



**NEW YORK STATE DEPARTMENT OF CIVIL SERVICE**

**REQUEST FOR PROPOSALS**

**"Dependent Eligibility Audit Services"**

**RELEASE DATE: June 18, 2008**

**PROPOSAL DUE DATE: July 31, 2008**

**IMPORTANT NOTICE:** A Restricted Period under the Procurement Lobbying Law is currently in effect for this Procurement and it will remain in effect until State Comptroller approval of the resultant contract. During the Restricted Period for this Procurement ALL communications must be directed, in writing, solely to the Procurement Manager as listed below and shall be in compliance with the Procurement Lobbying Law and the NYS Department of Civil Service "*Rules Governing Conduct of Competitive Procurement Process*" (refer to RFP, Section II: Procurement Protocol and Process).

**Department of Civil Service Contact for  
Inquiries and Submissions for this Solicitation:**

**Procurement Manager  
Employee Benefits Division, Room 641  
New York State Department of Civil Service  
Alfred E. Smith Office Building  
Albany, New York 12239  
(518) 402-4264**

**e-mail: 2008DEASRFP@cs.state.ny.us**

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**Nancy G. Groenwegen  
Commissioner  
New York State Department of Civil Service**

**Robert W. DuBois, CEBS  
Director  
Employee Benefits Division**

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**SECTION I: INTRODUCTION****A. Purpose**

The purpose of this Request for Proposal (RFP), entitled “Dependent Eligibility Audit Services,” or “DEAS,” is to secure the services of a Vendor to administer a one-time verification of dependent eligibility for the New York State Health Insurance Plan (NYSHIP) and the Student Employee Health Plan either directly or through subcontracts with organizations qualified to perform all or some of the Project services required by this RFP. For purposes of this RFP, the use of the term Offeror will be understood to mean Vendor.

**Note:** Numbers, data or statistics which may appear in Exhibits referenced throughout this RFP are considered to be accurate but should not be used or viewed by prospective Offerors as guarantees or representations of any future enrollment or claim volume.

**The Department will accept Proposals only from qualified Offerors and will consider for evaluation and selection purposes only those Proposals that it determines to be responsive to the project duties and responsibilities set forth in the Offeror’s Technical Proposal.**

Enrollees will be granted a one-time amnesty period to report dependents who are not eligible and to terminate their eligibility on a current basis. Article XI Section 164 of NYS Civil Service Law states:

During the fiscal year two thousand eight - two thousand nine, the president [of the Civil Service Commission] shall establish an amnesty period not to exceed sixty days. During this amnesty period when any employee enrolled in the plan voluntarily identifies any ineligible dependent:

- (a) the termination of the ineligible dependent's coverage resulting from such employee's timely compliance shall be made on a current basis;
- (b) the plan shall not seek recovery of any claims paid based on the coverage of the ineligible dependent;
- (c) the employee shall not be entitled to any refund of premium paid on behalf of any such ineligible dependent; and

- (d) the employee shall not be subject to any disciplinary, civil or criminal action, directly as a result of the coverage of the ineligible dependent.

It is the Department of Civil Service's (Department's) intent to enter into an Agreement with the Vendor selected as a result of this RFP, effective the date the Agreement is approved by the NYS Office of State Comptroller. The Contractor's performance under this Agreement shall commence no later than fifteen days from the effective date of the Agreement.

For definitions of terms used throughout this RFP refer to Exhibit II.K Glossary of Terms.

This RFP and other relevant information is available at

[www.cs.state.ny.us/2008DEASRFP/index.cfm](http://www.cs.state.ny.us/2008DEASRFP/index.cfm).

## **B. Overview of the New York State Health Insurance Program**

The New York State Health Insurance Program (NYSHIP) was established by the State Legislature in 1957 to provide health insurance coverage to New York State (NYS or State) employees, retirees 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 NYSHIP Health Plan; those that do are called Participating Employers (PEs). Article XI of the NYS Civil Service Law also allows local units of government such as school districts, special districts, and municipal corporations to participate in NYSHIP; those local government units which choose to participate in NYSHIP are called Participating Agencies (PAs). At present there are approximately 368 NYS agencies, 92 Participating Employers, and 800 Participating Agencies in NYSHIP. NYSHIP is administered by the Department's Employee Benefits Division.

