



NEW YORK STATE DEPARTMENT OF CIVIL SERVICE

REQUEST FOR PROPOSALS

”New York State Health Insurance Program Decision Support System”

RELEASE DATE: June 30, 2010

PROPOSAL DUE DATE: August 25, 2010

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

This Request for Proposals entitled, “New York State Health Insurance Program Decision Support System” (RFP) is being issued by the New York State Department of Civil Service (DCS or Department). The purpose of the RFP is to solicit Proposals from qualified Offerors in order to secure the services of a firm to implement and support a comprehensive and integrated data management solution that provides the Department with a flexible, effective and efficient means of storing data, analyzing data, and generating business intelligence to be used by the Department and its designated Users, hereinafter referred to as “Project Services.” That solution, together with said Project Services, is hereinafter referred to as the “Decision Support System” or “DSS Solution”. The Department will execute an agreement with that Offeror selected as a result of this Procurement (Contractor) for Project Services under which the Contractor shall be solely responsible for the implementation and ongoing operation of its proposed DSS Solution. For purposes of this RFP, the use of the term Project Services will be understood to mean the entire scope of services to be provided by the Contractor under the Contract.

The agreement resultant from this Procurement (Contract) shall be subject to approval by the NYS Office of the Attorney General (OAG) and the NYS Office of the State Comptroller (OSC). The term of the Contract shall be for a period of five (5) years, with a one (1) year optional extension period. The right to exercise said optional extension shall be at the sole discretion of the Department and is subject to approval by the OAG and the OSC.

The Department shall contract with a single entity only and that entity shall be the sole contact with regard to all provisions of the Contract. If an Offeror’s Proposal includes subcontractors, the Department will consider the Offeror the Prime Contractor, and the Offeror shall assume full responsibility for all aspects of the DSS Solution. The Department reserves the right to approve (or disapprove) any or all subcontractors.

The State may use the Contract for any agency of the State or local government subject to required statutory approvals, including the approval of the NYS Office of General Services.

Offerors intending to submit a Proposal should, at minimum, be aware of the following key points:

- It is ***mandatory*** that all prospective Offeror/Offerors complete Attachment 1 “Procurement Lobbying Offeror’s Affirmation of Understanding & Agreement,” affirming their understanding of and agreement to comply with the procurement lobbying requirements set forth in State Finance Law §139-k and §139-j. As stated in Section II.A.2, a completed Attachment 1 must be submitted to the DSS Procurement Manager prior to a prospective Offeror making its initial contact with the Department (e.g., attendance at the Pre-Proposal Conference, submission of questions, etc.) or concurrent with an Offeror’s submission of its Proposal, whichever shall occur first.
- To assist the Department in better managing the procurement process, it is requested but ***not*** mandatory, that prospective Offerors, whether they intend to submit a proposal to this RFP or not, complete Attachment 2 “Notice of Bidding Intention Form” and submit it to the Procurement Manager by the Notice of Bidding Intention Due Date as set forth in Section II.A. of this RFP.
- All Proposals must be received by the Department by 3:00 p.m. Eastern Time (ET) on the Proposal Due Date. ***No exceptions will be made for late submission or delays in delivery of the Proposal.***
- The Offeror’s proposed DSS Solution will be evaluated based on the product offering as it exists as of the date of proposal submission; proposed and/or yet-to-be-released versions will not be evaluated.

Section II of this RFP provides an estimated timeline of key events as well as detail on the procurement protocol and procedures required for this Procurement.

Note: Refer to **RFP Section VIII, “Decision Support System RFP Glossary of Terms and Abbreviations,”** for definitions of terms used throughout this RFP.

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 protection to New York State (NYS or State) employees, retirees and their eligible dependents. Subsequent amendment to NYS Civil Service Law and collective bargaining agreements provided for the inclusion of the Dental and Vision Plans. 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 NYSHIP; 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 455 NYS agencies, 93 Participating Employers, and 811 Participating Agencies in NYSHIP. NYSHIP is administered by the Department’s Employee Benefits Division.

NYSHIP is designed to provide health insurance coverage through the Empire Plan and the Excelsior Plan, indemnity plans with managed care components; NYSHIP approved Health Maintenance Organizations (HMOs); and through the Student Employee Health Plan (SEHP), a health insurance plan for graduate student employees of the State University and City University systems. NYS and PE employees and retirees may elect to enroll in either the Empire Plan or in one of the HMOs offered through NYSHIP. However, NYSHIP offers only the Empire Plan and the Excelsior Plan, an Empire Plan option that is extended to PAs, local government units which choose to participate in NYSHIP. NYSHIP currently covers over 599,800 NYS, PA and PE employees and retirees. Eligible covered dependents bring the total number of covered lives in NYSHIP (Empire Plan, HMOs and SEHP inclusive) to approximately 1,202,000. Separate from NYSHIP, PAs may, and frequently do, offer HMOs directly to their own employees and retirees as an alternative to Empire Plan coverage.

