



Department of Civil Service

Request For Proposal #PPACA-2018-1

“Patient Protection and Affordable Care Act Compliance Services”

RELEASE DATE: April 13, 2018

PROPOSAL DUE DATE: May 18, 2018

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 Department’ 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 Section II: Procurement Protocol and Process).

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

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SECTION I: INTRODUCTION**A. Purpose**

The purpose of this Request for Proposals (RFP or Procurement), entitled “Patient Protection and Affordable Care Act (PPACA) Compliance Services” is to secure the services of a qualified organization (Offeror) to provide workforce analytics services and Statutory IRS Reporting as they pertain to the PPACA and Sections 6055 and 6056 of the Internal Revenue Code.

It is the Department of Civil Service’s (Department) intent to enter into a Contract (Agreement), subject to approval by the NYS Office of the Attorney General (OAG) and the NYS Office of the State Comptroller (OSC), with the Offeror selected as a result of this RFP for the period January 1, 2018 through June 30, 2023. Workforce analytics activities will be completed by December 31, 2022 and Statutory IRS Reporting requirements will be completed by June 30, 2023. The selected Offeror shall be responsible for providing services in accordance with the specifications in this RFP. The Offeror must agree to be bound by its Proposal which will be explicitly incorporated by reference into the executed 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 or Affiliates, the Offeror will be considered the Prime Contractor, and the Offeror shall assume full responsibility for the fulfillment of all of the 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: <http://www.cs.ny.gov/PPACA2018RFP/index.cfm>.

Note: Refer to Section VIII: Glossary of Terms, 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 New York State Legislature in 1957 to provide essential health insurance benefits to New York State (NYS) 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

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). Under Article XI of the Civil Service Law, as amended, and 4 New York Code of Rules and Regulations (NYCRR) Part 73, as amended, the President, who also serves as the Commissioner of the Department, through the Department's Employee Benefits Division (EBD) is responsible for the ongoing administration of NYSHIP.

NYSHIP currently provides health insurance coverage through The Empire Plan and eight (8) Health Maintenance Organizations (HMOs), which is provided for under Civil Service Law. The Empire Plan is a Participating Provider Organization (PPO) with managed care components which became fully self-funded in 2014. Additionally, the Student Employee Health Plan (SEHP) is administered through The Empire Plan contracts. SEHP is a health insurance plan for graduate student employees of the New York State and New York City University systems. NYS Employees and Retirees may elect to enroll in either The Empire Plan or in HMOs offered through NYSHIP.

The State does not provide Form 1095-C or Form 1095-B to employees and retirees of PEs or PAs participating in NYSHIP. Each NYSHIP PE or PA is responsible for its own compliance efforts. The State also does not conduct a full-time eligibility determination for PE and PA employees. Providing these services on behalf of PEs and PAs is not contemplated under the contract to be awarded as a result of this procurement. The NYS-specific NYSHIP active membership is approximately 425,000 which includes Employees and their Dependents. The NYS-specific NYSHIP retiree membership is approximately 217,000 which includes Retirees and their Dependents. A more detailed breakdown of Enrollees and Dependents for each group can be found in **Exhibit II.F** of this RFP.

The State of New York generally offers health insurance benefits to employees who work at least half-time. More information about specific health insurance eligibility requirements for active State employees can be found in the General Information

Book for NY Active Employees at the following link: <https://www.cs.ny.gov/employee-benefits/nyship/shared/publications/general-information-book/2017/ny-gib-2017.pdf>

C. Overview of Required PPACA Compliance Services

The successful contractor must be able to perform two main duties to be included in the contract awarded as a result of this procurement. These duties include:

1. Workforce Analytics Services

Using payroll records, health insurance eligibility information, and other data provided by the State, the contractor must perform workforce analytics services for all State employees. This includes determining and reporting all employees' status under Section 4980H of the Internal Revenue Code (added to the IRC by the Patient Protection and Affordable Care Act). As defined by the statute, a full-time employee is an individual employed on average at least 30 hours of service per week. NYS will need to ensure it has made an offer of coverage to at least 95% of its full-time employee population otherwise it will face severe financial penalties under Section 4980H of the Internal Revenue Code.

2. Statutory IRS Reporting

To ensure PPACA compliance, the State of New York is required annually to provide Form 1095-C to applicable employees and retirees. The State also electronically transmits these files and Form 1094-C to the Internal Revenue Service. As part of this process, the State also includes information for approximately 12,200 State employees working at Cornell University when transmitting Form 1094-C to the IRS. However, Cornell University makes full-time determinations for these employees and provides copies of Form 1095-C to them as well. For calendar years 2015, 2016, and 2017, the State has utilized a contractor to ensure its compliance with these requirements. This RFP seeks to obtain the services of a contractor to provide similar services beginning in calendar year 2018. For calendar year 2015, the State provided Form 1095-C to 257,585 individuals and reported health insurance coverage for an additional 254,495 dependents. For calendar year 2016, the State provided Form 1095-C to 258,589 individuals and reported health insurance coverage for an additional 252,246 dependents.

The contractor must annually prepare, print, and distribute Form 1095-C to all required individuals by the due date established by the federal government. The contractor must also transmit this information, along with Form 1094-C, to the federal government by the required due date. All forms must be transmitted to employees and enrollees via paper copy. Electronic distribution of forms to employees and enrollees will not be permitted. The contractor must electronically transmit required information to the federal government. The State will have the right to review all forms prior to their distribution and will have the final signoff prior to transmission. The contractor must also identify and correct any errors identified in the forms at the State's discretion.