



NEW YORK STATE DEPARTMENT OF CIVIL SERVICE

REQUEST FOR PROPOSALS

“NEW YORK STATE VISION PLAN SERVICES”

RELEASE DATE: March 1, 2011

PROPOSAL DUE DATE: April 26, 2011

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:**

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New York State Department of Civil Service

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

SECTION I: INTRODUCTION**A. Purpose**

The purpose of this Request for Proposals (RFP or Procurement) entitled, “New York State Vision Plan Services” is to secure the services of a qualified organization to administer the New York State Vision Plan (Plan or Program). It is the Department of Civil Service’s (Department or DCS) intent to enter into a contract (the “Agreement”) with the Offeror selected as a result of this RFP for the period January 1, 2012 through December 31, 2016, under which the selected Offeror (Contractor) shall be responsible for administering the Program in accordance with the specifications in this RFP. The Offeror/Contractor must agree to be bound by its Proposal which will be explicitly incorporated by reference into the Agreement. The Department will only contract with a single Offeror, which will be the sole contact with regard to all provisions of the Agreement. If the Offeror’s Proposal includes Key Subcontractors, the Department will consider the Offeror the Prime Contractor, and the Offeror shall assume full responsibility for the fulfillment of all of the Contractor’s responsibilities under the Agreement. The Department reserves the right to approve (or disapprove) any or all Key Subcontractors. This RFP and other relevant information may be reviewed at: www.cs.state.ny.us/2012VisionPlanRFP.

Note: Refer to RFP, Section VIII, Glossary, for the definitions of terms used throughout this RFP.

B. Overview of the New York State Vision Plan

The NYS 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, Upgrade fees and Laser Vision Surgery fees paid by Enrollees. The NYS Vision Plan is sponsored by the Council on Employee Health Insurance. The

Council is composed of the President of the Civil Service Commission, who also serves as the Commissioner of the Department, the Director of the Governor's Office of Employee Relations (GOER), and the Director of the Division of the Budget (DOB). The DCS currently holds, and will hold, the contract with the NYS Vision Plan contractor. The Employee Benefits Division (EBD) of the Department is responsible for administration of the NYS Vision Plan and oversight of the Agreement. The NYS Vision Plan currently has close to 103,375 Enrollees, with approximately 261,884 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 under the Program are administratively extended to non-represented State employees and employees of Participating Employers. As a result, the Plan's benefits design is subject to change from time to time as the result of those negotiations, and there are variations in the Plan benefits design among the bargaining units. The benefits 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 as well as the other groups that participate in the NYS Vision Plan are identified in RFP, Exhibit II.A.

The NYS Vision Plan also provides benefits to members of the Student Employee Health Plan (SEHP). The SEHP was established in 1994 through collective bargaining. The SEHP became part of NYSHIP in 2002 to provide basic health insurance as well as limited dental and vision services to graduate student employees of the State University of New York (GSEU) and their eligible dependents. Plan benefits were extended to graduate student employees of the City University of New York (CUNY) on January 1, 2009. SEHP is administered by the Employee Benefits Division. SEHP covers an average of 5,548 employees; their covered dependents bring the total number of average covered lives to approximately 6,625.

C. Current Plan Description

The goal of the NYS Vision Plan is to offer quality eye care services at little or no cost to eligible employees (Enrollees) and their covered dependents (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. Plan benefits applicable to employees represented by GSEU and CUNY are described in Section I.D. of this RFP.

Enrollees and Dependents may receive services from any licensed Optometrist or Ophthalmologist acting within the scope of his/her license. Plan benefits are currently available from approximately 1,300 Participating Provider locations throughout New York State. For those Enrollees and Dependents who obtain Vision benefits from Non-Participating Providers, partial reimbursement is available based on a fixed Indemnity Reimbursement Schedule. (See a listing of covered benefits in Exhibit II.C and II.D. of this RFP). For calendar year 2010, the Participating Provider utilization rate was over 98%.

