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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.

Davis Vision confirms.

1. The NYS Vision Plan contract is for Administrative Services Only (ASO); the NYS Vision Plan is not insured.

Davis Vision confirms.

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.

Davis Vision confirms.

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.

Davis Vision confirms.

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.

Davis Vision confirms.

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.

Davis Vision agrees to accept premium remittance on a self-reported basis with conditions. DCS will receive an invoice from Davis Vision monthly through our e-Bill system. DCS can pay in accordance with the eligibility in their system. Support for the payment amount must be submitted, including total head counts by rate tiers. In submitting payment, the invoice number that Davis Vision generated must be referenced. A reconciliation from the billed amount to the payment amount is not necessary, but Davis Vision would retain the right to audit DCS's records and investigate significant differences between what was billed and paid. Retroactive terminations that are greater than 90 days or have claim activity would not be honored.

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.

Davis Vision confirms.

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.

Davis Vision confirms.

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;

Davis Vision confirms.

- 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;

Davis Vision confirms.

- 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;

Davis Vision confirms.

- 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.A.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.

Davis Vision confirms.

- 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.

Davis Vision confirms.

- 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.

Davis Vision confirms.

**NYS Vision Plan
Participating Provider and Laser Vision Correction Surgery Fee Schedule**

Type of Service	Offeror's Proposed Unit Price 2012	Offeror's Proposed Unit Price 2013	Offeror's Proposed Unit Price 2014	Offeror's Proposed Unit Price 2015	Offeror's Proposed Unit Price 2016
Examinations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Examinations - Occupational	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Contact Lens Fitting and Dispensing	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Basic Frames	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Standard Frames	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhanced Frames	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Basic Plastic Single Vision Lenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Basic Plastic Bifocal Vision Lenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Basic Plastic Trifocal Vision Lenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Plastic Progressive Vision Lenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Contacts	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
<i>Lens options (in additional to base lens price):</i>					
Photochromic/Transition	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Polycarbonate	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tint, Photochromic	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Tint, Transition	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Scratch resistant coating	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Laser Vision Correction (Per Eye)					
PRK	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Traditional Intralase	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Custom Intralase	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Custom Wavefront Lasik	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Note: Unit price quotes must be expressed in fixed dollar amounts.

**NYS Vision Plan
Monthly Administrative Fees and Communications Fee Schedule**

	2021	2013	2014	2015	2016
Proposed Monthly Administration Fee Per Enrollee (1)					
For all groups excluding SEHP					
For SEHP Only					
Communications Fee (2)	\$	N/A	N/A	N/A	N/A

Instructions:

- (1) Quote, in the space provided your proposed monthly administrative fees for the respective years and enrollee groups.
The fee will be multiplied by the number of enrollees in the respective groups to arrive at the aggregate administrative expense due the vendor.
- (2) Quote, in the space provided the proposed aggregate Communications Fee to be paid in year one for services indicated in Section IV.BA.a of the RFP.

Note: Fees must be expressed in fixed dollar amounts.

New York State Department of Civil Service
Proposed Benefits

	ALESU	Council 82 Arb. Eligible & Contract Affected	SEHP (GSEU and CUNY)	M/C, Retirees, PEs & other un- represented	NYSOPBA Arb. Eligible & Contract Affected & UUP Lifeguards	PBA-T	PBA-S	PEF	PIA
Copayments									
Examination	\$0	\$0	\$10	\$0	\$0	\$0	\$0	\$0	\$0
Contact Lenses	\$0	\$0	\$0	\$25 / \$45	\$0	\$0	\$0	\$25 / \$45	\$0
Frequency									
Adults	Biennial	Biennial	Biennial	Biennial	Biennial	Biennial	Biennial	Biennial	Biennial
Children (Under 19)	Annual	Annual	Biennial	Annual	Annual	Annual	Annual	Annual	Annual
Proposed Benefit Level									
Frame Level	Designer	Designer	Fashion Value	Premier	Designer	Premier	Premier	Premier	Premier
Frames									
PLAN (Collection) ⁽¹⁾									
Fashion (Up to \$125)	Included	Included	Included	Included	Included	Included	Included	Included	Included
Designer (Up to \$175)	Included	Included	Not available	Included	Included	Included	Included	Included	Included
Premier (Up to \$225)	\$25 copayment	\$25 copayment	Not available	Included	\$25 copayment	Included	Included	Included	Included
NON-PLAN									
Allowance	\$100 plus a 20% discount on any overage	\$100 plus a 20% discount on any overage	Not available	\$130 plus a 20% discount on any overage	\$100 plus a 20% discount on any overage	\$130 plus a 20% discount on any overage	\$130 plus a 20% discount on any overage	\$130 plus a 20% discount on any overage	\$130 plus a 20% discount on any overage

