

SECTION I: INTRODUCTION

A. Purpose

The purpose of this Request for Proposals (RFP) entitled, “New York State Vision Plan Services” is to secure the services of a qualified organization to administer the New York State Vision Plan. It is the Department of Civil Service’s (DCS’s) intent to enter into an Agreement with the Offeror selected as a result of this RFP for the period January 1, 2007 through December 31, 2011, under which the selected Offeror shall be responsible for administering the Program in accordance with the specifications in this RFP. This solicitation document and other relevant information may be reviewed at www.cs.state.ny.us/visionprocurement.

Note: Refer to Exhibit II.I, Glossary, for definitions of items used throughout this RFP.

B. Overview of the New York State Vision Plan

The New York State Vision Plan was established in 1982 to provide vision plan benefits to certain New York State employees and their eligible dependents. Public authorities, public benefit corporations, and other quasi-public entities, such as the NYS Thruway Authority and the Dormitory Authority, may choose to participate in the NYS Vision Plan; those that do are called Participating Employers (PEs).

The NYS Vision Plan is a self-funded vision Program that is paid for entirely by New York State, with the exception of certain copayments. The NYS Vision Plan is sponsored by the Health Insurance Council. The Council is composed of the President of the Civil Service Commission, the Director of the Governor’s Office of Employee Relations (GOER), and the Director of the Division of the Budget (DOB). The DCS holds the contract with the NYS Vision Plan Contractor. The Employee Benefits Division of the Department of Civil Service is responsible for administration of the New York State Vision Plan (Plan). The NYS Vision Plan currently has close to 100,000 Enrollees, with approximately 269,000 covered individuals.

The benefit design of the NYS Vision Plan is the result of collective bargaining between the State and the various unions representing its employees. Benefits are administratively extended to non-represented State employees and employees of Participating Employers. Therefore, the benefit design is subject to change from time to time as the result of those negotiations, and there are variations in the Plan design among the bargaining units. The benefit design cannot deviate from that which has been collectively bargained. The majority of the active workforce is represented by various unions, and union participation in the design and oversight of the NYS Vision Plan is active and ongoing. The collective bargaining units and the unions representing the collective bargaining units are identified in Exhibit II.A as well as the other groups that participate in the NYS Vision Plan.

In addition to the aforementioned groups, the NYS Vision Plan affords limited benefits to members of the Student Employee Health Plan (SEHP). The SEHP was established in 1994 through collective bargaining. The SEHP became part of the NYS Vision Plan in 2002 to provide basic vision plan benefits to graduate student employees of the State University of New York and their eligible Dependents. SEHP is administered by the New York State Department of Civil Service, Employee Benefits Division. SEHP covers an average of 3,400 employees, and their eligible covered Dependents bring the total number of average covered lives to approximately 4,100.

C. Current Plan Description

The goal of the NYS Vision Plan is to offer quality eyecare services at little or no cost to eligible Employees and their covered Dependents. The Plan described in Section I.C of this RFP applies to the ALESU, C82, NYSCOPBA, PBA, PEF, PIA, and M/C and unrepresented employee groups. Benefits applicable to Enrollees represented by GSEU are described in Section I.D of this RFP.

Enrollees and covered Dependents may receive services from any licensed Optometrist acting within the scope of his/her license. Services are currently available from approximately 1,200 Participating Provider locations throughout New York State. For those who obtain covered services from Non-Participating Providers, partial reimbursement is available based on a fixed Indemnity Reimbursement Schedule (see a listing of covered

services on Exhibit II.C of this RFP). For calendar year 2005, the Participating Provider Participating utilization was over 98%.

Benefits (eye examination, frame and lenses, or contact lenses) are available to Enrollees and covered Dependents once in any twenty-four (24) month period. For almost all groups, dependent children under the age of 19 are entitled to benefits once in any twelve (12) month period. The 24-month eligibility period (12-month for dependent children under age 19) will not be reset as of the beginning of the contract that results from this RFP. Partial use of the benefit is considered full use; although Enrollees of ALESU, C82 and NYSCOPBA are permitted up to a 90-day window to select eyewear from the date of examination at a Participating Provider.

