

---

**SECTION V: COST PROPOSAL REQUIREMENTS****A. General**

The information in this Section A, and Section B below, is presented for use by Offerors in developing their Cost Proposal. Additional information which may impact an Offeror's proposed pricing may be contained in other sections of the RFP, including but not limited to Section VII. Each Offeror may submit **only one** Cost Proposal.

1. The NYS Vision Plan contract is for Administrative Services Only (ASO); the NYS Vision Plan is not insured.
2. The NYS Vision Plan currently provides benefits to approximately 103,375 Enrollees who combined with covered Dependents, equal to approximately 261,884 covered lives. In addition, there are approximately 5,548 Enrollee contracts eligible for the limited NYS Vision Plan-SEHP benefits that provide coverage for approximately 6,625 covered lives. The Department cannot guarantee that, during the term of the Agreement, the same enrollment mix and benefit characteristics as those set forth in Exhibit II.A through Exhibit II.D of this RFP will exist.
3. The 2-year eligibility period (1-year for dependent children under age 19) will not be reset as of the beginning of the Agreement. The current contractor will provide benefit eligibility dates for Enrollees and Dependents to the Contractor.
4. The Contractor shall bill the Department on a monthly basis for NYS Vision Plan claims, including Participating Provider, Laser Vision Correction Surgery and Non-Network claims via the submission of a Monthly Claims Summary invoice. The Non-Network claims are to be processed, for reimbursement to Enrollees and payment by the Department, based on the rates set forth in the Non-Network Reimbursement Schedule presented in Exhibit III.E of this RFP. Upon the Contractor's submission of the Monthly Claims Summary and supporting documentation, the Department shall prepare a voucher to submit to the Office of the State Comptroller (OSC). After OSC review, OSC shall electronically transfer the requested funds

to the Contractor. On average, the transfer of funds will be 15–20 days after the receipt of the Monthly Claims Summary by the Department.

5. **Monthly**: The Department will pay the Contractor a Monthly Administrative Fee based on the number of Enrollees reported by the NYBEAS enrollment system as of the first Thursday of each month. The Department shall calculate the amount payable to the Contractor for a given month by multiplying the applicable Monthly Administrative Fee by the applicable enrollment count as of the first Thursday of each month. A voucher shall be prepared requesting the Office of the State Comptroller to make payment to the Contractor. The payment will be issued by the end of each month. A statement shall be provided to the Contractor supporting the calculation of the payment. Performance credits (if any) will be deducted from the amount paid to the Contractor.
6. The one-time Communications Fee shall be billed by the Contractor and paid by the Department after the Contractor has completed, to the satisfaction of the Department, all of the Contractor's responsibilities as set forth in Section IV.C.3.d. of this RFP.

**B. Offeror's Cost Proposal**

The following describes the requirements for Offerors' Cost Proposal submissions.

**1. Participating Provider and Laser Vision Correction Surgery Fee Schedules**

The Department expects Offerors will propose aggressive pricing consistent with the size of the Department's membership. Offerors' proposed Participating Provider and Laser Vision Correction Surgery unit rates as set forth in the Offeror's Exhibit IV.A submission must be guaranteed for the term of the Agreement, although Offerors may propose varying fee levels for each year of the Agreement.

The Contractor shall charge the Plan for covered vision services based on the type of service and the Participating Provider and Laser Vision Correction Surgery Fee Schedule, less any applicable Enrollee copayments. The actual amount reimbursed to Participating Providers and Laser Vision Correction Providers is at the discretion of the Contractor provided that no

liability is incurred by the Enrollee for covered services with the exception of applicable Enrollee copayments.

Offerors must complete and submit the Participating Provider and Laser Vision Correction Surgery Fee Schedules presented in Exhibit IV.A of this RFP. Offerors must propose a fixed fee for each type of service listed in the Participating Provider and Laser Vision Correction Surgery Fee Schedule for each year of the Agreement. During the term of the Agreement, the State reserves the right to renegotiate the unit rates contained in Participating Provider and Laser Vision Correction Surgery Fee Schedule in response to market conditions and/or changes in the collectively bargained benefits.

## **2. Monthly Administrative Fees and Communications Fee**

Offerors must complete and submit the Monthly Administrative Fees and Communications Fee Schedule presented in Exhibit IV.B of this RFP. In developing its proposed Monthly Administrative Fee Per Enrollee fees for all groups excluding SEHP and for only SEHP, as well as its proposed Communications Fee, the Offeror must adhere to the following requirements and assumptions:

- a.** There shall be no commissions included in any fees;
- b.** The Monthly Administrative Fee Per Enrollee fees shall be quoted on a per Enrollee per month basis. Such amount(s) shall be in effect and fixed for the five (5) year term of the Agreement. Offerors may propose different Monthly Administrative Fee Per Enrollee fees for each year of the Agreement;
- c.** Except for the one-time Communications Fee and any Communications Fees resulting from Plan design changes described in (d) and (e) below, the cost of all routine Plan communications, including but not limited to maintaining and updating the customized website, mailing provider listings and benefit booklets to new Enrollees, mailing adequate supplies of benefit booklets to Agency Health Benefit Administrators, distributing Non-Network claims forms and communicating with Participating Providers and Laser Vision Correction Surgery Providers shall be borne by the Contractor and covered by the Contractor's Monthly Administrative Fee Per Enrollee fees as quoted;

- d.** A one-time Communications Fee must be quoted to cover all of the Contractor's costs associated with delivering all of the Plan Services set forth in Section IV.4.a. of this RFP, including but not limited to developing, producing and mailing benefit Plan booklets to Enrollees' homes during Plan implementation and the development, production and mailing of an adequate supply of benefit plan booklets to State agencies. If the Enrollee enrollment count on the date of Plan implementation deviates by 5%, plus or minus, as compared to the current Enrollee enrollment count as set forth in Section V.A.2. above (i.e., approximately 108,800 Enrollees), the Communications Fee paid will be adjusted to reflect the addition or reduction in enrollment beyond the 5% threshold. The Contractor shall not be required, and thus should not include in its proposed Communication Fee, the cost to develop, produce or mail benefit Plan booklets to Enrollees in the SEHP.
- e.** The cost of developing, producing and mailing to Enrollees' homes notification of benefit modifications or the cost of any additional communications material that may be required by DCS during the 5-year term, including Notices of Privacy Practices, shall not be factored in the development of the Communications Fee. Such cost of required communication material, if necessary, must be approved in advance by the Department and the cost incurred by the Contractor to perform such tasks shall be reimbursed by the Department at an agreed upon amount.
- f.** If a significant change(s) in technology, benefits, etc., occurs during the term of the Agreement which, determined by the Department in its sole discretion, materially impacts the Contractor's level of effort/cost, either by raising or lowering such efforts and/or costs, the State reserves the right to and at its sole discretion may renegotiate the Monthly Administrative Fees with the Contractor.