. For example, in 2007 ADP has:

- Served more than 50,000,000 employees.
- Paid more than 32,000,000 employees.
- Partnered with over 579,000 clients.
- Generated \$8,000,000,000 in revenue.
- Maintained a 96 percent customer retention rate.
- Printed and mailed out more than 10,100,000 pieces of mail.
- Taken phone calls from over 2,400,000 employees and family members.
- Imaged more than 45,700,000 documents.
- Partnered with clients for over 55 years.

Moreover, because of the individual characteristics and cultures of each of the participating employers and agencies, the Department needs a partner that is accustomed to supporting numerous customers as its individual businesses.

Given the size and complexity of this opportunity as well as the decentralized nature of the agencies and employers, ADP is prepared to provide dependent eligibility auditing services for any combination of participating entities. To that end, the Department can either do the entire population during the same time frame or opt to do the audit in a phased or targeted manner.

A targeted approach would enable the State to focus on a particular population(s), such as spouses or and a phased approach would enable the State to focus on logical groups of employees such as those in the same collective bargaining unit, agency or employer. An incremental approach focusing on the large workforce blocks could further help attain "quick wins." More specifically:

- |                                 |        |
|---------------------------------|--------|
| ■ Correctional Services         | 31,973 |
| ■ Mental Retardation – Medicaid | 22,569 |
| ■ State University              | 40,632 |
| ■ Transportation                | 10,249 |
| ■ City University               | 11,445 |

Again, the advantage to performing the audit in a phased or targeted manner would enable our collective team to enjoy “quick wins” (with a lower risk) and equally important, enable us to build a composite profile of confirmed ineligible. This composite profile would then be used in subsequent audits to further increase the ROI vis-à-vis reducing the audit population by focusing on higher risk members.

Regardless of the approach one particular critical success factor is effectively communicating with the Department’s employees and their respective family members. ADP is uniquely qualified in the public sector because ADP has experience with all types of government employees working in municipal, county and state governments. In fact, ADP has over 3,000 public sector clients. ADP’s public sector experience will enable the Department to “hit the ground running” and further ensure proper handling of member questions and concerns. In order to optimize program participation, we will design program announcements and letters to generate high response rates. Moreover, our agents are skilled at helping members get accurate answers to their respective concerns and questions in order to drive complete and accurate responses.

A second critical success factor is the ability to validate the actual savings both throughout as well as at the end of the project. Based on our knowledge of public sector dependent audits, we recognize that the majority of confirmed ineligible are comprised of grandchildren, children and college students and the minority of confirmed ineligible are spouses. Since spouses are higher utilizers of the health plan it is essential the claim-based and premium-based savings analyses are accurate. To that end, our team will provide savings estimates based on actual confirmed ineligible, not per capita estimates. Not only will this help manage expectations, but will provide additional assurance that the payors, such as Empire, UnitedHealthcare and Caremark are providing accurate claim savings for each confirmed ineligible.

A third critical success factor is understanding the laws of New York State. As America’s leading employer services outsourcing companies, our legal and tax teams are always current with the State and Federal law. For example, New York State does not recognize common law marriages. This is important because the majority of the claims based savings will be derived from spouses since spouses are older than children. To that end, ADP understands how employees try to “beat the system” and has methods for ensuring ineligible spouses do not continue to stay on the plan. Another relevant NYS law pertains to wage garnishments. In the event management plans to recover payments from confirmed ineligible, the Department must be aware the potential will be compromised since employees must provide permission to garnish wages.

A fourth critical success factor is practical creativity. While our proposal provides a traditional approach consistent with the dependent eligibility auditing industry we welcome the opportunity to present other high ROI approaches that will enable the Department to meet its requirements. For example, data mining technology when used in conjunction with external data can be used as a laser focus for identifying dependents having a high likelihood of being ineligible.

While ADP would be delighted to facilitate 100 percent of the amnesty period as well as conduct 100 percent of the actual audit for the entire population, our flexible approach and pricing allows us to provide our services for any combination of NYSHIP participating public employers and public agencies. ADP would be happy to discuss options with management at its instruction to do so.

Given the materiality of this healthcare cost containment initiative, we appreciate the opportunity to respond to the New York State Department of Civil Service Request for Proposals for “Dependent Eligibility Audit Services.” We believe that Automatic Data Processing (ADP) is uniquely qualified to provide the Department with exactly what it needs, a partnership with a vendor that can:

- Provide the financial strength and a proven track record to deliver comprehensive and flexible Dependent Eligibility Audit Services, thus ensuring a scalable solution that will fit now and into the future.
- Deliver Dependent Eligibility Audit Services while guaranteeing a strong return of investment to the Department, thus ensuring robust cost savings.
- Bring a best practices approach to Dependent Eligibility Audit Services, thus ensuring a consultative partnership with the Department as it maneuvers through a new area of cost containment.
- Place service at the forefront, thereby ensuring service levels that meet the expectations of the Department and State employees, even while eliminating costs.
- Provide Dependent Eligibility Audit Services in a fully compliant manner, thus ensuring that the Department is in accordance with regulatory statutes.

#### *Financial stability & proven track record to deliver a flexible DEAS solution*

In addressing the requirements set in the RFP, paramount is that *ADP has the financial strength and proven track record to deliver Dependent Eligibility Audit Services* in the manner that the Department seeks. ADP is a publicly owned company with over \$8 billion in annual revenue and 46,000 associates. We are one of only four U.S. companies with an AAA bond rating. As a result we can offer the Department software and service enhancements; the flexibility to reinvest in new technologies; and financial reserves that will insulate the Department from the business disruptions associated with natural disaster, staff shortages, and technology failure.

Since the company’s founding in 1949, ADP has emerged as one of the largest independent computing, data communications, software, and information services organizations in the global marketplace. ADP is best known as the nation’s foremost benefits, HR, payroll, and tax filing provider. In fiscal year 2007, ADP served more than 560,000 employers worldwide; paid nearly 33 million workers in more than 30 countries – including one in six workers in the United States; and moved more than \$1 trillion in client payroll taxes, direct deposits, and related funds in the United States and Canada.

ADP is also *local and is personally committed to the State of New York and to the public sector*. ADP offices and support staff are right here in New York State, with over 1,100 employees serving complex clients - including Citigroup, MetLife, Deloitte & Touche, Xerox & Delaware North - and their communities. Also, we have over 3,000 public sector clients, including the State of Michigan, the State of Delaware, and the State of Georgia.

ADP’s National Account Services, the unit within ADP that will provide Dependent Eligibility Audit Services to the Department, delivers benefits, HR, payroll, and related services to hundreds of large employers with more than 1,000 employees. Since effectively managing the operations of a large, complex entity requires flexibility and control, ADP NAS offers a full suite of products and services designed to meet our clients’ specific needs. We design solutions that are scalable to fit now and into the future.



