



## **STATE OF NORTH CAROLINA**

### **STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES**

**REQUEST FOR PROPOSAL #: 270-20260421TPAS**

### **THIRD PARTY ADMINISTRATIVE SERVICES**

**Date of Issue: April 21, 2026**

**Proposal Opening Date: May 4, 2026**

**At 10:00 AM ET**

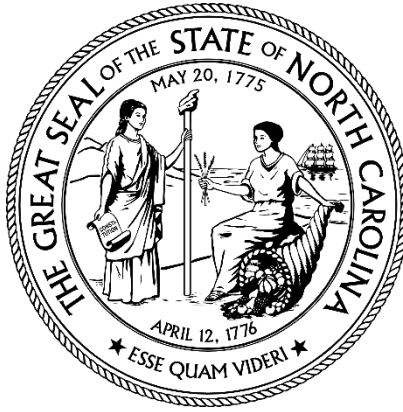
**Direct all inquiries concerning this RFP to:**

Email: Sharon.Smith@[nctreasurer.com](mailto:nctreasurer.com)  
[SHPCContracting@nctreasurer.com](mailto:SHPCContracting@nctreasurer.com)

Phone: 919-814-4432

*Sealed, mailed responses ONLY will be accepted for this solicitation*

**Ariba System Generated Solicitation #: Doc2142322766**



## STATE OF NORTH CAROLINA

### Request for Proposal #

**270-20260421TPAS**

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For internal State Agency processing, including tabulation of Proposals, provide your company's eVP (Electronic Vendor Portal) Number. Pursuant to G.S. 132-1.10(b), this identification number shall not be released to the public. To prevent such release, Vendor shall ensure confidential information on this page is Redacted when submitting Redacted versions of this document in accordance with the instructions herein.

**This page shall be filled out and returned with your Proposal.  
Failure to do so may subject your Proposal to rejection.**

---

Vendor Name

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Vendor eVP#

**Note:** For a Contract to be awarded to you, Your company (you) must be a North Carolina registered Vendor in good standing. you must enter the Vendor number assigned through eVP. If you do not have a Vendor number, register at <https://evp.nc.gov/>

***Sealed, mailed responses ONLY will be accepted for this solicitation.***

<b>STATE OF NORTH CAROLINA</b>	
<b>Department of State Treasurer, State Health Plan Division</b>	
<b>Refer <u>ALL</u> Inquiries regarding this RFP to: Sharon Smith, Senior Manager of Contracting Sharon.Smith@nctreasurer.com</b>	<b>Request for Proposal #: 270-20260421TPAS</b>
<b>Using Agency: The North Carolina State Health Plan for Teachers and State Employees</b>	<b>Proposals will be publicly opened: May 4, 2026, 10:00 AM ET</b>
<b>Requisition No.: N/A</b>	<b>Commodity No. and Description: 851017 – Health Administration Services</b>

**EXECUTION**

In compliance with this RFP, and subject to all the conditions herein, the undersigned Vendor offers and agrees to furnish and deliver any or all items upon which prices are bid, at the prices set opposite each item within the time specified herein.

By executing this Proposal, the undersigned Vendor understands that false certification is a Class I felony and certifies that:

- this Proposal is submitted competitively and without collusion,
- none of its officers, directors, or owners of an unincorporated business entity have been convicted of any violations of Chapter 78A of the General Statutes, the Securities Act of 1933, or the Securities Exchange Act of 1934, and
- it is not an ineligible Vendor as set forth in G.S. 143-59.1.

Furthermore, by executing this Proposal, the undersigned certifies to the best of Vendor’s knowledge and belief, that:

- it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal or state department or agency.

As required by G.S. 143-48.5, the undersigned Vendor certifies that it, and each of its subcontractors for any Contract awarded as a result of this RFP, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system.

G.S. 133-32 and Executive Order 24 (2009) prohibit the offer to, or acceptance by, any State Employee associated with the preparing of plans, specifications, estimates for public contracts; or awarding or administering public contracts; or inspecting or supervising delivery of the public contract of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of this response to the RFP, the undersigned certifies, for the Vendor’s entire organization and its employees or agents, that the Vendor is not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

By executing this Proposal, the Vendor certifies that it has read and agreed to the **INSTRUCTION TO VENDORS** and the **GENERAL TERMS AND CONDITIONS** incorporated herein. These documents can be accessed from the ATTACHMENTS section within this document.