For the benefit year beginning January 1, 2010, eleven (11) HMOs have been approved for participation in NYSHIP. Consistent with New York State law, the HMOs are community-rated. While NYSHIP establishes certain minimum coverage requirements, the content of the benefit packages offered by the HMOs are not otherwise dictated by NYSHIP or affected by collective bargaining.

The Department's Employee Benefits Division also administers the Dental and Vision Plans for those groups of State employees and PEs that elect to participate in the programs. Dental and Vision Plan enrollees are, for the most part, also enrolled in NYSHIP for health insurance coverage through either the Empire Plan or one of the NYSHIP participating HMOs.

C. The Empire Plan, Excelsior Plan and Student Employee Health Plan

The Empire Plan is a comprehensive health insurance program for New York's public employees and their families. The Empire Plan is sponsored by the Council on Employee Health Insurance (CEHI). 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 Department holds the contracts with the Empire Plan Insurers. The Employee Benefits Division of the Department of Civil Service (EBD) is responsible for the administration of the Empire Plan and the Excelsior Plan. The Empire Plan and the Excelsior Plan currently have over 531,700 enrollees with approximately 1,070,800 covered lives. The Empire Plan benefit design has four (4) components:

1. Hospital Program benefits that include coverage for inpatient stays and hospital outpatient and emergency care. This Program is currently insured and administered by Empire HealthChoice Assurance, Inc. d/b/a Empire BlueCross BlueShield (EBCBS);
2. Medical Program benefits that include coverage for medical and surgical services under the Participating Provider and the Basic Medical Programs and includes several specialty programs. This Program is currently insured and administered by United HealthCare Insurance Company of New York (UHICNY);

3. Prescription Drug Program benefits that include coverage for prescription drugs dispensed through retail network pharmacies, the mail service pharmacy, the designated specialty pharmacy, and non-participating pharmacies. This Program is currently insured and administered by United HealthCare Insurance Company of New York (UHICNY) with Medco Health Solutions, Inc. (Medco) serving as the Pharmacy Benefit Manager (PBM); and
4. Managed Mental Health and Substance Abuse Program benefits that include coverage for inpatient and outpatient mental health and substance abuse services through network and non-network providers. This Program is currently insured by United HealthCare Insurance Company of New York (UHICNY) with network administration, managed care services, and claims administration provided by the Behavioral Healthcare Administrator (BHA), OptumHealth, Inc. (Optum).

The benefit design of the Empire Plan is the result of collective bargaining between the State and the various unions representing its employees. Benefits are extended administratively to non-represented State employees, employees of PAs and PEs, and retirees. Therefore, the benefit design is subject to change from time to time as the result of those negotiations, and, as a result, there are minor variations in benefits available to employees in each bargaining unit. 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 NYSHIP is active and ongoing. Local governments may choose one of two variations of the Plan, the Empire Plan or the Excelsior Plan. The Excelsior Plan is a more affordable alternative to the Empire Plan. It offers many of the same features of the Empire Plan with a higher degree of cost sharing between the employer and plan participants.

In addition to the Empire Plan, NYSHIP affords benefits to members of the Student Employee Health Plan (SEHP) through the Empire Plan insurance contracts. The SEHP was established in 1994 through collective bargaining. The SEHP became part of NYSHIP in 2002 to provide basic health insurance protection to graduate student employees of the State University of New York and their eligible dependents. The SEHP was made available to graduate student

employees of the City University of New York and their eligible dependents on January 1, 2009. Like the Empire Plan, the SEHP includes hospital, medical, managed mental health and substance abuse benefits, and prescription drug benefits. SEHP is administered by EBD. SEHP covers an average of 5,300 employees; their eligible covered dependents bring the total number of average covered lives to approximately 6,400.

The Department maintains all NYSHIP enrollment data in its accounting and enrollment system, New York Benefits Eligibility & Accounting Systems (NYBEAS). NYBEAS is the source of eligibility information for each of the NYSHIP plans, (e.g. the Empire Plan, the Excelsior Plan, the SEHP and the NYSHIP-participating HMOs), and the NYS Dental and Vision Plans.

The Department intends to use the DSS Solution initially and primarily as a tool in the administration and management for only the Empire Plan, the Excelsior Plan and SEHP, with potential application to other benefit programs administered by the Department.

D. Empire Plan Data and Reports

Each of the Empire Plan Insurers provides detailed claims data and summary reports on benefit utilization. However, this information is reported in different formats and maintained separately for each of the four Plan components. As a result, its use in analyzing the Empire Plan's overall performance is limited.

Empire Plan summary reports are provided in a variety of reporting formats including Microsoft Excel, Word, Access, and other standardized reporting formats. These reports reflect various aspects of the Plan's utilization and financial experience on historical, current, and projected basis. The reports are program specific, not integrated with the reports provided by the other Plan insurers. Also, the reports are presented at a summary level and, therefore, do not provide the Department with the capability for in-depth analysis.