It is with this focus as well as our financial strength and benefits experience, that ADP has structured a Dependent Eligibility Audit solution that will meet the Department's needs. For example, we are fully prepared to partner with the Department to begin providing this service as part of the amnesty period (not to exceed 60 days beginning in fiscal 2008-2009) and then to commence the audit. Or, if the Department opts to facilitate the amnesty period itself, we are prepared to work with the Department in a consultative role and then commence the audit. In addition, *we have reviewed the technology interfaces and process requirements outlined in the RFP, and we are prepared to support them.*

### **ADP will guarantee a robust ROI**

ADP is fully prepared to deliver substantial savings. *We will guarantee a minimum 3:1 ROI for the amnesty/audit services, or a 1:1 if we are asked to do the audit only.* Our experience with other clients, as well as our evaluation of the information provided in the RFP, allows ADP to provide a competitive fee while guaranteeing the Department robust savings.

### **ADP will deliver a best practices approach**

Our experience enables us to provide clients with access to human capital management and administration best practices that help clients meet the challenges of changing environments and shrinking budgets. The outsourcing model we provide the Department will be a system, process, and service philosophy that will remain flexible over the life of our partnership. It will ensure a successful, on-time implementation because our core competency is our own solutions. It will result in highly positive results for both the amnesty period and the audit. Why do we guarantee this? Because we have developed a *time-honored approach to communicating* with both employees and clients. In addition, we bring creative ways for using our extensive breadth of technology to completing audits. For example, we will reach State employees through a web-based, automated, and track-able system for completing audits.

### **ADP will guarantee service meets expectations**

ADP is a partner that exemplifies service delivery. That is why we retain more than 92 percent, of clients and remain with us on average over 20 years. ADP will guarantee Department and State employees a service that will meet all the expectations outlined in the RFP, and *we will support this guarantee by putting fees at risk.*

### **ADP will guarantee compliance**

Obviously, risk mitigation is one of the most important considerations for public sector organizations like the Department. Our job at ADP is to ensure that we deliver on-time, on-budget, accurate service, while maintaining compliance with government regulations. Historically ADP has been used by both the public sector and commercial organizations to maintain a secondary level of transparency. Many courts and state governments have enlisted ADP to ensure that local, state, and federal practices are being properly administered and fulfilled. ADP's business model ensures that organizations stay in compliance, lowering risk for the organization, the administration, and associated political officials. With this in mind, ADP will guarantee the Department that our Dependent Eligibility Audit Services *is fully compliant with HIPAA* and the regulatory environment.

Throughout this response, we will communicate to the Department that you will enter into a partnership with a vendor that will bring extraordinary value, commitment and expertise...and if you do, we look forward to partnering with you for years to come.

- c. *An explanation of which functions will be performed by the Offeror and which functions, if any, will be subcontracted.*

ADP will provide all functions supporting a comprehensive Dependent Eligibility Audit Services, to include:

- Strategic account management.
- Implementation planning and kickoff for Dependent Eligibility Audit Services.
- Establishing and leading all implementation meetings, including agendas and meeting notes.
- Establishing and managing a project plan for the implementation of the project goals.
- Completing a thorough implementation interview of the client's requirements for the audit.
- Completing all documentation – business requirements, letter samples and report samples, and providing to the client for signature.
- Completing any and all change controls that are a result of customizations required for the success of the dependent audit implementation and audit process.
- All implementation system set up and testing the system, letters, and reports.
- All print and fulfillment of audit letters will be completed by ADP's distribution center.
- ADP's solution center will assist employees during a 10-hour timeframe that best suits the client's time zone in between 8:00 a.m. and 8:00 p.m. Eastern time.
- Training for the ongoing processing team and the solution center.
- ADP's imaging services that will accept all inbound mail and fax from employees for imaging and storage of the proof materials returned for the audit.
- ADP dependent audit Operations that includes a team of dedicated dependent audit processors trained to review and respond to all proof submissions sent by employees.
- ADP's data center which will automate the reporting function that will automatically send the weekly reporting to the Department of the audit's progress.

## **2. General Qualifications of the Offeror**

### **a. Duties and Responsibilities**

- (1) *The Offeror must provide the name and contact information for at least three large complex clients (complex client is defined as having various distinct employee groups offering eligibility to members other than the enrollee, the enrollee's legal spouse and their natural or adopted dependent children (for example domestic partners, disabled dependents or dependent survivors)) with more than 100,000 covered lives to which the Offeror has provided DEAS within the last three years.*
- (2) *The Offeror must have the experience, reliability and integrity to ensure that the Department's needs are addressed in a cost effective manner consistent with the terms of the Offeror's proposal.*
- (3) *The Offeror must meet all the requirements of the Department set forth in the RFP.*

*b. Questions*

- (1) *Provide name and contact information for at least three large complex clients with more than 100,000 covered lives to which you have provided DEAS within the last three years.*

At this time, ADP's DEAS client base does not include clients with more than 100,000 covered lives; however, ADP's client base consists of a significant number of Fortune 1000 companies and large public-sector organizations with significant complexity. Therefore, we are more than confident in our ability to deliver this solution to the Department. We believe that the Department would be justified in looking beyond this requirement and we look forward to discussing our experience, plan of action and cost savings with Department.

- (2) *Describe your experience providing DEAS as described in this RFP for those three large clients. Include the timetable for conducting each client's dependent eligibility audit, adherence to the schedule (e.g. was it implemented and completed on time?), and any issues that arose during the audit and an explanation of how those issues were resolved.*

ADP's experience in providing dependent audits illustrates that an in-depth needs analysis followed by the design of a customized solution and implementation, followed by ongoing strategic account management are key. Our process requires that we first sit down with a client and define what they need and how they want to accomplish it. We make recommendations, and then work with the client to design a solution. Once goals and objectives and plan design are set, we move to implementation. Our implementation methodology includes:

- Project scope documentation.
- Project plans.
- Agendas and meeting notes.
- Issues log (if needed).
- Status reports.

Complex clients often have unique requirements that are determined necessary in order to create a successful audit for their population. For these clients, requirements have included:

- Tailoring the audit to be coordinated with open enrollment activities so employees can disenroll dependents and so new dependents added during open enrollment can be included in the audit.
- Custom communications, including:
  - Additional inserts.
  - Client-specific stationary or other materials.
  - Managing delays that affect the project timeline.
  - Changes to the team.
- Changes to benefits eligibility rules that impact the audit population that occur after programming.
- Acquisitions occurring during the audit.

(3) *Describe how the Offeror will meet the requirements of the Department set forth in the RFP.*

ADP's Dependent Eligibility Audit Services solution provides the Department with an automatic way to audit the employee population without any of the hassle. Dedicated professionals act on the Department's behalf and request proof of dependent status.

ADP sends letters to all active employees who have enrolled dependents in benefits coverage to request documentation that substantiates each dependent's eligibility. Employees have a period of time (the audit period) to submit documentation. If documentation is not submitted within the audit period, coverage for their dependent(s) can be terminated. ADP images all documentation, and produces a standard report for the Department's benefits team to review so they can determine whether to terminate coverage. Our solution also includes customer service support to answer employee questions about the audit.