**Failure to execute/sign proposal prior to submittal may render proposal invalid and it MAY BE REJECTED. Late proposals shall not be accepted.**

COMPLETE/FORMAL NAME OF VENDOR:		
STREET ADDRESS:	P.O. BOX:	ZIP:
CITY & STATE & ZIP:	TELEPHONE NUMBER:	TOLL FREE TEL. NO:
PRINCIPAL PLACE OF BUSINESS ADDRESS IF DIFFERENT FROM ABOVE (SEE INSTRUCTIONS TO VENDORS ITEM #21):		
PRINT NAME & TITLE OF PERSON SIGNING ON BEHALF OF VENDOR:	FAX NUMBER:	
<b>VENDOR’S AUTHORIZED SIGNATURE*</b> :	<b>DATE:</b>	EMAIL:

**VALIDITY PERIOD**

Offer shall be valid for at least 180 days from date of bid opening, unless otherwise stated here: \_\_\_\_\_ days, or if extended by mutual agreement of the Parties in writing. Any withdrawal of this offer shall be made in writing in accordance with the instructions herein.

Proposal Number: 270-20260421TPAS

Vendor: \_\_\_\_\_

**ACCEPTANCE OF PROPOSAL**

If your Proposal is accepted, as described in more detail in Section 4.14 Contract Documents and Order of Precedence, all provisions of this RFP, along with the written results of any negotiations, shall constitute the written agreement between the Parties. This Contract is not binding until the Plan's Executive Administrator has signed this Acceptance of Proposal.

**FOR STATE USE ONLY:** Offer accepted and Contract awarded this \_\_\_\_\_ day of \_\_\_\_\_, 2026, by

\_\_\_\_\_  
**(Authorized Representative of the NC Department of State Treasurer, State Health Plan Division).**

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## 1.0 VISION AND BACKGROUND

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### VISION STATEMENT

The Plan seeks a partner who will help execute the Plan's strategy and has the technology, resources, and willingness to align financial, health, and experience based incentives between Members, providers, and the Plan. The Plan's partner will provide the base platform for improving health, and delivering an excellent Member and provider experience while fostering financial sustainability for the Plan.

The Plan expects transparency and timeliness from its partner, whether the task is provider rates, risk arrangements, audits, benefit changes or operational. It is critical that the partnership is built on trust where the Plan's Partners are fully aligned with the Plan. Additionally, the Plan is focused on accountability and outcomes, and will hold a partner to its word on what it says it can do and when it can be successfully executed. The Plan does not seek a partner who agrees with the Plan's requirements now but intends to convince the Plan to do things its way or adhere to existing infrastructures. Success will require significant resources and a commitment to growing in North Carolina.

The Plan expects operational excellence through best-in-class technology that allows for rapid improvements and supports emerging provider payment models in real time. To that end, the Plan intends to have some ancillary services such as population health management, managed by other Plan vendors to allow the TPA partner to focus on operations, claims adjudication, and network development while allowing a dedicated team to focus on enhancing the Member experience and improving health. Throughout the lifetime of the contract, the Plan may elect to have other services carved out.

**If the Plan is successful, by 2032 all of the following goals will be met:**

1. **Access:** Accessible and sustainable primary care, mental health care, ob-gyn, pediatric, and emergency support in every county of North Carolina.
2. **Action:** All Plan Members have annual physicals, screenings, and know their critical lab numbers.
3. **Improved Health:** Measurable health status improvement in every county of North Carolina.
4. **Best Value for Consumers:** For elective and plannable services, a culture focused on the highest quality, lowest cost option.
5. **Cost Containment:** Members are leveraging the Plan's Preferred Provider Network with average out of pocket costs that resemble what Members paid in 2022 and show Members the impact of making different choices.
6. **Access to Quality Care:** Through sustainable and predictable investments, all Plan Members will have access to quality healthcare.
7. **Consumerism:** The pipeline of high cost, but lifesaving medical infusions are bought at scale through a consortium of large employers, such as States, to optimize cost and access.
8. **Relatable:** Meet Plan Members where they are and communicate to them in ways they understand and can successfully leverage.
9. **Plan Awareness:** Continually listening to Plan Members and providers to develop programs that reflect the changing needs of membership.
10. **National Network:** For Members outside of North Carolina, a national network focused on innovative solutions to manage costs and steer Members to the highest quality providers.