Under the Program, eye examinations, frames, 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 such 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 Agreement. Partial use of benefits is considered full use; although all Enrollees (except for SEHP Enrollees) are permitted up to a 90-day window to select eyewear from the date of the eye examination at a Participating Provider.

Participating Providers perform eye examinations and dispense Plan lenses and frames, subject to applicable copays and upgrade fees, where applicable. 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. Ultraviolet coating and fashion tinting are currently offered by the incumbent Contractor to Plan participants (except for SEHP Enrollees), at no charge to the Enrollee/Dependent or Plan.

In lieu of eyeglasses, Enrollees/Dependents 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. The incumbent contractor uses an allowance for contact lenses per Benefit period (Currently \$105 for conventional contact lenses and \$125 for disposable contact lenses) for all PEF, M/C and Unrepresented Enrollees/Dependents subject to a \$25 or \$45 copayment, respectively.

Enrollees and their Dependents represented by NYSCOPBA, ALESU, Council 82, PBA and PIA have up to a \$200 allowance towards exam, fitting and materials.

Amended March 29, 2011

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 said Enrollees only, and if determined they are 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 and meet certain criteria in order to be covered. The requirements of the Occupational Vision Program are specified in RFP, **Section IV.B.13**. Historically, approximately 43% of Enrollees have received occupational vision benefits. See Occupational Vision Program Utilization in Exhibit III.A.1.

Additionally, as a health and safety measure, Enrollees in the State Police covered under PBA-Troopers, PBA-Supervisors and PIA may order supplemental occupational lenses meeting precise specifications, for insertion into respirators.

Amended March 29, 2011

Medical Exception Program: Enrollees represented by ALESU, C82, NYSCOPBA, PEF, PBA-Troopers, PBA-Supervisors, PIA and M/C and other unrepresented Enrollees and their covered Dependents are eligible for vision benefits under the Medical Exception Program. These Enrollees and their 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. Said Enrollees/Dependents must obtain Plan prior authorization to be eligible for Medical Exception Program benefits. For more information regarding the Medical Exception Program requirements, refer to **Section IV.B.14** of this RFP. See Medical Exception Program utilization in Exhibit III.F of this RFP.

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Upgrade Program: All Enrollees and their Dependents (except for those represented by SEHP) may upgrade their eyewear selections through the patient-pay-all Upgrade Program. The patient's cost is based on the Offeror's Participating Provider Fee schedule for the lens or lens option(s) eligible for upgrade. The incumbent contractor currently offers a discount of twenty percent (20%) off retail prices for non-covered lenses or lens options (for example, Polaroid lenses) as well as frames priced above the allowance. The specific requirements for the Upgrade Program are outlined in **Section IV.B.15** of this RFP. The current Upgrade Program average utilization by type of service is outlined in Exhibit III.C and III.C.1 of this RFP.

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Laser Vision Correction Program: Active Employees and Employees enrolled under COBRA who are represented by ALESU, C82 and NYSCOPBA are covered for a laser vision correction benefit at a Laser Vision Correction Provider once every five years, subject to a copayment of 10% of the discounted cost for laser vision correction procedures, up to a maximum of \$200. Dependents of these groups are eligible for the patient-pay-all laser vision "discount program." Active Employees and Employees enrolled under COBRA and their Dependents who are represented by PBA-Troopers, PBA-Supervisors, PIA, and PEF are eligible for the patient-pay-all laser vision "discount program." For more information regarding the Laser Vision Correction Program requirements, refer to **Section IV.B.9** of this RFP.

D. SEHP Plan Benefit Variances

GSEU and CUNY-represented Enrollees and their covered Dependents may only receive services from Participating Providers, and are subject to a combined \$10 copayment for an examination (and contact lens fitting, if applicable) and eyewear. Plan benefits are not available from Non-Participating Providers. The SEHP eyewear selection is limited to a basic frame; single or bifocal lenses, or an allowance for soft, daily wear contacts (currently \$105). Ultraviolet coating and fashion tinting are not permitted. GSEU and CUNY-represented Enrollees and their Dependents are not eligible for the Occupational Vision, Medical Exception, Laser Vision or Upgrade Programs as described above.