The Department has access to claims data for the Empire Plan including the Excelsior Plan and the SEHP, the Dental Plan, and the Vision Plan. Since NYSHIP HMOs are community-rated

plans, EBD does not receive claim data of any type from the HMOs. The Empire Plan claims data is currently received from the Insurers via FTP transmission; however, prior to January 1, 2008; data was transmitted to the Department through various methods, e.g. data tapes, cartridges, CDs and FTP. The claims files are program-specific, and are loaded and stored in Department-designed Oracle Database tables on a Plan Year basis.

While not the primary focus of the DSS Solution at this time, the Department may, during the term of the Contract, include additional data in the DSS Solution. Workers' Compensation medical claim data, pertaining only to NYS employees and currently held by the State Insurance Fund, may be added to the DSS Solution as it becomes accessible to the Department followed by other plan data, such as Dental or Vision, at the Department's option.

E. Decision Support System Overview

The Department is seeking data management and data integration tools and services. The ultimate goal is to have access to a comprehensive and integrated data warehouse and Decision Support System that provides the Department with a flexible, effective and efficient means of storing data, analyzing data, and generating business intelligence to be used by Department approved individuals including, but not limited to, the Department's program managers, CEHI executives, and staff of the NYS Office of the State Comptroller (OSC) in the administration, management, and oversight of the various NYSHIP programs. Further, the DSS Solution may be used by the Department's actuarial consultant in discharging its contractual obligation to provide benefit consulting services to the Department.

The following is a high level description of the Project Services the Department is seeking:

1. Data Management Services

The Department is seeking data management services whereby the Contractor will collect, maintain, and integrate NYSHIP eligibility and claims data in a manner consistent with the goal of making meaningful and useful program information

available to Users, including NYSHIP administrators and decision-makers. These services include, but are not limited to, activities such as:

- a. Providing facilities and architecture for long-term physical maintenance and storage of detailed claims data.
- b. Conducting all necessary quality assurance activities to ensure that data loaded into the DSS has passed all data validation edits required by the Department, as described more fully in Section IV of this RFP, following up with Data Providers to correct identified data errors, and advising the Department of significant and/or recurring errors by Data Providers.
- c. Create a DSS Solution that effectively integrates NYSHIP eligibility and claims data for Empire Plan, including the Excelsior Plan and SEHP, program areas, and allows for future expansion and integration of other programs.
- d. Conferring with Department staff and NYSHIP Insurers and administrators as appropriate to evaluate existing information assets, assess the Department's information needs, and develop and implement a project plan to achieve the goals of the DSS.
- e. Provide operational data support and services including establishing and documenting specifications for data files, providing comprehensive training and documentation to DSS Solution Users.

2. Information System Tools and Services

The Department is seeking a comprehensive, integrated health benefits information system solution which provides the Department and other CEHI and OSC staff with information required to manage and administer the Empire Plan, Excelsior Plan and SEHP initially, and potentially other NYSHIP benefit programs. The DSS Solution proposed by an Offeror must comply with all federal and State laws and regulations relating to the privacy and security of personal and protected health

information. Also, the proposed DSS Solution must allow access to information by Users only as authorized by the Department. The DSS Solution must provide analytical tools, reports, and information services that result in, at minimum, accomplishment of the following objectives:

- a. Give Users the ability to conduct analysis of detailed claims data by key attributes, such as geographic location, Benefit Program, employee status, relationship, age, gender, etc.
- b. Integrate prescription drug, mental health, medical, and hospital claims data.
- c. Organize medical, hospital, mental health, and prescription drug claims data into unique analytic combinations based on episodes of care to illustrate how specific illnesses/diseases are being treated.
- d. Provide Users with "built-in" analytics such as groupings for clinical conditions within major diagnostic categories, chronic conditions, preventive care measures, and identification of "avoidable admissions"
- e. Provide standard report templates and ad hoc analysis capability (e.g. trend analysis and premium development).
- f. Provide the capability to view claim information on both a "paid" and "incurred" basis.
- g. Offer access to meaningful utilization statistics (e.g. claims per enrollee, cost per claim, average length of stay for admissions, etc.)
- h. Enable Users to analyze prescription drug cost information (e.g. average cost of generic versus brand drugs within a therapeutic category, aggregate discount off AWP for retail generic drugs.)

- i. Provide the ability to identify, track and report Empire Plan cost and financial information, including major cost drivers.
- j. Include tools for in-depth provider analysis. (e.g. high volume providers, network participation levels per specialty area, practice patterns, etc.)
- k. Offer a credible normative database for comparison or benchmarking purposes and the ability to identify significant outliers. (e.g. Average Empire Plan cost per evaluation and management service, average duration of therapy per condition, average cost per generic drug claim, etc.)
- l. Provide recommendations and consultations on how the Department can, utilizing the information contained in the DSS Solution, maximize the value of Empire Plan services.
- m. Provide the capability to model the potential impact to the Empire Plan resulting from proposed benefit design changes or proposed changes to provider reimbursement rates.