### BACKGROUND

#### State Health Plan

The Plan provides health benefit coverage to approximately 750,000 teachers and school personnel, State employees, retirees, current and former lawmakers, State university and community college personnel, and eligible Dependents. The services outlined in this RFP are focused on the approximately 572,000 self-funded Members. The mission of the State Health Plan is to improve the health and health care of North Carolina teachers, State employees, retirees, and their Dependents, in a financially sustainable manner, thereby serving as a model to the people of North Carolina for improving their health and well-being.

#### Governance

The Treasurer, Executive Administrator, and the Board are designated as fiduciaries for the Plan. The powers and duties of the Treasurer are set forth in statute at N.C.G.S. § 135-48.30(a) and include setting benefits, premium rates, co-pays, deductibles,

and coinsurance percentages and maximums subject to approval of the Board. The Board's powers and duties are set forth at N.C.G.S. § 135-22 and include approving large contracts, approving premium rates, copays and deductibles proposed by the Treasurer, and developing and maintaining a strategic plan. The North Carolina General Assembly determines Member eligibility rules and provides State funding for the Plan.

The Board is required to be composed of at least one (1) of the following: an employee of a State department, agency, or institution; a teacher employed by a North Carolina public school system; a retired employee of a State department, agency, or institution; and a retired teacher from a North Carolina public school system. The Board must also include individuals with the following expertise: actuarial science, health economics, health benefits and administration, and health law and policy. The State Treasurer is an ex officio member of the Board and serves as its Chair but only votes in the event of a tie. The Director of the Office of State Budget and Management serves as an ex officio nonvoting member. Two (2) members are appointed by the Governor. Two (2) members are appointed by the State Treasurer. Two (2) members are appointed by the North Carolina General Assembly upon the recommendation of the Speaker of the House of Representatives. Two (2) members are appointed by the North Carolina General Assembly upon the recommendation of the President Pro Tempore of the Senate.

### **1.1 CONTRACT TERM**

The Contract shall have an initial term of fifty-three and one-half (53 1/2) months , including seventeen and one-half (17 1/2) months for implementation, beginning July 13, 2026, and lasting through December 31, 2030. Vendor will begin providing services January 1, 2028.

At the end of the Contract's initial term, the Plan shall have the option, in its sole discretion, to renew the Contract on the same terms and conditions for up to a total of two additional one-year terms beginning January 1, 2031, through December 31, 2031, and January 1, 2032, through December 31, 2032.

The Plan will give the Vendor written notice of its intent to exercise each option no later than thirty days before the end of the Contract's then-current term. In addition to any optional renewal terms stated herein, and with the Vendor's concurrence, the State reserves the right to extend the Contract after the last active term; any such an extension shall be through an Amendment.

## **2.0 GENERAL INFORMATION**

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### **2.1 REQUEST FOR PROPOSAL DOCUMENT**

This RFP document shall govern the procurement process and, pursuant to the terms herein, becomes the binding Contract between a Vendor who submits a Proposal and the Plan.

### **2.2 E-PROCUREMENT FEE**

**ATTENTION: The E-Procurement fee does not apply to this solicitation.**

General information on the E-Procurement Services can be found at: <http://eprocmnt.nc.gov/>.

### **2.3 NOTICE TO VENDORS REGARDING RFP TERMS AND CONDITIONS**

It shall be the Vendor's responsibility to read the Instructions to Vendors, the General Terms and Conditions, all relevant exhibits and attachments, and any other components made a part of this RFP and to comply with all requirements and specifications herein. Vendors are also responsible for obtaining and complying with all Addenda and other changes that may be issued in connection with this RFP.

If Vendors have questions or issues regarding any component of this RFP, those must be submitted as questions in accordance with the instructions in Section 2.5 Proposal Questions and, among others, Section III of Attachment B: Instructions to Vendors. If the Plan determines that any changes will be made as a result of the questions asked, then such decisions will be communicated in the form of an Addendum to this RFP. The Plan may also elect to leave open the possibility for later negotiation of specific provisions of the Contract that have been addressed during the question-and-answer period, prior to contract award.

