

EXHIBIT A
REQUIREMENTS

HIDALGO COUNTY
REQUEST FOR PROPOSAL

**“PART I: THIRD PARTY ADMINISTRATOR (TPA) AND
PART II: INDIVIDUAL STOP LOSS & AGGREGATE STOP LOSS FOR
SELF-FUNDED MEDICAL PLAN”**

RFP NO.: 2006-345-10-18-VYG

**HIDALGO COUNTY
REQUEST FOR PROPOSAL
"PART I: THIRD PARTY ADMINISTRATOR (TPA) AND
PART II: INDIVIDUAL STOP LOSS & AGGREGATE STOP LOSS
FOR SELF-FUNDED MEDICAL PLAN"**

RFP NO: 2006-345-10-18-VYG

OVERVIEW:

The County of Hidalgo is seeking to engage Proposer's to furnish benefits for the "***PART I: THIRD PARTY ADMINISTRATOR (TPA) AND PART II: INDIVIDUAL STOP LOSS & AGGREGATE STOP LOSS FOR SELF-FUNDED MEDICAL PLAN***" offered by Hidalgo County to its employees and the employees' dependents. This process includes a Request for Proposal for fully "***PART I: THIRD PARTY ADMINISTRATOR (TPA) AND PART II: INDIVIDUAL STOP LOSS & AGGREGATE STOP LOSS FOR SELF-FUNDED MEDICAL PLAN***" Coverage. The Hidalgo County Purchasing Department will receive sealed envelopes containing proposals for "***PART I: THIRD PARTY ADMINISTRATOR (TPA) AND PART II: INDIVIDUAL STOP LOSS & AGGREGATE STOP LOSS FOR SELF-FUNDED MEDICAL PLAN***" the provision of as specified herein. Sealed proposals will be accepted until 9:30 A.M., Wednesday, October 18, 2006. ANY RFP RECEIVED AFTER THAT DATE AND TIME WILL NOT BE ACCEPTED AND WILL BE RETURNED UNOPENED.

The Hidalgo County Drainage District No. 1 Board of Director's may, at their option, utilize the "***PART I: THIRD PARTY ADMINISTRATOR (TPA) AND PART II: INDIVIDUAL STOP LOSS & AGGREGATE STOP LOSS FOR SELF-FUNDED MEDICAL PLAN***" Provider(s) selected by Hidalgo County For Hidalgo County Drainage District No. 1. Should the Board of Director's of Hidalgo County Drainage District No. 1 decide the firm selected as the Provider is the same as the one selected by Hidalgo County, the Provider shall offer Hidalgo County Drainage District No. 1 the same terms and provisions as it offer s Hidalgo County.

Deliver Submittal to:

RFP No: 2006-345-10-18-VYG

Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building
100 E. Cano, 4th Floor
Edinburg, Texas 78539

The Submittal Envelope Must Show:

RFP NO.: 2006-345-10-18-VYG

***"PART I: THIRD PARTY ADMINISTRATOR (TPA) AND
PART II: INDIVIDUAL STOP LOSS & AGGREGATE STOP LOSS FOR SELF-FUNDED MEDICAL PLAN"***

The following outlines the Request for Proposal:

SECTION I - GENERAL TERMS AND CONDITIONS

ADDITIONAL INFORMATION: Hidalgo County is requesting that sealed proposals be routed to Martha L. Salazar, CPPB, Purchasing Agent, at 100 E. Cano, 4th Floor, Edinburg, Texas 78539. All inquiries must be directed to Hidalgo County Purchasing Agent, Martha L. Salazar. Hidalgo County Health Benefits Consultants, Alamo Insurance will assist Hidalgo County in addressing any and all inquiries. All responses will be distributed through Hidalgo County Purchasing Department. Proposers *are not* to directly contact Hidalgo County Health Benefits Consultant except through the Hidalgo County Purchasing Department. **WRITTEN QUESTIONS WILL BE ACCEPTED VIA FACSIMILE BY NO LATER THAN *Wednesday, October 4, 2006, at 5:00 P.M. at (956) 318-2629.* Responses will be sent to all applicants via facsimile by *Friday, October 6, 2006.* TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**

PROPOSER'S AFFIDAVIT: Respondents to this RFP must submit a signed Proposer's Affidavit (attached herein in Exhibit "D") certifying that the submission is (1) not the result of Collusion as described in the Proposer's Affidavit; (2) that the Respondent does not have a Conflict of Interest as described in the Proposer's Affidavit; or that the Respondent has not and will not attempt to lobby directly or indirectly as described in the Proposer's Affidavit.

NON-DISCRIMINATION: Submitters, during the performance of this contract, will not discriminate against any employee or applicant for employment because of race, religion, sex, national origin or disability except where religion, sex, national origin or disability is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor.