The majority of the State's workforce is represented by one of several unions. **Exhibit III.A** lists the various groups currently participating in NYSHIP.

NYSHIP is designed to provide health insurance coverage through the Empire Plan, a Participating Provider Organization (PPO) with managed care components; twelve (12) Health Maintenance Organizations (HMOs); and through the Student Employee Health Plan (SEHP), a health insurance plan for graduate student employees of the State University system. NYS and PE employees and retirees may elect to enroll in either the Empire Plan or in one of several HMOs offered through NYSHIP. However, NYSHIP offers only the

Empire Plan to PAs. NYSHIP currently covers over 586,000 NYS, PA and PE employees and retirees. Eligible covered dependents bring the total number of covered lives in NYSHIP (Empire Plan and HMOs) to approximately 1,222,000. SEHP covers an average of 3,850 employees and their eligible covered dependents bring the total number of average covered lives to approximately 4,560.

The Department may elect to administer the Amnesty Period itself; however, the Department may opt to have the Contractor administer the Amnesty Period under this Agreement. There will only be one Amnesty Period for all groups (NY, PE and PA). The Department may elect to conduct the audit of NYSHIP eligibility in two stages. In the event the Department elects to do the audit in two stages, an audit of State and PE dependent eligibility will be conducted first. Based on experience with this group, the Department will decide whether to proceed with an audit of Participating Agency dependent eligibility. The audit of PA dependents may commence prior to the conclusion of the NY/PE audit stage of the audit. Offerors are required to submit separate price quotes for each group (State/PE dependents and PA dependents).

### **C. Health Insurance Enrollment Transaction Processing**

Enrollment information is maintained on the New York Benefits Eligibility and Accounting System (NYBEAS), which is maintained and administered by the Department. Each State Agency, Participating Employer and Participating Agency designates one or more of their employees as the Health Benefits Administrators (HBAs) for their enrollees. The HBA determines member eligibility (see Exhibit II.A for dependent eligibility guidelines and Exhibit II.B for survivor eligibility guidelines) and effective dates of coverage based on policies and procedures provided by the Department and enrolls the members directly on NYBEAS. NYBEAS contains numerous edits to verify the eligibility of the member and to make sure the proper waiting period has been met prior to accepting the enrollment transaction. HBAs are responsible for reviewing and storing all proofs of eligibility.

Department staff acts as the HBA for employees who have left State service and continue their enrollment in NYSHIP (retirees, vestees, COBRA, etc.); state employees who are on Leave Without Pay or Workers' Compensation Leave; and dependents who survive enrollees or who continue coverage under COBRA. Department staff also acts as the HBA for certain smaller agencies. Department staff is available to assist HBAs with enrollment

and eligibility issues and to process or correct transactions on NYBEAS that the HBAs are not permitted to complete themselves.

Enrollee benefit statements are typically mailed to enrollees annually. These statements include enrollment information, including covered dependents. Enrollees are asked to review the enrollment information and report any information that is inaccurate to their HBA. See Exhibit II.J for a sample benefit statement. Benefit statements for 2008 are scheduled to be mailed to NYSHIP enrollees between the months of May and September.

Eligibility changes are transmitted daily to the Empire Plan Hospital, Medical, and Prescription Drug insurance carriers, and weekly to the Empire Plan Mental Health and Substance Abuse insurance carrier and the HMOs. Unless the enrollee notifies his/her HBA of a change in a dependent child's status, the dependent child is maintained on NYBEAS until they are 25 years old. Plan carriers are required to verify dependent student status before their payment of submitted claims for dependent children who are 19 years of age or older. Empire Plan and SEHP prescription drug coverage is a point of service benefit and currently does not include verification of dependent student status. HMO practices vary with respect to verifying dependent student status.