The solution is flexible to meet the Department needs. For example, the Department, through this RFP is requesting a one-time amnesty and/or audit; however, ADP also can perform these services on an ongoing basis. Available services include:

- *Full dependent audit.* Audit all employees who have dependents enrolled in your benefit plans. This option is available with or without an amnesty period.
- *Dependent add audit.* Audit new hires or newly added dependents at annual enrollment.
- *Full-time student audit.* Audit the current status of all dependents currently flagged as full-time students.
- *Overage dependent audit.* Audit all dependents reaching the maximum age for dependent coverage and request verification of student status or disability.
- *Family status change audit.* Audit all family status changes (e.g., marriage, divorce, birth, etc.) to add or drop dependents from coverage.
- *Special event audit.* Audit a special group or population (e.g., domestic partners, mergers, acquisitions).

**Functionality: Core services**

The core ADP Dependent Eligibility Audit Services solution includes:

**Applying employee and dependent indicative data to the system.** An employee indicative file is created, sent, and loaded to ADP's dependent audit solution. The file contains basic active employee and dependent data, as well as specific event or coverage information, for the type of audit the Department has selected. You provide this data electronically at an agreed-upon frequency.

**Producing initial audit letters.** ADP generates the initial audit letters and mails them to the applicable employees. The employee is requested to submit proof of his or her dependent's status within a specified period of time. The initial letter displays the Department's logo and specific text in designated sections of the standard letters.

**Follow-up letters.** ADP produces follow-up letters to remind those employees who have not responded to the audit. This process offers a second opportunity to reach the employee and provides the employee with a reminder they need to complete the audit within the given time frame.

**Processing documentation received.** Employees submit substantiation of dependent status directly to ADP's imaging system. ADP dependent audit processors review the substantiation to ensure it meets with the definition of acceptable documentation. ADP images all proof received and stores it within our solution. ADP updates the employee's record within our solution to indicate that proof was received. The original paper documentation is securely destroyed within ADP's facility after 45 days. All imaged documentation is kept for a minimum of seven years.

**Generating confirmation of proof received.** Once the employee's proof is approved, he or she receives an approval letter that the proof was received and validated. If proof is received but it is incomplete or unacceptable, ADP generates a letter to notify the employee that accurate or additional information is still needed to successfully complete the audit.

**Closing the audit.** Based on the duration of the audit, ADP's solution automatically ends the audit period and creates reports for the Department to review. The reports list those employees who passed the audit, those employees who failed the audit, and those employees who did not respond within the audit time period.

**Dropping dependents from coverage.** ADP produces a summary report that the Department's resources can use to determine if a dependent should be dropped from coverage (as well as any applicable COBRA coverage needed). The Department is responsible for dropping the ineligible dependents from coverage in your health and welfare system of record. ADP recommends that an additional attempt be made to confirm if there are extenuating circumstances that may have prevented an employee from completing the audit before dependent benefits are dropped.

#### Functionality: optional services

ADP Dependent Eligibility Audit Services solution also includes an amnesty service which we would highly encourage the Department to outsource. If the Department opts for this service, ADP would:

**Support the amnesty period and integrate it with the audit.** An amnesty period will enable the Department to allow employees to drop ineligible dependents prior to the start of the official audit period – without having a qualified family status change event. A letter can be sent to the employee identifying the amnesty period and what action the employee should take to remove an ineligible dependent from coverage. ADP recommends that the Department include information regarding Eligibility Definition from the Summary Plan Description to assist the employee with understand the rules regarding dependent eligibility. ADP will partner with the Department to create the right message to send to the Department's employees.

#### Reporting

ADP provides the Department with a weekly electronic report that summarizes the audit results to date. The reports ADP will provide the Department are in agreement with the requirements outlined in the RFP.

### Competitive advantages

ADP's comprehensive services – coupled with our automated audit flow – will help the Department reduce health care costs by eliminating ineligible dependents from coverage. Our solution includes:

- Annual or ongoing audits that support flexible choices so that the Department can select the right type of audit it requires
- Customized/standardized letters and employee communications provide your employees with clear communication regarding the exact type of documentation needed.
- Solution center that supports employees questions, through a staff trained to handle this solution.
- Concise summary results that assist the Department in decision-making.

## Section II. B. Dependent Eligibility Audit Services

*The Department is seeking DEA services that include the collection and review of dependent proofs to support a dependent's eligibility under NYSHIP, and reporting back to the Department the results of the review. A one-time amnesty period not to exceed 60 days will be offered to enrollees to provide an opportunity for enrollees to remove ineligible dependents on a current basis, without penalty.*

*Project Services required by the Department are as follows:*

### **1. Project Management Team**

*The Department requires the Offeror to have a knowledgeable, experienced project manager and an experienced team in place that have the responsibility, authority and integrity to command the appropriate resources necessary to deliver the Project Services required by the Department.*

#### **a. Duties and Responsibilities**

- (1) The Offeror must maintain an organization of sufficient size with the skills and experience necessary to administer, manage, and oversee all aspects of the DEAS during implementation and operation.*
- (2) The Offeror's assigned project management team must be experienced, accessible and sufficiently staffed to provide timely responses (1 business day) to administrative concerns and inquiries posed by the Department, and other users designated by the Department, for the duration of the contract to the satisfaction of the Department.*
- (3) The Offeror must propose a Project Manager who will be available full time for the entire term of the DEAS project. The Project Manager must possess at least three (3) years experience serving as a project manager. The Offeror must advise the Department immediately if replacement of the Project Manager is contemplated during the term of this project.*
- (4) The Project Manager for the Offeror may not be removed or replaced by the Offeror without the written consent of the Department. Further, the Department shall have the right to ask the Offeror to substitute the Project Manager with another individual of equal or greater relevant experience.*
- (5) The Offeror's assigned project management team must immediately notify the Department of actual or anticipated events impacting the delivery of services to the Department and present options available to minimize or eliminate the impact of those events on the delivery of DEAS.*

#### **b. Questions**

- (1) Provide an organizational chart and description illustrating how you propose to implement, administer, manage, and oversee all aspects of the DEAS functions. Include the following:
  - (a) The responsibilities of each key position. The Offeror must include the percentage of time (by position) dedicated to the project and reporting relationships. Also include how the team will interact with other departments or functional areas within your organization and with any subcontractors for this project. Describe how the project management team interfaces with the organization's senior management;**

- (b) *Provide the names, qualifications, and job descriptions of those individuals selected to comprise the implementation, operational and management team for the Offeror. Complete **Exhibit I.B** of this RFP, Biographical Sketch Form, for all key members, including subcontractor provided key staff, if any, of the proposed project management team; and*
- (c) *Where individuals are not named, include the required qualifications for individuals that you would seek to fill the positions.*

ADP's Dependent Eligibility Audit Services team for the Department consists of the following key positions:

- Department director. This individual has overall responsible for the product operation.
- Project manager and implementation consultant who are assigned to complete the implementation.
- IS programmer. This individual partners with the client for correctly programming the inbound file layout to ADP's standard file layout and works with the internal team to create custom programming, if required, to meet the client's needs for a successful audit.
- Employee communications project manager. This individual is responsible for all tasks related to the creation, testing, and production of letters to the employee. This project manager works with ADP's distribution center to ensure all letters are printed and collated to the client's specifications.
- Solution center team lead. This individual is responsible for training CSRs to answer dependent audit-specific questions related to the audit. The team lead also ensures that the help tool used in the CSR cockpit is updated to reflect client-specific information regarding the audit.
- CSRs. Multiple teams of CSRs within ADP's solution centers are trained with dependent audit-specific knowledge and view-access to the dependent audit system for answering employee questions.
- Dependent audit services operations manager. This individual oversees the operational processing portion of the audit and manages the processors who will be responsible for reviewing all proof submissions and updating the dependent audit system.
- Dependent audit processors. This team of individuals is responsible for reviewing the proofs sent to ensure accuracy of the employee's submission for completing the audit. They also complete the tasks of updating the dependent audit system, generating follow-up letters as part of the audit, and archiving all proofs sent.