Other than as part of the process of negotiation as outlined by this RFP, the Plan rejects and will not be required to evaluate or consider any additional or modified terms and conditions submitted with Vendor's proposal or otherwise. This applies to any

language appearing in or attached to the document as part of the Vendor’s Proposal that purports to vary any terms and conditions or Vendors’ instructions herein or to render the proposal non-binding or subject to further negotiation. Vendor’s Proposal shall constitute a firm offer that shall be held open for the period required herein (“Validity Period” on the execution page of this RFP).

**The Plan may exercise its discretion to consider modifications proposed by Vendors, but only if those modifications are proposed during the question-and-answer period in accordance with Section 2.5 Proposal Questions. By execution and delivery of this RFP Response, Vendor agrees that any additional or modified terms and conditions, whether submitted purposely or inadvertently, shall have no force or effect, and will be disregarded, unless expressly agreed upon through negotiation and incorporated by way of a BAFO or other negotiation document. Noncompliance with, or any attempt to alter or delete, this paragraph shall constitute sufficient grounds to reject the Vendor’s proposal as nonresponsive.**

**2.4 RFP SCHEDULE**

The table below shows the *intended* schedule for this RFP. The State will make every effort to adhere to this schedule.

Event	Responsibility	Date and Time, if Applicable
Issue RFP	Plan	April 21, 2026
Deadline for Submission of Written Minimum Requirements Questions	Vendor	April 24, 2026, 10:00 AM ET
Provide Response to Minimum Requirements Questions	Plan	April 28, 2026
Deadline for Submission of Minimum Requirements Proposals	Vendor	May 4, 2026, 10:00 AM ET The public bid opening for this solicitation will be conducted via conference call. To hear the bid opening for this RFP, dial 1-984-275-3153, Conference ID: 272639288#
Notify Vendors if Minimum Requirements Met	Plan	May 7, 2026
Issue Vendor’s designated recipient, a link to Secure File Transfer Protocol (SFTP) system for attachments and Data File	Plan	May 7, 2026
Deadline for Submission of Remaining RFP Questions	Vendor	May 12, 2026, 10:00 AM ET
Provide Response to Questions	Plan	May 15, 2026
Deadline for Submission of Proposals	Vendor	June 5, 2026, 10:00 AM ET
Evaluation Period (Review of Proposals)	Plan	June 8, 2026 – June 26, 2026
Finalists Oral Presentations	Vendor	June 22-24, 2026
Best and Final Offer (BAFO)	Plan and Vendor	June 26, 2026 – July 2, 2026
Plan seeks approval from the Plan’s Special Deputy Attorney General to award contract	Plan	July 6-8, 2026
Recommendation to the Plan’s Board of Trustees	Plan	July 10, 2026
Award of Contract	Plan	July 10 – 13, 2026
Execution of Contract by the Plan and Vendor	Plan and Vendor	July 10 – 13, 2026
Implementation Period	Plan and Vendor	July 13, 2026 – December 31, 2027
Services Begin	Vendor	January 1, 2028

**2.5 PROPOSAL QUESTIONS**

Upon review of the RFP documents, Vendors may have questions to clarify or interpret the RFP to enable Vendors to submit the best proposal possible. To accommodate the Proposal Questions process, the Vendors shall submit any such questions by the due dates in Section 2.4 RFP Schedule. Questions received after these dates will not receive a response. Failure to resolve any issues about any ambiguity in this RFP by submitting a question according to this timeline waives a Vendor’s objection to any ambiguity that should have been apparent to a reasonable Vendor during the RFP Process. Written questions shall be emailed to

Sharon.Smith@nctreasurer.com with a copy to [SHPCContracting@nctreasurer.com](mailto:SHPCContracting@nctreasurer.com) by the date and time specified above. When submitting Minimum Requirements questions, Vendors should enter “RFP # 270-20260421TPAS: Minimum Requirements Questions” as the subject for the email. When submitting all other questions, Vendors should enter “RFP # 270-20260421TPAS: Questions.” Question submittals should include a reference to the applicable RFP section and be submitted in the table format shown below in sequential order by the section of the RFP to which they relate:

Question #	Reference	Vendor Question
1.	RFP Section, Page Number	Vendor question ...?