PROCESSING TIME FOR PAYMENT: Submitters are advised that a minimum of thirty (30) days is required to process invoices for payment.

ELECTRONIC TRANSMISSION OF BIDS: Hidalgo County's Purchasing Department will not accept telegraphic or electronically transmitted submissions.

PROOF OF FINANCIAL AND BUSINESS CAPABILITY: Submitters must, upon request, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these requirements. Hidalgo County will make the final determination as to the submitter's ability.

SUBMITTER DEFAULT: Hidalgo County reserves the right, in case of submitter default, to procure the articles or services from other sources and hold the defaulting submitter responsible for any excess costs occasioned thereby.

RESTRICTIVE OR AMBIGUOUS REQUIREMENTS: It is the responsibility of the submitter to review the Request for Proposal (RFP) packet and to notify the Purchasing Department if the requirements are formulated in a manner that would unnecessarily restrict competition. Any such protest or question regarding the requirements or proposers procedures must be received in the Purchasing Department not less than seventy-two hours prior to the time set for the opening. These criteria also apply to requirements that are ambiguous.

PROPOSAL DELIVERY: Hidalgo County requires submitters, when hand delivering proposals, to have a Purchasing Department representative time/date stamp and initial the envelope when dropping RFP off.

SIGNING OF PROPOSALS: In order to be considered all submittals **must** be signed. **Please sign the original in blue ink.**

WAIVING OF INFORMALITIES: Hidalgo County reserves the right to waive minor informalities or technicalities when it is in the best interest of Hidalgo County.

SUBCONTRACTING: The successful submitter may not subcontract the award without the written consent of the Commissioners' Court of Hidalgo County.

SECTION II - RFP REQUIREMENTS

Request For Proposal: The required contents and limitations for the preparation of the RFP are described in this section. Failure to provide the requested information or adhere to any County limitations will result in disqualification of the submitted RFP. A total of **one (1) original and eight (8) copies** of the RFP shall be submitted to the address on the cover letter.

Contents: The required contents for the RFP are presented below in the order they should be incorporated into the submitted document.

UNDERSTANDING OF THE PROJECT:

This section should demonstrate the firms understanding of the project needs, the work required, and any local issues or concerns. Briefly explain how long you have been organized and your corporate business objectives. Explain how long you have been in business. This description should be concise, candid, and limited to 3 pages in length.

PERSONNEL STAFFING: The firm should provide an organizational chart for the project and a summary paragraph of the project work to be performed by each proposed staff member. Biographic summaries that highlight the experience relevant to the specific project responsibilities should be provided for all proposed personnel. There is a one (1) page limitation for each biographic summary provided. Information regarding the firm's credentials, education and experience with other government entities is required and will be scored accordingly during the evaluation process.

REQUIRED CERTIFICATES AND SUBMITTAL: This section will contain any licenses, registrations and certifications as required by the STATE OF TEXAS, and HIDALGO COUNTY that you possess that deem you as a qualified provider.

If proposer/company cannot meet any of the following services/responsibilities, such exceptions must be noted on the company's cover letter.

DURATION OF CONTRACT: The initial term of the contract shall be for _____, with the County's option to renew for additional _____. In addition, any renewal must be delivered to the County of Hidalgo ninety (90) days prior to renewal.

NUMBER OF COPIES TO BE SUBMITTED: Hidalgo County requires **one (1) original submittal and seven (7) copies.**

SECTION III - SELECTION AND SCHEDULES

SELECTION PROCEDURES: The RFP shall be submitted according to the schedule below. The County of Hidalgo is not required to select the proposal with the lowest rates/fees, but shall take into consideration other factors, including past experience, evidence of good organization, references, ability to provide requested services, and any other factors found necessary for quality service.

Proposal Ranking: A "Committee" will evaluate and rank the written RFPs. After the RFPs have been ranked, the committee will present a scoring grid to the Hidalgo County Commissioners' Court for their ranking.

Negotiation Process: The number one ranked firm will be contacted to submit a draft contract for negotiation. If negotiations prove unsuccessful, the next highest ranked company will be contacted. The County of Hidalgo reserves the right to reject any and all RFPs.

Additional Information to Terms and Conditions: All costs and expenses with the preparation and submission of (bids, proposals and/or quotes) shall be the responsibility of the proposer and no reimbursements for such charges or expenses shall be passed onto Hidalgo County.

Any contract awarded to a successful proposer will be in effect until (a) the contract expires, (b) delivery and acceptance of products and/or performance of services ordered, or (c) terminated by County with thirty day's written notice prior to cancellation.