We have provided a general biographical sketch as requested (the Department's Exhibit 1.B attached as ADP's **Exhibit 1**), and specific biographical information will be provided upon ADP being named a finalist for the proposed services.



- (2) *What executive resources are available to the project management team to manage the DEAS? How do you propose to ensure the project management team will meet the Department's accessibility and timely response requirements? How do you propose to ensure that the Project Manager will have the authority to guarantee that problem areas identified by the Department will be corrected in a manner satisfactory to the Department? Where will the project management team be located?*

ADP's project management team consists of a large percentage of PMP-certified project managers. These individuals are empowered and supported by ADP's Executive Branch to make decisions and recommendations for managing and solving problems related to nearly all aspects of the implementation work undertaken at ADP.

If executive-level support is needed, ADP's policy is that all employees have access to the highest level of executive management at ADP to assist them in solving client-related problems.

ADP has always focused on providing World Class Service to our clients. To ensure World Class Service, we set very high standards. Specific target goals are set for each client (response time, error rates, accuracy, client focus, and related administrative functions). We also strive for perfection in accuracy, timeliness, and efficiency.

Properly set up processes and clearly defined procedures result in high-quality service delivery. For this reason, ADP is especially attentive to the details associated with work rules definition, solution configuration, interface definition, process re-engineering (where recommended), critical path deadlines, etc. All of these items contribute to a process with numerous checks and balances that ensure timely, accurate service delivery to each partner involved in the benefits administration process. Our year-round monitoring and auditing program is a major component of the checks and balances that are in place.

If our client support team members identify problems, we work directly with the Department to achieve resolution. Each issue is categorized as Level 1, Level 2, or Level 3 – Level 1 is the most urgent in nature. ADP works to resolve the issue and keep the Department informed of our progress.

- (3) *Confirm that a full time Project Manager will be assigned to this project that possesses at least three (3) years experience serving as a project manager. Confirm that the Department will be advised immediately if a replacement of the project manager is contemplated during the term of this project.*

Confirmed.

- (4) *Confirm that the Project Manager will not be removed or replaced without the written consent of the Department. Further, confirm that the Department shall have the right to ask the Offeror to substitute the Project Manager with another individual of equal or greater relevant experience.*

Confirmed.

- (5) *Confirm that the Offeror's assigned project management team will immediately notify the Department of actual or anticipated events impacting the delivery of services to the Department and that options will be presented to minimize or eliminate the impact of those events on the delivery of DEAS.*

Confirmed.

## 2. Project Plan

*The Offeror must provide a well developed Project Plan acceptable to the Department. The plan must be detailed, comprehensive, include project mile stones and timeframes and exhibit a firm commitment by the Offeror that all activities will be completed in accordance with the terms of the Contract.*

*To assist the selected Offeror in fulfilling their obligations under the Agreement resulting from this RFP, the Department will be available to participate in meetings and provide administrative oversight of the project.*

### a. Duties and Responsibilities

*(1) The Offeror must submit a detailed project plan and timeline acceptable to the Department that includes, at a minimum the following items:*

*(a) Detailed description/flowchart, including timeframes, of all major project activities including, but not limited to:*

- Administration of Amnesty Period
- Communications to enrollees
- Receipt and storage of eligibility documentation
- Evaluation of dependent eligibility
- Follow-up communications with enrollees who don't respond or who provide insufficient documentation
- Processing of eligibility documentation submitted by the enrollee after the deadline
- Electronic reporting of final eligibility determinations and eligibility documentation to the Department

*(b) Plan to test the transmission of data to/from the Department as outlined in Section IV.B.3.a.*

*(c) Development of enrollee communications for review and approval by the Department.*

*(d) Establishment and maintenance of a fully trained call center as outlined in Section IV.B.3.c.*

### b. Questions

*(1) Provide a proposed Project Plan that includes:*

*(a) Description/flow chart, including timeframes, of all major project activities as outlined in Section IV.B.2.a.1.a.*

Please refer to **Exhibit 2**. ADP Project Managers use MS Project; however, for ease of use by other parties, the project plan has been formatted in Excel for viewing by a wider audience.

We recommend the following implementation timeline for the Dependent Eligibility Audit Services solution:

Activity	Responsibility	Delivery
Confirm scope of services to be provided.	ADP/Client	8 weeks prior to go-live
Conduct client kick-off meeting.	ADP/Client	
Define file layouts.	Client/ADP	7 weeks prior to go-live
Define audit criteria.	Client/ADP	
Analyze client requirements. Prepare functional specification.	Client/ADP ADP	
Conduct client review and obtain sign-off of the functional specification. Prepare audit letters.	Client/ADP Client/ADP (as applicable)	6 weeks prior to go-live
Conduct client review and obtain sign-off of the audit letters. Set up the system. Program file interface(s).	Client/ADP ADP Client/ADP (as applicable)	5 weeks prior to go-live
Receive, load, and resolve any issues – demographic and eligibility test file. Conduct solution center training. Conduct integration testing.	Client/ADP (as applicable) Client and/or ADP Client/ADP (as applicable)	4 weeks prior to go-live
Conduct client user acceptance testing.	Client/ADP	3 weeks prior to go-live
Start ongoing audit administration.	Client/ADP	Go-live

Typical implementation steps include:

- ADP will lead the Department through an implementation interview to gather requirements for the amnesty period and/or audit. The Department will select the length of the amnesty period and/or audit and the substantiation/proofs to be accepted for the different dependent groups being audited. There is a review of the letters to confirm content and a discussion on how to manage appeals, as well as how dependents who fail the audit will be managed.
- ADP's information services team will work with the Department's programming group to create a file layout needed for the project.
- The Department will review the implementation documentation and provide signature of the agreement.
- Setup is completed in the dependent audit system; files are tested, and data applied to the standard letters. The Department will review and approve test letters in advance of moving to production.
- Once in production, letters will be printed, collated, and mailed from ADP's distribution center. If ongoing audits are purchased, the production process will repeat at the frequency established by the client.

*(b) Plan to test the transmission of data to/from the Department as outlined in Section IV.B.3.a.*

Files are tested after setup is completed in the dependent audit system, and data is applied to the employee letters. The Department will have responsibility to review and approve test letters in advance of moving to production.