Questions received by the submission deadline date in Section 2.4 RFP Schedule, the Plan’s response, and any additional terms deemed necessary by the State will be posted in the form of an Addendum to the electronic Vendor Portal, <https://evp.nc.gov>, and shall become an Addendum to this RFP.

No information, instruction or advice provided orally or informally by any Plan personnel, whether made in response to a question or otherwise in connection with this RFP, shall be considered authoritative or binding. Vendors shall rely *only* on written material contained in the RFP and an Addendum to this RFP.

**2.6 PROPOSAL SUBMISSION**

**IMPORTANT NOTE:** All Proposals shall be physically delivered to the address listed below on or before the Proposal deadline to be considered timely, regardless of the method of delivery. **This is an absolute requirement.** Late bids, regardless of cause, will not be opened or considered, and will be automatically disqualified from further consideration. Vendor shall bear the sole risk of late submission due to unintended or unanticipated delay. **It is the Vendor’s sole responsibility to ensure its proposal has been received as described in this RFP by the specified time and date of opening.** The time and date of receipt will be marked on each proposal when received. Any proposal or portion thereof received after the proposal deadline will be rejected.

The U.S. Postal Service does not deliver mail to a specified street address but to the State’s Mail Service Center. Due to the likelihood of delay in delivery, Vendors are not permitted to utilize the U.S. Postal Service to submit their Proposals. Instead, Vendors must use a different parcel or package delivery service. **Moreover, attempts to submit a proposal via facsimile (FAX) machine, telephone, or email in response to this RFP shall NOT be accepted.**

Mailing and Office address for delivery of proposal via special delivery, overnight, or any other carrier
PROPOSAL NUMBER: 270-20260421TPAS NC Department of State Treasurer State Health Plan Division 3200 Atlantic Avenue Raleigh, NC 27604  Attention: Sharon Smith, Senior Manager of Contracting

### 2.6.1 RFP Phases for Submission

- a) This RFP requires that Vendors meet certain Minimum Requirements in order for technical and cost responses to be evaluated for possible Contract award (See Section 5.1). Therefore, submission of responses is divided into two (2) phases:
  - i. Minimum Requirements Submission
  - ii. Technical and Cost Proposal Submission
- b) Vendors that meet the Minimum Requirements will be notified and may provide Technical and Cost Proposals in response to the RFP. Vendors that do not meet the Minimum Requirements will be disqualified from further consideration..
- c) Vendors that meet the Minimum Requirements including the signed ATTACHMENT K: DATA USE AGREEMENT (DUA), will be provided with Data Files and Cost Proposal worksheets for responding to the Technical and Cost Proposals. The instructions for accessing the Data Files and Cost Proposal worksheets can be found in Attachment A: Cost Proposal.
- d) Sealed proposals, subject to the conditions made a part hereof and the receipt requirements described below, shall be received at the address indicated in the table above, for furnishing and delivering those items or Services as described herein.

### 2.6.2 Minimum Requirements Proposal Submission

- a) Submit, simultaneously to the address identified in the table above, the following:
  - i. **Hard Copies**
    - 1) Two (2) completed and signed originals of Minimum Requirements Proposal Responses, a) through K) as outlined in Section 2.7.1 Minimum Requirements Proposal Contents.
    - 2) Eight (8) copies of the completed and signed Minimum Requirements Proposal Responses, a) through K), as outlined in Section 2.7.1. Minimum Requirements Proposal Contents.
    - 3) One (1) physical copy of the Minimum Requirements Responses, a) through K) as outlined in Section 2.7.1 Minimum Requirements Proposal Contents, Redacted in accordance with the instructions provided in this RFP.
    - 4) Vendor shall mark the original versions of the signed, originally executed Vendor's Minimum Requirements Proposal Responses for easy identification by the Plan.
    - 5) For clarity, there should be a total of ten (10) hard copies submitted, if no Redacted copy is being submitted and eleven (11) copies submitted if a Redacted copy is being submitted, to be compliant with this section.
  - ii. **Electronic Copies**
    - 1) Two (2) flash drives, each having one un-Redacted electronic copy of the Minimum Requirements Proposal Responses on it; and
    - 2) If the Vendor desires to provide redactions, one (1) electronic copy on a flash drive, Redacted in accordance with the instructions provided in this RFP. Redacted copies shall exclude any information that is confidential and not subject to disclosure under Chapter 132 of the North Carolina General Statutes, the Public Records Act. All redactions shall be made in BLACK and in accordance with Section V, Paragraph 24 "Confidential Information" of Attachment B: Instructions to Vendors.
    - 3) For clarity, there should be a total of two (2) flash drives, if no Redacted copy is being submitted or three (3) flash drives if a Redacted copy is being submitted, to be compliant with this section.