New York State Department of Civil Service
Proposed Benefits

	ALESU	Council 82 Arb. Eligible & Contract Affected	SEHP (GSEU and CUNY)	M/C, Retirees, PEs & other un- represented	NYSCOPBA Arb. Eligible & Contract Affected & UUP Lifeguards	PBA-T	PBA-S	PEF	PIA
Lenses									
Glass	Included	Included	Included	Included	Included	Included	Included	Included	Included
Plastic	Included	Included	Included	Included	Included	Included	Included	Included	Included
Single Vision	Included	Included	Included	Included	Included	Included	Included	Included	Included
Bifocal	Included	Included	Included	Included	Included	Included	Included	Included	Included
Bifocal-blended segment	Included	Included	Not available	Included	Included	Included	Included	Included	Included
Progressive addition	Included	Included	Not available	Included	Included	Included	Included	Included	Included
Trifocal	Included	Included	Included	Included	Included	Included	Included	Included	Included
Polycarbonate - adults ⁽²⁾	\$30	\$30	Not available	Included	\$30	Included	Included	Included	Included
Polycarbonate - children	Included	Included	Not available	Included	Included	Included	Included	Included	Included
High Index	Included	Included	Not available	\$50	Included	Included	Included	\$50	Included
Polaroid	\$60	\$60	Not available	\$60	\$60	\$60	\$60	\$60	\$60
Intermediate lenses	\$30	\$30	Not available	\$30	\$30	\$30	\$30	\$30	\$30
Photosensitive glass - Single Vision	Included	Included	Not available	Included	Included	Included	Included	Included	Included
Photosensitive glass - Multifocal	Included	Included	Not available	Included	Included	Included	Included	Included	Included
Photosensitive plastic - Single Vision	Included	Included	Not available	\$50	Included	\$50	\$50	\$50	\$50
Photosensitive plastic - Multifocal	Included	Included	Not available	\$50	Included	\$50	\$50	\$50	\$50
Post cataract	Included	Included	Not available	Included	Included	Included	Included	Included	Included
Fashion Tints	Included	Included	Not available	Included	Included	Included	Included	Included	Included
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Ultraviolet coating	Included	Included	Not available	Included	Included	Included	Included	Included	Included
[REDACTED]	Included	Included	Not available	[REDACTED]	Included	Included	Included	[REDACTED]	Included
Sunglasses	Included	Included	Not available	Included	Included	Included	Included	Included	Included
Prescription Lens Respirator Inserts	Not available	Not available	Not available	Not available	Not available	Included	Included	Not available	Included
Davis Vision's proposed copayments for the upgrade program's spectacle lens options listed above are less than currently provided. This represents savings to the DCS enrollees and their dependents of approximately \$1,351,500 per year, equating to approximately \$20 savings per pair of eyeglasses purchased.									