*(c) Development of enrollee communications for review and approval by the Department.*

The Department will have the opportunity to review and approve all communications in writing before the materials are mailed.

Kickoff of the service is established by the Department and ADP based on the implementation timeframe. Once the start date is established, employees are sent letters outlining the audit and are instructed to provide substantiation of dependent relationships in order to continue coverage through the Department. Information is provided regarding how to return the substantiation, process timing, and how to contact ADP with questions or concerns regarding the audit. Employees return substantiation via fax or mail within the given audit period, and the dependent audit system is updated with receipt of the employee documentation.

*(d) Establishment and maintenance of a fully trained call center as outlined in Section IV.B.3.a.*

Since service quality is the ultimate competitive advantage for our business, ADP is committed to advancing a World Class Service vision.

ADP's knowledgeable, professional solution center representatives assist the Department and your program participants by answering audit questions and providing clarification.

**Initial training**

Our employee training is rigorous for all levels. A full-time ADP CSR goes through a minimum of two to three weeks of training prior to taking any calls solo – even if he or she has prior customer service experience. This training is conducted on-site in a training center and in the solution center. When in the training center, trainees use a training system that mirrors our production administrative solution so that a trainee's trial-and-error practice does not affect the integrity of the database.

Training consists of several core modules, plus additional position-specific sessions. Examples of core modules include:

- Our corporate philosophy.
- Telephone skill training.
- General HR, benefits, and DAS training information.
- Basic system training (Microsoft Office suite, email, etc.,).

Position-specific training includes:

- The Department's philosophy and culture
- The Department's benefit plans
- Advanced system training (hypertext knowledgebase, benefits administration system, and case management system).
- Compliance testing.
- Claim dispute resolution.
- Department-specific eligibility/enrollment procedures.
- Performance expectations.

### Ongoing training

On an ongoing basis, individual learning opportunities are provided for each position. We encourage completion of the CEBS or other industry designations by including progress on the CSR's performance evaluation. Efforts toward personal development are supported with tuition assistance and bonuses for successful achievements. Other job-related courses, seminars, and degree program opportunities are available to our associates to further enhance their job knowledge.

Through a robust, in-depth internal training curriculum, each ADP associate is required to successfully complete a minimum of 50 hours of classroom training per year. This requirement, along with all solution center-facilitated learning opportunities, encourages ongoing improvement of CSR learning and industry marketability.

We provide client-specific "booster shot" training, as needed, for any changes to the service we provide throughout the year.

ADP provides a toll-free question-and-answer line that can be utilized by your administrative staff as well as your participants. Solution center representatives are available Monday through Friday, for a 10-hour period, between 8:00 a.m. and 8:00 p.m. Eastern time. ADP is fully prepared to provide additional hours at the Department's request.

### **3. Administration of an Amnesty Period and the Dependent Eligibility Audit Process**

*The following services are required:*

#### *a. Electronic Transfer of Data*

##### *(1) Duties and Responsibilities*

*The Department requires that:*

- (a) The Offeror be capable of receiving and transmitting dependent data in a secure electronic format and on a schedule mutually agreed upon by the Offeror and the Department;*
- (b) The Offeror must be able to receive/transmit data in the format required by the file layouts presented in Exhibit III.G;*

- (c) *The Offeror must maintain a HIPAA compliant level of security to protect the confidentiality of enrollee/dependent information on the Offeror's computer system and in the Offeror's physical work environment;*
- (d) *The Offeror must have a disaster recovery plan in place that is applicable to this project;*
- (e) *The Offeror must be able to image all documentation received from the enrollee and transmit a file (or files) to the Department in a standard format (i.e. Tagged Image File Format (TIFF)). The file of images must be accompanied by indexing files in a format to be defined by the Department. The image and indexing files must follow a naming convention to be defined by the Department.*

(2) Questions

- (a) *Describe your capabilities for receiving and transmitting data in a secure environment and on a schedule mutually agreed upon by the Offeror and the Department;*

ADP sends and receives all files via secure FTP through the ADP data center. Additionally, ADP is a SAS 70 company, and DAS has been modeled and developed after core SAS 70 principles. ADP will partner with the Department to establish an FTP site for inbound files and outbound reports at the Department's preferred schedule.

ADP ensures compliance with all HIPAA regulations related to privacy, data security, and HIPAA certificates. ADP does not display the employee's or dependent's Social Security number on printed materials or on our web site. As a result of the privacy legislation, ADP's dependent audit system uses Employee ID rather than Social Security number.

ADP is ready to meet with the Department to agree on a mutually agreeable schedule.

- (b) *Confirm your ability to accept/transmit the data required in format presented in Exhibit III.G;*

Confirmed.

- (c) *Describe the HIPAA compliant level of security to be used to protect the confidentiality of enrollee/dependent information on your computer system and in your physical work environment;*

ADP ensures compliance with all HIPAA regulations related to privacy, data security, and HIPAA certificates. ADP does not display the employee's or dependent's Social Security number on printed materials or on our web site. As a result of the privacy legislation, ADP's dependent audit system uses Employee ID rather than Social Security number.

- (d) *Describe your disaster recovery plan that will be in place for this project;*

A copy of ADP's disaster recovery policies and procedures has been provided as **Exhibit 3**.

- (e) *Describe your ability to image enrollee documentation in a standard format (i.e. TIFF) and transmit an indexed file to the Department.*

All documentation, whether sent by fax or mail is imaged by ADP's imaging system and loaded into its Documentum system – including the reception of inbound dependent audit and inbound dependent audit mail, the scanning of the inbound mail to convert it into digital images, and the organized storage of dependent audit inbound images into Documentum for later retrieval.

ADP can provide all images via CD to the Department upon request.

**b. Eligibility Verification**

**(1) Duties and Responsibilities**

- (a) *The Offeror must have a comprehensive program to administer an Amnesty Period for enrollees to report ineligible dependents. The program must include the communication of the amnesty period to enrollees, call center support, receiving requests from enrollees to terminate ineligible dependents and the reporting of ineligible dependents to the Department. The Department reserves the right to administer the Amnesty Period itself, separate and apart from the eligibility audit.*

- (b) *The Offeror must have a comprehensive program to verify and track Dependent eligibility audit tasks that conform to NYSHIP eligibility rules.*

- (c) *The Offeror must offer a review process for dependents that are terminated because documentation was not provided and who subsequently provide the documentation.*

*Amended 7/14/08 (c) The Offeror must offer a review process for dependents that are terminated because documentation was not provided by the deadline and who subsequently provide the documentation prior to completion of this project. Receipt of acceptable documentation is required to be reported to the Department in the same format as information received prior to the deadline and be accompanied by the Appeals Report specified in Section IV.B.3.e.6. Such information must be provided to the Department within one (1) business day of receipt by the Offeror.*

- (d) *The Offeror must complete all tasks related to the DEAS process within one (1) year of the last date that enrollment records are sent to the Offeror.*

- (e) *The Offeror must guarantee a return on investment of at least 3:1 (Total Savings of at least three times the Total Project Cost (administrative fee including postage costs)) for the administration of the Amnesty Period and the dependent eligibility audit.*