PROPOSAL SUBMITTED TO: An original and seven (7) copies of RFPs should be submitted to:

Martha L. Salazar, Purchasing Agent
Hidalgo County Purchasing Department
Administration Building; 100 E. Cano, 4th Floor
Edinburg, Texas 78539

RFPs must be submitted by **no later than 9:30 a.m. on Wednesday, October 18, 2006.**

EVALUATION: The evaluation system consists of a 100-point system. The firms will be ranked after evaluation. Categories under the 100-point system include response to RFP. RFP submittal evaluation will be based on the criteria outlined in Exhibit B.

SCOPE OF SERVICES/TERMS AND CONDITIONS

SECTION IV – GENERAL OVERVIEW

Background Information

Hidalgo County (hereafter referred to as HIDALGO COUNTY) is located in Hidalgo County, Texas. The majority of the 3200 insured employees, retirees and COBRA participants participating in HIDALGO COUNTY's self-funded health benefit plan use the services of providers located in Hidalgo County, the current enrollment in the Health Plans is available on HIDALGO COUNTY's census.

Mutual of Omaha has insured the Health Plan since February 1, 2005. Initially the plan was a fully insured plan but moved to a self-funded plan on February 1, 2005. There have been no significant plan changes during the time Mutual of Omaha has insured the plan.

The rate history for Mutual of Omaha stop loss insurance coverage is available on the HIDALGO COUNTY's rate history document.

HIDALGO COUNTY desires to receive proposals for continuation of the self-funded health plan based on duplication of existing Plan of Benefits unless other specified.

Hidalgo County
Request for Proposal
2006-345-10-18-VYG

***“PART I: THIRD PARTY ADMINISTRATOR (TPA) AND
PART II: INDIVIDUAL STOP LOSS & AGGREGATE STOP LOSS FOR SELF-FUNDED MEDICAL PLAN”***

Individual Stop Loss Insurance (ISL)/Aggregate Stop Loss Insurance
(ASL) Request for Proposal Submission Form

RFP ASSUMPTIONS:

1. Proposal is to be based on duplication of the existing Plan of Benefits, unless otherwise specified, any deviations must be clearly identified and explained. All proposals will be assumed to have been submitted without any deviations unless clearly noted.
2. Proposal is to be based on the provided census.
3. Contract effective date is to be February 1, 2007. All participants enrolled in the insurance plan as of January 31, 2007 are to be covered on a "no loss/no gain" basis. "No loss/no gain" for participants are to include credit for accumulated deductible, coinsurance, and lifetime maximum benefits.
4. HIDALGO COUNTY desires to receive proposals for a three (3) year period on one of the following basis:
 - Fixed price for the three (3) year period, or
 - Two annual renewal adjustments determined by formula at the time the contract is awarded, or
 - One (1) year contract with two annual renewal options for rate and premiums deemed to be favorable to the HIDALGO COUNTY. Renewal rates are to be provided to HIDALGO COUNTY by November 1 (90 days prior to anniversary date).
5. HIDALGO COUNTY will only consider stop loss insurance policies meeting the following:
 - a. Specific and Group Aggregate Policy on a paid/12; or paid /15 basis for Medical and Drug (Rx). We do not wish to see an aggregating specific; however; a 24/12 contract may be proposed.
 - b. Medical and Drug (RX) Specific Coverage with \$75,000; \$100,000; \$150,000; \$200,000 deductible
 - c. Medical and Drug Aggregate Coverage at 120% and 125% of expected claims
 - d. Final determination on all lasers, if any, including deductible amounts and conditional lasers should be clearly identified and provided with RFP response based on provided claims data
 - e. Insurance Company Quotation Document with all terms clearly listed
 - f. Waive Actively at Work Provisions
6. Renewal rate must be received by HIDALGO COUNTY at least 90 days prior to date of rate change.
7. Any estimated savings, performance or other guarantees should be specific, quantifiable and should include a method for validation.

QUESTIONS:

1. Describe the business entity submitting the proposal:

- a. Insurance Company Name: _____
- b. Address: _____
- c. Contact Person: _____
- d. Telephone Number: _____
- e. Year Founded (Ins. Co): _____
- f. What percentage of overall business is Health related? _____
- g. Managing Underwriter's Name: _____
- h. Year Founded (Managing Underwriter): _____
- i. Number of Years for Representing Insurance Company: _____

2. Describe Financial Stability of Insurance Company:

a.

Financial Rating Service	Current Rating	Prior Year Rating
A.M. Best		
Standard & Poors		
Moody's		

b. Is Insurance Company authorized to do business in Texas? Yes No

3. Provide three (3) Texas client references (preferably public entities):

Name of Client	Contact Person	Telephone Number	Number of Employees

PLEASE ANSWER QUESTIONS 4 THROUGH 7, IF STOP LOSS INSURANCE IS BEING SUBMITTED BY MANAGING UNDERWRITING GROUP OR OTHER BUSINESS ENTITY ACTING AS AGENT OR REPRESENTATIVE FOR ANY INSURANCE COMPANY.