Participating Providers perform eye examinations and dispense Plan lenses and a selection of Plan frames, at no cost to Enrollees. Participating Providers offer several quality lens types and a wide variety of Plan frames, including styles in metal or plastic for men, women and children, half-eye styles, protective sports goggles, and designer models. Ultraviolet coating and fashion tinting are offered by the incumbent Contractor to Plan participants at no charge to the Enrollee or Plan.

An Enrollee may obtain non-Plan frames, lenses or lens coatings (non-covered services) from a Participating Provider; however, he/she is responsible for any additional charges in excess of the Indemnity fee outlined in Exhibit III.E of this RFP. Enrollees and Dependents who are eligible for the Upgrade Program (described on page 1-4) are only responsible for a discounted surcharge for non-covered services (this is paid in addition to the Participating Provider fee paid by the Plan).

In lieu of eyeglasses, Enrollees may select contact lenses. Participating Providers perform a contact lens examination and fitting and offer a selection of Plan contact lenses, including soft, daily wear, planned replacement and disposable contact lenses. PEF, M/C and unrepresented Enrollees have either a \$25 or \$45 copayment, depending on the Plan contact lenses selected. The current benefit allows up to 24 contact lenses, or 4 boxes, per benefit period. All other Enrollees have up to a \$200 allowance towards the contact lens purchase, examination and fitting.

Occupational Vision Program: PBA Troopers, PBA Supervisors, PIA, PEF, M/C and unrepresented Enrollees may be entitled to an additional pair of prescription eyeglasses (frame and lenses) from a Participating Provider in conjunction with their regular benefit once in every twenty-four (24) month period. The Occupational Vision Program covers the cost of job-related eyeglasses for covered Employees only, if needed, based on testing done by a Participating Provider in conjunction with the regular vision examination. Occupational eyeglasses must differ from a patient's standard eyeglasses. Historically, approximately 80% of eligible Enrollees have received occupational vision benefits.

Additionally, as a health and safety measure, Enrollees in the State Police covered under PBA-Troopers, PBA-Supervisors and PIA are entitled to supplemental occupational lenses, if needed, for insertion into respirators.

Medical Exception Program: Enrollees represented by ALESU, C82, NYSCOPBA, and PEF, and their covered Dependents, are eligible for vision benefits under the Medical Exception Program. Eligible Enrollees and covered Dependents are entitled to an eye examination, and if necessary, a frame and lenses, if at least one year (12 months) has passed since they last used the vision benefits available under the Plan and they have a documented medical condition which could reasonably be expected to cause a significant change in refractive status. Enrollees must obtain Plan prior authorization to be eligible for Medical Exception Program benefits. See Medical Exception Program utilization in Exhibit III.F of this RFP.

Upgrade Program: PEF, M/C and other unrepresented Enrollees and their covered Dependents may upgrade their eyewear selections through the Enrollee-pay-all Upgrade Program. Under this benefit, Enrollees may select certain non-covered eyewear from a Participating Provider and pay a discounted surcharge (the surcharge is paid in addition to the Participating Provider fee paid by the Plan). See a summary of Upgrade Program utilization on Exhibit III.C of this RFP.

A full explanation of Plan benefits is set forth in the sample Plan Vision Benefit Booklet located in Exhibit II.D of this RFP.

D. SEHP Plan Benefit Variances

GSEU-represented Enrollees and Dependents may only receive services from Participating Providers, and are subject to a combined \$10 copayment for examination and eyewear. There are no benefits available from non-Participating Providers. The SEHP eyewear selection is limited to a basic frame; single or bifocal lenses; and soft, daily wear contacts. Ultraviolet coating and fashion tinting are not permitted. GSEU-represented Enrollees are not eligible for any of the programs previously described (occupational vision, medical exception, or upgrade).