New York State Department of Civil Service
Proposed Benefits

	ALESU	Council 82 Arb. Eligible & Contract Affected	SEHP (GSEU and CUNY)	M/C, Retirees, PEs & other un- represented	NYSCOPBA Arb. Eligible & Contract Affected & UUP Lifeguards	PBA-T	PBA-S	PEF	PIA
Contact Lenses & Fitting:									
PLAN (Collection)⁽¹⁾									
Fitting and Evaluation	Included	Included	Included	Included	Included	Included	Included	Included	Included
Soft Daily Wear	Included	Included	Included	Included	Included	Included	Included	Included	Included
Planned Replacement	Included	Included	Included	Included	Included	Included	Included	Included	Included
Disposable	Included	Included	Included	Included	Included	Included	Included	Included	Included
NON-PLAN									
Fitting and Evaluation - Standard	Included	Included	Not available	Included	Included	Included	Included	Included	Included
Fitting and Evaluation - Premium	Included	Included	Not available	Included	Included	Included	Included	Included	Included
Materials Allowance - Conventional	\$105 plus a 20% discount on any overage	\$105 plus a 20% discount on any overage	Not available	\$105 plus a 20% discount on any overage	\$105 plus a 20% discount on any overage	\$105 plus a 20% discount on any overage	\$105 plus a 20% discount on any overage	\$105 plus a 20% discount on any overage	\$105 plus a 20% discount on any overage
Materials Allowance - Disposable	\$105 plus a 20% discount on any overage	\$105 plus a 20% discount on any overage	Not available	\$125 plus a 20% discount on any overage	\$105 plus a 20% discount on any overage	\$105 plus a 20% discount on any overage	\$105 plus a 20% discount on any overage	\$125 plus a 20% discount on any overage	\$105 plus a 20% discount on any overage
Medical Exception Program									
Increased benefit frequency (with prior authorization)	Included	Included	Not available	Included	Included	Included	Included	Included	Included
CVS Benefit									
Occupational Benefit	Not applicable	Not applicable	Not applicable	Included	Not applicable	Included	Included	Included	Included

New York State Department of Civil Service
Proposed Benefits

	ALESU	Council 82 Arb. Eligible & Contract Affected	SEHP (GSEU and CUNY)	M/C, Retirees, PEs & other un- represented	NYSCOPBA Arb. Eligible & Contract Affected & UUP Lifeguards	PBA-T	PBA-S	PEF	PIA
Laser Benefit									
Discount - covered dependents	Included	Included	Included	Included	Included	Included	Included	Included	Included
Funded benefit for employees	Included	Included	Not applicable	Not applicable	Included	Not applicable	Not applicable	Not applicable	Not applicable
Out-of-Network Schedule									
Exam	\$16	\$16	Not applicable	\$20	\$16	\$20	\$20	\$20	\$20
Frames	\$14	\$14	Not applicable	\$22	\$14	\$22	\$22	\$22	\$22
Single Vision	\$14	\$14	Not applicable	\$22	\$14	\$22	\$22	\$22	\$22
Bifocal	\$23	\$23	Not applicable	\$30	\$23	\$30	\$30	\$30	\$30
Trifocal	\$32	\$32	Not applicable	\$40	\$32	\$40	\$40	\$40	\$40
Cataract Lenses	\$35	\$35	Not applicable	\$35	\$35	\$35	\$35	\$35	\$35
Cataract Bifocals	\$35	\$35	Not applicable	\$35	\$35	\$35	\$35	\$35	\$35
Contact Lenses	\$184	\$184	Not applicable	\$40	\$184	\$184	\$184	\$40	\$184
Cataract Contact Lenses	\$184	\$184	Not applicable	\$40	\$184	\$184	\$184	\$40	\$184
Eye Exam & Contact Lenses	\$200	\$200	Not applicable	\$60	\$200	\$200	\$200	\$60	\$200
<i>(1) Collection is available at most participating independent provider offices. Collection is subject to change. Collection is inclusive of select torics and multifocals.</i>									
<i>(2) Polycarbonate lenses are covered in full for dependent children, monocular patients and patients with prescriptions +/- 6.00 diopters or greater.</i>									