4. Describe the business entity submitting the proposal:

a. Name of Business Entity: _____

b. Current Business Address: _____

c. Mailing Address: _____

d. Contact Person: _____

e. Telephone Number: _____

f. Type of Business Entity: Corporation General Partnership Sole Proprietorship
 Registered Limited Liability Partnership Limited Liability Company

5. a. Has the business entity been a defendant in any lawsuit in any state or federal court during the preceding five (5) years? Yes No

If yes, identify each lawsuit by party, case number, court, subject matter, and disposition:

b. Does the business entity have any claims filed against it which is unresolved and presently pending before any State of Texas Administrative agency? Yes No

If yes, please provide a full description of the charges

6. Financial Information:

a. Has the business entity filed a voluntary or involuntary petition in bankruptcy, obtained an order for relief, or received a discharge on any debt under the U.S. Bankruptcy laws during the preceding seven (7) years?

Yes No

If yes, please describe:

b. Has any owner, member, or partner of the business entity filed a petition in bankruptcy, obtained an order for relief, or received a discharge on any debt under the U.S. Bankruptcy laws during the preceding seven (7) years?

Yes No

If yes, please describe:

7. Describe insurance coverage (include copy of Insurance Certificate):

- a. The business entity must provide satisfactory evidence of existing insurance coverage in the amount of \$1,000,000.00 for Errors and Omissions or other fiduciary liability. If the business entity is selected to provide services it must provide evidence that such coverage will be in effect for the duration of the agreement.
8. Describe ISL and ASL claim payment:
- a. Where will claims be paid? _____
- b. What is the definition of "paid claim" to be eligible for reimbursement?
- c. Can HIDALGO COUNTY's Insurance Department speak directly to a claim examiner for questions related to payment of a claim. _____ Yes ___ No
- Comment: _____
- d. What is the normal processing time for ISL claim? _____
- e. What is normal processing time for ASL claim? _____
- f. What are eligible expenses related to investigation of claim (e.g. hospital audit, medical records, etc)?

- g. If HIDALGO COUNTY has negotiated with providers, with these discounts be accepted, in lieu of doing a hospital audit? _____ Yes ___ No
- h. Describe documentation needed for ISL claim reimbursement:
9. Describe Underwriting:
- a. Will any claimants be excluded or assigned a higher deductible (lasered)? _____ Yes ___ No
- If so, please describe: _____
- b. Will renewal rates be provided to HIDALGO COUNTY 90 days prior to renewal date? _____ Yes ___ No
10. Did you provide a Specimen Stop Loss Contract? _____ Yes ___ No
11. Does your Stop Loss insurance contract have any exclusions or limitations that are more restrictive than those used in HIDALGO COUNTY's booklet? _____ Yes ___ No
- If so, please describe: _____
12. Are the active-at-work and disabled dependent provisions waived for the effective date of the contract? _____ Yes ___ No
13. If Centers of Excellence are used for your transplant coverage, please provide specific information for facilities cost and procedures to be used: Please attach a schedule with complete information:
14. Please state any variations to the Request for Proposal Assumptions or other qualifications for your quote:

15. For what period of time are quoted rates guaranteed? _____

16. Is a longer rate guarantee available? _____ Yes _____ No
If so, please describe: _____

17. Are quoted rates net of agent commission? _____ Yes _____ No
If no, please describe: _____

18. Do quoted rates include advance funding for?
a. Specific Claims? _____ Yes _____ No

If no, additional cost to provide: _____

b. Aggregate Claims? _____ Yes _____ No

If no, additional cost to provide: _____

19. Is the quote based on the services of a specific provider network? _____ Yes _____ No

20. Please give rate differential to use the following networks:

		Specific	Aggregate
a.	PHCS	_____	_____
b.	Healthsmart	_____	_____
c.	BC/BS	_____	_____
d.	CNN	_____	_____
e.	Beechstreet	_____	_____
f.	Other (Name)	_____	_____
	Differential	_____	_____

Hidalgo County

BASIC PLAN

\$ _____ Specific Deductible Basis for Deductible:

Incurred _____ Paid _____

	Number of Participants	Rates	Monthly Premium	Annual Premium
Specific Premium: Single Family Composite				
Aggregate Premium Composite				
Aggregate Attachment Pts. Single Family				

HIGH PLAN

\$ _____ Specific Deductible Basis for Deductible:

Incurred _____ Paid _____

	Number of Participants	Rates	Monthly Premium	Annual Premium
Specific Premium: Single Family Composite				
Aggregate Premium Composite				
Aggregate Attachment Pts. Single Family				

The following is the Third Party Administrator questionnaire which should be submitted with an effective date of February 1, 2007 . All participants enrolled in the insurance plan as of January 31, 2007 are to be covered on a "no loss/no gain" basis. "No loss/no gain" for participants are to include credit for accumulated deductible, coinsurance, and lifetime maximum benefits.