- (f) *The Offeror must guarantee a return on investment of at least 1:1 (Total Savings of at least one time the Total Project Cost (administrative fee including postage costs)) for the dependent eligibility audit only (in the event the Department opts to administer the Amnesty Period itself).*

- (g) *Total Savings will be calculated by the Department and will be based on the Plan (Empire, SEHP or HMO) the member is enrolled in at the time of the audit. In the event that the Department opts to administer the Amnesty Period itself, total savings for dependents reported as ineligible as a result of the Amnesty Period will be excluded from this calculation. The Total Savings shall be calculated as follows (refer to Exhibit III.H for an example of the Return on Investment Calculation):*

1. *Actual Empire Plan and SEHP Annual Paid Claims of Plan dependents determined not eligible by the Offeror (calculated based on average of total claims paid 2002 – 2007 divided by number of months dependent enrolled in the Empire Plan or SEHP during 2002 – 2007 times 12 months times number of dependents determined not eligible).*

*Note: for dependent children age 19 (or age 21 if enrolled in the Empire Plan for PBA or PIA) and older who are not disabled dependents, the average of total claims paid will exclude claims paid and months enrolled in the Empire Plan or SEHP up to age 18 (or age 20 if enrolled in the Empire Plan for PBA or PIA).*

**Plus**

2. *For HMO dependents, annual savings based on difference between Family and Individual 2008 Net Premium when dependents determined not eligible cause an enrollee's coverage to change from Family to Individual.*

**Plus**

3. *Annual savings of Medicare Part B Premium reimbursement paid for Medicare dependents determined not eligible by the Offeror based on the basic 2008 monthly Medicare Part B Premium amount.*

*Amended 7/14/08 1. For Empire Plan and SEHP dependents determined to be ineligible by the Offeror, the annualized savings will be calculated as follows: total claims paid for the period 2002 – 2007 for dependents determined to be ineligible divided by the number of months the dependents were enrolled in the Empire Plan or SEHP during the 2002 – 2007 period times 12 months. This calculation does not include a reduction to either the claims paid or the enrolled months, based on the dependent's actual eligibility, for any part of the 5-year period. Note: For dependent children age 19 (or age 21 if enrolled in the Empire Plan for PBA or PIA) and older who are not disabled dependents, the total claims paid will exclude claims paid and months enrolled in the Empire Plan or SEHP up to age 18 (or age 20 if enrolled in the Empire Plan for PBA or PIA).*

(2) Questions

- (a) *Describe how you would administer the Amnesty Period phase of the project for enrollees to report ineligible dependents. At a minimum, describe the proposed process to communicate the amnesty period to enrollees, call center support, the processing of requests from enrollees to terminate ineligible dependents and the reporting of ineligible dependents to the Department.*

ADP encourages the Department to outsource the Amnesty Period phase of the project. We are prepared to offer an amnesty period during which employees will voluntarily remove ineligible dependents from coverage. Employees who have dependents enrolled in medical, dental, and vision will be sent a letter informing them of this amnesty period. The letter also informs them that the Department will be conducting ongoing audits and, when requested, employees will be required to submit documentation substantiating dependent eligibility.



**Employee communications.** In addition to the amnesty period letter, information regarding the dependent audit/request for documentation should be included in the Department's :

- Annual enrollment materials.
- Summary plan documents.
- Article for all HR staff.
- Company-wide email request to update coverage status.

This accomplishes a few things; first to adequately provide notice to employees through multiple avenues and, secondly, to be conscience of ERISA guidelines.

*(b) Describe how you would verify dependent eligibility in accordance with NYSHIP eligibility rules, including the proofs you would require to be submitted by the enrollee for each dependent type (see Exhibits II.A and II.B). Explain how you verify that a spouse or domestic partner is still currently the spouse or domestic partner of the enrollee. In addition to a narrative description, include a detailed flow chart that includes all processes and proposed timeframes.*

Documentation is requested based on the dependent's relationship to the employee. A list of choices is provided to the Department during the implementation for each type of audit being conducted, as well as each type of dependent. The Department can select from the standard list of proofs and may request custom proofs specific to their culture and environment.

The system is flexible and can also accommodate custom proofs to meet the requirements of the audit. The only stipulation is that individual proof descriptions are limited to 50 characters in length.

Verification of a spouse or domestic partner may include requesting a redacted tax return for the most recent tax year identifying the requested dependent as qualifying to file with the employee. Another option includes requesting multiple proofs to satisfy the audit such as a marriage certificate and a current mortgage statement, or other proof of joint tenancy. The point is to confirm that the employee's dependent is a current dependent and, therefore, qualifies for participation in the company plan(s). In addition, ADP has a library of NYS official documents, such as marriage and birth certificates.

Employees submit substantiation of dependent status directly to ADP via fax or mail. ADP reviews the substantiation and ensures that it meets with your definition of acceptable documentation.

- (c) *Describe the process that would be implemented to reinstate dependents who were terminated because documentation was not provided on a timely basis and who subsequently are able to provide the documentation.*

*Amended 7/14/08 (c) Describe the process that would be implemented to reinstate dependents who were terminated because documentation was not provided on a timely basis and who subsequently are able to provide the documentation. Confirm that acceptable documentation will be reported to the Department in the same format as information received prior to the deadline and be accompanied by the Appeals Report specified in Section IV.B.3.e.6 and that such information will be provided to the Department within one (1) business day of receipt by the Offeror.*

ADP will provide a silent grace period up to 30 days after the published end date, as part of the audit set up to allow for late submissions. The Department will determine how long you wish to accept late documentation. After that time, ADP will report all employees and their status via the dependent audit report as to Approval, Denial, or Partial Approval, for each dependent. It is the Department's decision, regarding the next steps:

- Appeals:
  - It is important to allow some additional time for employees who have filed an appeal for legitimate dependents in extenuating circumstances. This shows support and partnership in the auditing process.
  - AFP would fully support the Department if it wishes to take additional steps to contact employees who fail the audit to ensure the audit materials reached them (in the event the employee had moved or was unable to understand what was being requested).
- Removing dependents from coverage:
  - The Department may choose to remove dependents from coverage back to the start or end of the audit, the beginning of the current plan year, or to the initial enrollment date.
  - If the dependent was never eligible for coverage, the Department may choose not to offer COBRA, as the dependent was not eligible for coverage on the day he or she lost benefits.
  - The Department may choose to simply remove all dependents and move them to COBRA.
- Recapturing premiums/claims:
  - The employee letters identify that employees may be subject to repayment of any premiums or claims paid on behalf of an ineligible dependent. It is up to the Department as to whether or not they will pursue this. ADP does not provide premium or claims collection on behalf of the Department.
- Disciplinary action:
  - The employee letters identify that employees who enroll dependents in coverage may be subject to disciplinary action, including termination. The Department will wish to consider each case individually as to disciplinary action.

Each appeal is recorded through the solution center and forwarded to the Department for review and response. Employees may also log an appeal directly with the Department that the Department may wish to honor for a given period of time (to be determined by the Department). This is why dependents are not automatically dropped from coverage – due to appeals of which ADP may not be aware.