TPA Questionnaire

GENERAL INFORMATION: Questions must be answered for each coverage you are quoting.

1. Describe the history, organization and ownership of your company.		
2. Explain your ownership, listing all separate legal entities and their relationships. Describe all major shareholders and owners and give percentage of ownership for each.		
3. Do you contemplate any agreements, or are agreements being negotiated between you and other parties, which may affect the plan's ownership, corporate structure, or management during the next year?		
4. Provide the name and address of your company and all outside vendors used in this RFP. Include local, toll-free telephone and fax numbers.		
5. Supply an organizational chart identifying the functions and reporting relationships of key people directly responsible for administrative services to Hidalgo County.		
6. Give the name and title of the person(s) with overall responsibility for planning, supervising, and performing the day-to-day administrative services for Hidalgo County.		
7. Will you assign an underwriter or another group benefit professional with similar knowledge and experience to Hidalgo County?		
8. Will Alamo Insurance Group, Inc. have direct contact and access to all of the above named person(s)?		
9. Explain in detail the steps you anticipate will be needed to ensure a smooth implementation. Include a definition of specific activities and a timetable of events. The timetable should assume an award notification date and plan implementation schedule, which includes completion of all enrollment packets, enrollment meetings, system updates and ID card issuance by [2/1/2007].		
10. Provide a detailed work plan specifying all critical milestones and identifying persons from your organization who will be responsible for each major task.		

11. Provide recommendations concerning the following situations:		
a. Eligible dependent students residing out of area		
b. Eligible dependent children residing with a separated or divorced parent and living out of area		
c. Eligible dependents enrolled in a U.S. school but studying outside of the U.S.		
12. If you are selected as the administrator, will you permit claim audits at your claim office by a third-party auditor? If so, is there a charge for the time spent by your claims people in meeting with the auditor?		
13. Hidalgo County requires that you provide year-end financial information and renewal rates and fees 90 days prior to the policy anniversary date. Additionally, Alamo Insurance Group, Inc. will be provided all service agreements, contracts, amendments, reports, and claims data. Will you agree to this?		
14. Will you agree to performance-based administrative fee structures as outlined in this RFP?		

Please respond to the following questions, recognizing that your organization will be expected to underwrite and administer the program as stated in this RFP unless specifically noted here.

1. Will your organization insure and/or administer the program exactly as shown in this RFP?		
2. Will your organization require any additional information or impose restrictions on benefit selections?		
3. Does your organization agree to the performance objectives outlined in this RFP?		
4. Does your organization agree to cooperate and ensure successful interface of all Hidalgo County data with an outside vendor? This assumes that Hidalgo County awards coverage's to an outside vendor.		

REFERENCES

1. Please provide three references of current clients and two references of clients you have lost in the past two years. Ideally, these references would be similar in size to Hidalgo County.		
2. What percent of your ASO clients have 1,000 - 3,000 covered employees?		
3. What percent of your ASO clients have 500-999 covered lives?		
4. What percent of your ASO clients have 100-499 covered lines?		

CLAIM FACILITY AND PERSONNEL

1. How many full time employees work in this office?		
2. How many processors report to one supervisor?		
3. What additional responsibilities do the claim processors have (telephone inquiries, correspondence, filing, opening mail, etc.)?		
4. What is the case load per processor? What is the number of claims that each processor is expected to process?		
5. What is the average length of experience for those claims processors who would be servicing a new large account?		

CLAIMS PROCESSING AND ADMINISTRATION

1. What claims system do you use?		
2. How long has this system been operational in this location?		
3. What future enhancements are planned for this system?		
4. Can all plan design options and provisions automatically be calculated by this system? Please note exceptions.		
5. Are there automatic system edits for plan age limits?		
6. Does this system track and report overrides?		
7. How are processors limited to specific dollar level payments? What other payments require supervisory approval?		
8. What are the capabilities of the system relating to tape eligibility feed?		
9. Who can add or change eligibility information?		
10. How does the system keep track of non-covered expenses? Are all denied claims tracked?		
11. How is hard copy stored? How long is it retained?		
12. Does the system accumulate annual and lifetime maximums?		
13. Are accumulations and claim history information automatically updated by adjustments?		
14. How are providers identified (TIN, name/zip, phone number, other)?		
15. Does the system track carry over deductible amounts and adjust out-of-pocket sequence claims?		
16. Can the system screen for different plan versions based on the incurred date?		
17. What frequency edits can be programmed?		
18. How are duplicate charges identified by the system?		
19. Does your system automatically update the file immediately after a transaction is entered?		
20. Define "turnaround time" for claim processing purposes.		

21. Indicate the administrative service targets and actual [year1] and [year2] performance in each of the areas listed below for the proposed facility:	[year3]	[year4]	[year5]	[year6]
a. Turnaround time				
b. Financial accuracy				
c. Payment accuracy				
d. Processing accuracy				
e. Resolution time for telephone and written inquiries				
23. What should be the minimum standards with respect to each of the administrative service areas listed above? What portion of the quoted rates/fees would be returned to Bexar Appraisal District if these standards are not achieved?				
a. Turnaround time				
b. Financial accuracy				
c. Payment accuracy				
d. Processing accuracy				
e. Resolution time for telephone and written inquiries				
24. Describe the procedures for administering COB in-network vs. out-of-network, specifying whether COB is system-calculated or manually calculated.				
25. Indicate your organization's ability to administer various types of COB.				
26. Describe how COB for an in-network with negotiated fees is calculated.				
27. What is the current collection/return rate for COB? (as a percent of paid claims).				
28. Do you routinely capture, maintain, and access a spouse's coverage and employment data for COB? What specific data elements do you store in these files? How do you update them?				
29. Describe the quality management program, which is applied to the claims administration function (e.g., coding, processing, and paying), specifying audit procedures and error categories.				
30. What % of claims are "auto adjudicated?"				
31. What circumstances kick a claim to a processor for review and processing?				
32. How do you receive claims to be repriced?				

CLAIM ADMINISTRATION AND ADJUDICATION

1. Where will you process Hidalgo County medical claims? Where will drafts and EOBs be issued?		
2. Describe the organization, methods, and procedures for responding to routine claim inquires from Hidalgo County employees.		
3. Do you routinely pursue subrogation opportunities? If yes, what are your criteria for evaluating subrogation potential? Describe the methods and procedures for investigating. What percent of recoveries would you credit to Hidalgo County?		
4. Do you use In House or Outside Vendor?		
5. If outside, who? How much?		
6. Who determines what claims go to subrogation?		
7. How do claim processors flag a possible pre-existing condition? What steps do they take to verify a pre-existing condition?		

AUDITING PRACTICES

1. What are your standard claim audit procedures for claims in process and those that are already paid?		
2. How are overpayments handled, and to what extent does your company go to recover those overpayments?		

UTILIZATION REVIEW SERVICES

1. To what extent do you involve the patient and/or family in the review process? Be specific.		
2. What percent of all cases are reviewed by a physician and what determines whether a physician becomes involved?		
3. Describe your review criteria for: <ul style="list-style-type: none"> a. Medical necessity for proposed care b. Medical necessity for admission c. Necessity for continued stay d. Length of stay e. Mental health care (inpatient and outpatient) f. Chemical dependency treatment (inpatient and outpatient) g. Necessity for surgical procedures (inpatient and outpatient) h. Case management i. Outpatient services 		
4. Describe how your UR system is integrated with claim payment.		
5. Describe you appeal process for members and physicians.		
6. How do you define case management?		
7. What specific cost containment programs are you actively involved in? Describe fully.		

NETWORKS

1. Provide a response for the following questions describing the capabilities for each PPO network that would be applicable to this RFP.				
a. PPO network				
b. Location(s)				
c. Date established				
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 1</u>	<u>Year 2</u>
a. Total enrollment				
b. Average hospital discount				
c. Average physician discount				
d. Percent PCPs Board Certified				
2. What is your service area? Please describe by county & zip code.				
3. Provide a Geo Access report indicating the coverage provided by the proposed networks based on zip code information on enclosed census based on the following criteria:				
a. Within 5 and 10 miles - 2 PCP, 1 OB-GYN, 1 Pediatrician				
4. Please explain the access standards used for the report (e.g. from center of zip code to employee's home or provider office, and use of 3 or 5 digit zip codes).				
5. Please explain the access standards used for the report (e.g. from center of zip code to employee's home or provider office, and use of 3 or 5 digit zip codes).				
6. Describe any network modifications that are underway or are planned for the future, specifying the modifications, status, and target date for completion.				
7. Centers of Excellence				
a. Indicate the "Centers of Excellence" services and providers currently available in the network.				
8. Chiropractic				
a. Indicate the chiropractic services currently available.				
b. Describe the method used by subscribers to access such services.				
9. Do you have the capability to coordinate a drug testing program for <u>all</u> Hidalgo County locations? If yes, is there a separate cost?				

10. If not, would you be willing to develop a program? If yes, is there a separate cost?		
11. Please indicate whether your physician application and credentialing process requires the following;		
a. Written verification of education and experience		
b. Verification of current license and DEA certificate		
c. Investigation for adverse action on license and/or hospital privileges		
d. Verification of letters of recommendation		
e. Regular recertification of participating physicians		
f. Verification that physicians complete continuing education requirements		
g. Documentation on malpractice claims, settlements, and judgments for the previous five years.		
12. Explain in detail the process and frequency of recertification credentialing.		
13. Do you selectively drop individual physicians in a medical group or physician association while continuing to contract with the entire medical group or association?		
14. Do you have dedicated provider relations staff to answer questions for physician office personnel regarding administrative policies and procedures?		
15. Are physicians prevented from balance billing?		
16. How are radiology services reimbursed?		
17. How are laboratory services reimbursed?		
18. How are anesthesiology services reimbursed?		
19. What screens do you use to audit coding accuracy?		
20. What physician services are not available through the network? How are they handled?		