- (d) *The Offeror must guarantee that all DEA services will be completed within one (1) year of the last date that enrollment records are sent to the Offeror. For each month or partial month that all DEA services are not completed within one (1) year of enrollment records being sent to the Offeror, the Offeror shall credit 4 percent of all fees charged under the Contract for amnesty and/or audit tasks.*

*The Offeror's quoted percent to be credited for this guarantee is: 4 %.*

*Standard Credit Amount: For each month or partial month that all DEA services are not completed within one (1) year of enrollment records being sent to the Offeror, the standard credit amount is four percent (4%) of all fees charged under the Contract for amnesty and/or audit tasks.*

- (e) *Return on Investment Guarantee:*

*The Offeror must guarantee a return on investment of at least 3:1 for the administration of the Amnesty Period and the dependent eligibility audit: Total Savings of at least three times the Total Project Cost (administrative fee plus postage).*

*The Offeror's Quoted Guaranteed Return on Investment is 3 : 1*

*Standard Credit Amount: If total savings calculated by the Department is less than three times the total fees charged under the Contract, the Offeror shall credit against the total Project Cost the difference between three times the total administrative cost and actual total savings, not to exceed the total fees charged under the Contract.*

- (f) *The Offeror must guarantee a return on investment of at least 1:1 for the administration of the dependent eligibility audit only: At a minimum, Total Savings must equal the Total Project Cost (administrative fee plus postage).*

*The Offeror's Quoted Guaranteed Return on Investment is 1 : 1*

*Standard Credit Amount: If total savings calculated by the Department is less than one time the total fees charged under the Contract, the Offeror shall credit against the total Project Cost the difference between one time the total administrative cost and actual total savings, not to exceed the total fees charged under the Contract.*

*Amended 7/14/08 Standard Credit Amount: If total savings calculated by the Department is less than one times the total fees charged under the Contract, the Offeror shall credit against the total Project Cost the difference between one time the total administrative cost and actual total savings, not to exceed the total fees charged under the Contract.*

c. **Call Center Services**

(1) **Duties and Responsibilities**

- (a) *The Offeror must have a toll free telephone number that enrollees can call with questions regarding the the amnesty period and/or the dependent eligibility audit and required documentation. The Offeror must maintain a call center with a staffing level sufficient to meet the call center performance guarantees. The Offeror must dedicate a core staff to service the Department's account.*

- (b) *The call center must be located in the United States and be staffed with fully trained call center representatives and supervisors, with representatives available, at a minimum, from*

*12:00 noon to 8:00 p.m. ET, except for legal holidays observed by the State. The Offeror's call center technology must have a system to track all inquiries and complaints. The system must include call type, actions and resolutions. Call center representatives must be trained to respond to questions, complaints and inquiries including but not limited to dependent eligibility and status of documentation review. Any inquiries that cannot be answered in the initial phone call must be responded to either by telephone or in writing within five (5) business days.*

- (c) The call center must have a procedure in place for escalating complex and/or difficult calls to more experienced representatives and ultimately supervisory staff.*
- (d) The Offeror must provide a guarantee for the following four (4) levels of service on the toll-free call center number:*
  - i) Call Center Availability: The Project's service level standard requires that the Offeror's telephone line will be operational and available to callers at least ninety-eight percent (98%) of the Offeror's call center hours, calculated for the term of the Contract;*
  - ii) Call Center Telephone Response Time: The Project's service level standard requires that the Offeror's telephone line will be answered by a call center representative within 45 seconds at least ninety (90%) percent of the time during the Offeror's call center hours, calculated for the term of the Contract;*
  - iii) Telephone Abandonment Rate: The Project's service level standard requires that the Offeror's telephone line in which the caller disconnects prior to the call being answered by a call center representative not exceed the standard of three percent (3%) of total incoming calls, calculated for the term of the Contract;*
  - iv) Telephone Blockage Rate: The Project's service level standard requires that the Offeror's call center telephone line that are blocked by a busy signal not exceed the of the standard of three percent (3%) of total incoming calls calculated for the term of the Contract.*

**(2) Questions**

- (a) Describe the call center operations that would be used for this Project. Include a description of the technology that will be used including sample IVR scripts that would be used to route calls or permit self-service by callers. Also include the number of call center staff and the various training and experience levels that will be assigned to this account on a permanent basis. Describe how the call center will handle peak call volumes (for example, right after a letter is mailed). Describe the training call center staff will receive, including HIPAA training. Explain the process call center staff will use to provide responses to enrollee questions and what procedures will be used to escalate difficult or complex calls*

A group of dependent audit services-trained CSRs will answer questions specific to the Department. They answer Tier 1 questions about auditing and have access to view the dependent audit system in order to respond to questions about each employee's specific audit.

Our robust call/case management system provides broad support to our CSRs. The system tracks all inquiries and processing events – telephone calls, faxes, letters, and system-generated activity.

At a minimum, the system forces the CSR to indicate the nature of the call through a reason code. Two levels of categorization are required for every event that is entered into the case management system (a high-level transaction type and a more detailed transaction reason).

These types and reasons are table driven, which makes it easy to tailor them for each client. In addition to the predefined types and reasons, there is a free-form section for CSRs to add diary-style comments or notes.

It is ADP's strict protocol that a CSR completes all work related to a call before he or she returns to available status to take the next call. As further documentation, we also record all inbound and most outgoing calls.

We will staff the Department's team with experienced personnel – in addition to bringing in new employees. All key management, client service management, and IT positions will be staffed with experienced associates. ADP's Salt Lake City solution center employs approximately 146 associates.

Services are delivered from a shared environment, and we expand our solution center as needed to accommodate new business opportunities and peaks in call volume.

When new CSRs are hired, they complete a concentrated training curriculum (usually lasting two to three weeks). After finishing classroom training, the new CSR sits with an experienced CSR for on-the-job training. Our training manager delivers basic skills and benefits knowledge training. Our training and development performance assessment coordinator is tasked with delivering client-specific training.

Skills-based routing capabilities ensure that our experienced CSRs handle complicated issues.

Our dependent audit CSRs are rigorously trained before taking any calls solo (a minimum of two to three weeks of training). Training consists of several core modules, plus additional position-specific sessions.

Through a robust, in-depth internal training curriculum, each ADP associate is required to successfully complete a minimum of 50 hours of classroom training per year. This requirement, along with all solution center-facilitated learning opportunities, encourages ongoing improvement of CSR learning and industry marketability.

We provide client-specific "booster shot" training, as needed, for any changes to the service we provide throughout the year.

In addition, ADP maintains a compliance group and an education services group in-house. These groups work together to create and maintain all HIPAA-related training. New hire training and compliance training have been amended with HIPAA privacy and security information. We began delivering formal HIPAA privacy training in January 2003.

- (b) Where will the call center be located? During what hours will call center representatives be available to take calls from enrollees? Will the toll free service have after hours features? If so, what? Describe the system capabilities and how the system will help call center staff address enrollee inquiries and document calls and resolutions.*

ADP solution center in Salt Lake City, UT is staffed to answer calls from the Department and State employees via toll-free telephone line Monday through Friday from 8:00 a.m. to 8:00 p.m. Eastern time (except on ADP-observed holidays and early dismissals).