DENTAL CLAIM SYSTEM

1. Explain if this is the same system as the medical system and how (if the two systems interface).		
2. Does the system maintain historical information on submitted expenses and paid claims? How long is claim history maintained on-line? On microfilm? On hard copy?		
3. Are claims routinely coded using standard ADA codes? What other coding protocols are used?		
4. Will the system automatically deny any (all) non-covered items based on the procedure codes entered by the processor?		
5. Describe your organization's use of dental consultants.		
6. At what percentile of UCR's are dental claims paid?		

PRESCRIPTION PROGRAM CAPABILITIES & SYSTEMS

1. Describe your network capabilities.		
2. Describe the process by which you adjudicate claims and verify eligibility.		
3. Discuss the variations in plan design that your network system can administer.		
4. How many participating pharmacies are currently in your network?		
5. Describe the prescription drug program you would suggest for members who do not live within a reasonable distance of your network pharmacies.		
6. Provide a list of the retail prescription drug chains that currently participate in your network program.		
7. What are your procedures in the event of member termination?		
8. Describe the procedures a network pharmacist would follow to verify eligibility, collect the proper copay and process the claim in routine circumstances, and where there was a problem accessing the computer network system.		
9. Provide a list of drugs/items, which you would recommend, that not be covered.		
10. Describe the programs available to maximize generic substitution.		
11. Describe your Drug Utilization Review (DUR) procedures.		
12. Explain how your computerized patient medication profiles are maintained and used.		
13. Describe your adverse drug reaction reporting program, if available.		
14. How do you screen for duplicate prescriptions, therapeutic overlaps, early refill and vacation refills?		

SELF-FUNDED QUOTATION ASSUMPTION/CONDITIONS

1. Are the fees quoted for February 1, 2007 firm and guaranteed for:		
a. Administrative service?		
b. Individual stop loss?		
c. Aggregate stop loss?		
2. If not, what are the conditions or assumptions, and what is the fee impact if these are not met for:		
a. Administrative services?		
b. Individual stop loss?		
c. Aggregate stop loss?		
3. Are the stop loss attachment points quoted for [MM/DD/YYYY] firm and guaranteed?		
a. If not, what are the conditions or assumptions, and what is the impact to the attachment point(s) if they are not met?		
4. Do quoted rates and fees include <u>all</u> services described within this RFP? If not, please indicate which services are not included.		
5. Will individual medical underwriting of self-funded members ever be required? Under what circumstances?		
6. What is the maximum percentage the quoted fees will increase for:		
a. Administrative services?		
b. Individual stop loss?		
c. Aggregate stop loss?		
7. Please outline the reimbursement process and banking arrangements for your self-funded quotes. Attach copies of any agreements related to this process. Include in the response answers to the following:		
a. Do you require a specific bank be used, or does Hidalgo County have the choice?		
b. Is an initial deposit required? A minimum balance?		
c. What is the frequency of claim transfers?		
d. How often is the claim paying account reconciled?		
8. Please describe the process and timing of reimbursements to Hidalgo County when the stop loss threshold has been exceeded for:		
a. Individual stop loss		
b. Aggregate stop loss		

9. Does individual and aggregate stop loss coverage include:		
a. COBRA participants?		
b. All other covered members as of the effective date?		
10. Please describe any actively at work, pre-existing conditions or other limitations (other than those requested) that apply to:		
a. Individual stop loss		
b. Aggregate stop loss		
11. With your proposal please submit copies of your most recent financial ratings to include AM Best and one of the following: Moody's, Standard & Poor's, Duff & Phelps or Weiss Research, as well as ratings for stop loss carriers and any other outside vendors in your proposal.		

“PART I: THIRD PARTY ADMINISTRATOR (TPA) AND PART II: INDIVIDUAL STOP LOSS & AGGREGATE STOP LOSS FOR SELF-FUNDED MEDICAL PLAN”

Provider(s) selected by Hidalgo County For Hidalgo County Drainage District No. 1. Should the Board of Director’s of Hidalgo County Drainage District No. 1 decide the firm selected as the Provider is the same as the one selected by Hidalgo County, the Provider shall offer Hidalgo County Drainage District No. 1 the same terms and provisions as it offer s Hidalgo County.

Offerers should apprise themselves of all available information. Offerers shall thoroughly examine the specifications, the schedule and all other contract documents.

Proposal should be in conformance with the specifications. Care should be taken to match the requested plan designs as closely as possible. The Request for Proposal specifications are not intended to be restrictive, but Proposals, not in conformance to the specifications, will not be considered unless such nonconformance is explained in detail. General discussion and plan comparison of competing proposals will be in regards to the specified in-force benefits.

Due care has been exercised in the preparation of these specifications, and the information is believed to be substantially correct. However, the responsibility for verification of all information presented herein shall rest solely on the offerer.

Conditions of Proposal

1. Preparation of Proposal

- a) All information required by the proposal form shall be furnished.
- b) Specification price sheets, specifications and necessary information are attached.
- c) Alternate Proposal – Request for Proposal
Alternate Proposals will be considered. All alternate Proposals should be clearly marked "Alternate Plan I, Alternate Plan II, etc." Offerers are encouraged to be creative and to present their most competitive coverage and pricing Proposal.
- d) The county reserves the right to revise and amend the specifications prior to the date set for the opening. Such revisions or amendments, if any will be announced by addenda or amendments to these specifications. Copies of these addenda so issued will be furnished to all prospective proposers.
- e) If you consider any portion of your proposal to be confidential information and that disclosure of its contents to competing quoters would be detrimental to your company, clearly identify those portions. It is the responsibility of the responding party to separate information it considers to be confidential and to place such confidential information on separate sheets of paper, each clearly labeled "CONFIDENTIAL". The identified portions will be protected from disclosure to the extent possible under the law.

- f) Proposals will be opened so as to avoid disclosure of contents to competing offerers, and not be made public during the process of negotiation. However, all Proposals shall be open for public inspection after the award of the contract, except for any bonafide trade secrets and/or confidential information contained in the proposal and identified as such.
- g) Clarification of Objection to Proposal Requirements:

All such requests for information can only be made writing to:

Martha L. Salazar, CPPB, Purchasing Agent
Hidalgo County Purchasing Department
100 E. Cano-4th Floor
Edinburg, Texas 78539

WRITTEN QUESTIONS/INQUIRIES WILL BE ACCEPTED VIA FACSIMILE BY NO LATER THAN *Wednesday, October 4, 2006, at 5:00 P.M. at (956) 318-2629.* Hidalgo County Health Benefits Consultants, Alamo Insurance will assist Hidalgo County in addressing any and all inquiries. All responses will be distributed through Hidalgo County Purchasing Department. Proposers ***are not*** to directly contact Hidalgo County Health Benefit Consultant except through the Hidalgo County Purchasing Department. Responses will be sent to all applicants via facsimile by ***Friday, October 6, 2006.*** **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**

Any interpretation of the Request for Proposal, if made, will be made only by Addendum duly issued. A copy of such Addendum will be mailed or delivered to each person receiving the Request for Proposal. Hidalgo County will not be responsible for any other explanation or interpretation of the proposal made or given prior to the award of the contract. Any objections to the specifications requirements as set forth in this request for proposal must be filed in writing.

Any deviation for the specifications set forth herein must be clearly pointed out; otherwise it will be considered that services proposed are in strict compliance with these specifications and the successful proposer will be held responsible thereof. Deviations shall be explained in detail.

Proposers are to furnish all information requested in the Request for Proposal. Proposals not in compliance with these requirements may be subject to rejection.

The contractor agrees to protect the County from claims involving infringement of patents or copyrights.

EXHIBIT B
SELECTION CRITERIA

HIDALGO COUNTY
REQUEST FOR PROPOSAL

"PART I: THIRD PARTY ADMINISTRATOR (TPA) AND PART II: INDIVIDUAL STOP LOSS & AGGREGATE STOP LOSS FOR SELF-FUNDED MEDICAL PLAN"

RFP NO: 2006-345-10-18-VYG

SELECTION CRITERIA

The Hidalgo County will evaluate proposal received on or before the proposal deadline. The evaluation criteria will include, but not limited to:

1. Price
2. Reputation Of Vendor
3. Vendor's Goods Or Services
4. Meets Needs Of Hidalgo County
5. Quality Of Goods Or Services
6. Past Relationship With Hidalgo County
7. References

The County's Consultant will review all proposals for completeness. Those found to be incomplete, or which fail to address the needs of the County as stated herein, will not be evaluated. Only those proposals furnished complete, with all required documentation, will be evaluated. Proposers are urged to initially submit their best offer. An award (if any) will be made to that proposer whose proposal is deemed most advantageous to, and the best interest of, the County.

The County's Consultant will first evaluate the proposals on all factors other than cost. After a preliminary evaluation of the technical criteria, the cost factor will be included in the evaluation process. Cost will be evaluated on an equal basis with the technical criteria. The Consultant will present said evaluation to Hidalgo County Commissioner's Court/Board Of Directors for ranking.