Our robust call/case management system provides broad support to our CSRs. The system tracks all inquiries and processing events – telephone calls, faxes, letters, and system-generated activity.

At a minimum, the system forces the CSR to indicate the nature of the call through a reason code. Two levels of categorization are required for every event that is entered into the case management system (a high-level transaction type and a more detailed transaction reason). These types and reasons are table driven, which makes it easy to tailor them for each client. In addition to the predefined types and reasons, there is a free-form section for CSRs to add diary-style comments or notes.

It is ADP's strict protocol that a CSR completes all work related to a call before he or she returns to available status to take the next call. As further documentation, we also record all inbound and most outgoing calls.

- (c) *What provisions will be in place if the call center system is not operational during the required time? For example, do you have a back-up call center where calls will be routed, an upfront message directing the enrollee to call back, or an answering machine to take messages?*

ADP has dedicated benefits services offices in Salt Lake City, Utah and Des Moines, Iowa. Those offices are separated by location, our technology, call-routing systems, and matrix management allow all locations to operate as one unit.

The Department benefits from a shared customer service team through economies of scale in some of the support, fulfillment, management, accounting, and training positions.

- (d) *Propose guarantees you will offer for the following major call center performance standards. The guarantee for each major activity should read:*

- i) *Call Center Availability: For each .01 to .50% below the proposed standard of 98% percent that the Offeror's telephone line is not operational and available to callers during the Offeror's call center hours, calculated for the term of the Contract, the Offeror shall credit against the Program's administrative fees the amount of \$ 5,000;*

*Standard Credit Amount: For each .01 to .50% below the Offeror's proposed guarantee, the standard credit amount is \$5,000.*

- ii) *Call Center Telephone Response Time: For each .01 to .50% of incoming calls to the Offeror's telephone line below the standard of 90% percent that is not answered by a call center representative within 45 seconds, calculated for the term of the Contract, the Offeror shall credit against the Program's administrative fees the amount of \$ 5,000;*

*Standard Credit Amount: For each .01 to .50% below the Offeror's proposed guarantee, the standard credit amount is \$5,000.*

- iii) *Telephone Abandonment Rate: For each .01 to .50% of incoming calls to the Offeror's telephone line in which the caller disconnects prior to the call being answered by a call center representative in excess of the standard of 3% of total incoming calls, calculated for the term of the Contract, the Offeror shall credit against the Program's administrative fees the amount of \$ 5,000;*

*Standard Credit Amount: For each .01 to .50% in excess of the Offeror's proposed guarantee, the standard credit amount is \$5,000.*

- iv) *Telephone Blockage Rate: For each .01 to .50% of incoming calls to the call center telephone line that are blocked by a busy signal, in excess of the standard of 3% of total incoming calls*

*calculated for the term of the Contract, the Offeror shall credit against the Program's administrative fees the amount of \$ 5,000;*

*Standard Credit Amount: For each .01 to .50% in excess of the Offeror's proposed guarantee, the standard credit amount is \$5,000.*

*d. Communication Material*

*The Offeror must develop customized enrollee communications acceptable to the Department for the amnesty period and/or the dependent eligibility audit. The Offeror must have the capability to send different enrollee communications for different types of dependents (i.e. dependent student versus spouse).*

*(1) Duties and Responsibilities*

- a) Develop draft communications for approval by the Department.*
- b) Customize enrollee communication material to suit the needs of NYSHIP's diverse population.*
- c) Mail the appropriate communication material to each enrollee.*

*Amended 7/14/08 c) Mail the appropriate communication material to each enrollee by First Class Mail with Address Service Requested. Send address notifications received from the United States Postal Service for forwarded mail and notifications for undeliverable mail to the Department, or an agent designated by the Department. Dependent eligibility verification activities are not necessary for dependents of enrollees whose mail is returned undeliverable; such dependent's enrollment shall instead be closed.*

*(2) Questions*

- a) Confirm your willingness to work with the Department to develop and customize communications.*

*Confirmed.*

- b) Describe your experience with other clients in developing customized communications.*

Many dependent audit services clients customize their communications to their employees as part of the audit, as they may wish to strengthen or soften the message regarding action taken for ineligible dependents. We regularly customize proof descriptions for confirming eligibility of a dependent, and clients sometimes wish to include a letter from their department on their own letterhead with a communication to their employees.

c) *Provide samples of the different communications that have been used in the DEAS.*

*Amended 7/14/08 c) Provide samples of the different communications that have been used in the DEAS. Describe your process for handling returned mail.*

It is possible that each employee/dependent could receive up to four letters. Letters are generated and sent to the audit population requested:

- *Initial letter.* This letter requests proof/substantiation for the employee's dependents based on the type of audit selected.
  - The Department will determine the length of the audit period in "number of days."
- *Reminder letter.* This letter is sent midway through the audit period to remind the employee of the need to provide substantiation for coverage.
- *Pass/fail letter.* This letter is sent depending on whether the correct substantiation was received by the end of the audit period.
- *Resubmit/partial complete letter.* This letter is sent if substantiation is incomplete or does not meet the requested criteria.

Samples of our standard communications have been provided as **Exhibit 4**.

e. *Reporting*

(1) *Duties and Responsibilities*

a) *The Offeror will be required to work with the Department to develop reports acceptable to the Department for the amnesty period and/or the dependent eligibility audit that include, but are not limited to, the measurement of the Offeror's efficiency and effectiveness, adherence to contract requirements, and measurement of performance guarantees. Reporting will be at intervals mutually agreed upon by the Department and the Offeror. Reporting, at a minimum, must cover:*

1. **Verification Status Summary Report** (for each letter mailed: number letters mailed, number responders, number amnesty requests, number complete documentation received, number incomplete documentation received, number non-responders, number returned-mail).
2. **Call Center Statistics** (A weekly report reporting the call center activity on daily basis including, but not limited to the number of calls, average on-hold time, etc.).
3. **Weekly Management Summary Report** of progress of project and milestone met.
4. **Master File of Final Eligibility Status Determination Detail Report** (enrollee information, dependent information, resolution – amnesty, eligibility confirmed, eligibility not confirmed).
5. **Report of Final Eligibility Status Determination Detail Report** by agency.
6. **Appeals Report** (number of appeals, number accepted, number rejected).
7. **File of all Imaged Eligibility Documentation** received and enrollee correspondence.



8. **Guarantee Report** to summarize Offeror's compliance with all Contract guarantees (with the exception of the Return on Investment Guarantee, which will be calculated by the Department).
9. **Final Project Report** summarizing project outcome and suggestions to improve the Department's management of dependent eligibility.

(2) Questions

- a) Describe the reports that you recommend for this Project that conform to the minimum reporting requirements described in this section. Provide report samples for each report type.

ADP will provide, at a minimum, all the reporting requirements outlined in the RFP.

Samples of our standard reports have been provided as **Exhibit 5**.