At the Vendor's discretion, individual attachments, exhibits, and/or supporting documentation that are **greater than 50 pages** in length may be submitted in electronic copy instead of being submitted as a physical copy. If a Vendor does so choose, such an electronic copy must be submitted on flash drives. The original and physical copy technical responses must specifically identify the file names and location of the individual attachments, exhibits, and/or supporting documentation submitted in this manner.

- b) Submit your Minimum Requirements Proposal in a sealed package. Clearly mark each package with: (1) Vendor name; (2) the RFP number; (3) Minimum Requirements Proposal, and (4) the due date. Address the package(s) for delivery as shown in the table above.

- c) For delivery purposes, separate sealed envelopes from a single Vendor may be included in the same outer package. Proposals are subject to rejection unless submitted with the information above included on the outside of the sealed Proposal package.
- d) The electronic copies of Vendor's Proposal must be provided on separate read-only flash drives. The files on the flash drives **shall NOT** be password protected, shall be in .PDF or .XLS format, and shall be capable of being copied to other media including being readable in Microsoft Word and/or Microsoft Excel.
- e) Flash Drives One and Two must contain the entire Minimum Requirements Proposal, including any proprietary information, and must have the following label affixed to the flash drives: (1) Vendor name; (2) the RFP number; (3) the due date; and (4) the words "Minimum Requirements Proposals Non-Redacted."
- f) Flash Drive Three, if required for confidentiality, must contain the Minimum Requirements Proposals, redacting any information identified as confidential under the Public Records Act. All redactions shall be made in accordance with Section V, Paragraph 24 "Confidential Information" of Attachment B: Instructions to Vendors. The Plan, in responding to public records requests, will release the information on this flash drive. The following label must be affixed to the flash drive: (1) Vendor name; (2) the RFP number; (3) the due date; and (4) the words "Minimum Requirements Proposals Redacted."
- g) The Plan will accept digital electronic signatures.

Failure to submit a proposal in strict accordance with these instructions shall constitute sufficient cause to reject a Vendor's proposal(s) in the Plan's discretion.

The Plan may include critical updated information in Addenda to this RFP. It is important that all Vendors responding to this RFP periodically check the State's eVP website for any Addenda that may be issued prior to the bid opening date. All Vendors shall be deemed to have read and understood all information in this RFP and all Addenda thereto.

### 2.6.3 Technical and Cost Proposal Submission

- a) Submit, simultaneously to the address identified in the table above, the following:
  - i. **Hard Copies:**
    - 1) **Two (2) signed, originally executed** Technical Proposal and Cost Proposal Responses;
    - 2) Eight (8) physical copies of each in 1) above;
    - 3) One (1) physical copy of the Technical Proposal and one (1) physical copy of the Cost Proposal Redacted in accordance with the instructions provided in this RFP;
    - 4) Vendor shall mark the original versions of the signed, originally executed offeror's Technical Proposal and Cost Proposal for easy identification by the Plan.
    - 5) For clarity, there should be a total of ten (10) hard copies submitted, if no Redacted copy is being submitted and eleven (11) copies submitted if a Redacted copy is being submitted, to be compliant with this section.
  - ii. **Electronic Copies**
    - 1) Two (2) flash drives, each flash drive having one un-Redacted electronic copy on it; and,
    - 2) If the Vendor desires to provide redactions, one (1) electronic copy on a flash drive, Redacted in accordance with the instructions provided in this RFP. Redacted copies shall exclude any information that is confidential and not subject to disclosure under Chapter 132 of the North Carolina General Statutes, the Public Records Act. All redactions shall be made in BLACK and in accordance with Section V, Paragraph 24 "Confidential Information" of Attachment B: Instructions to Vendors.
    - 3) For clarity, there should be a total of two (2) flash drives, if no Redacted copy is being submitted or three (3) flash drives if a Redacted copy is being submitted, to be compliant with this section.

At the Vendor's discretion, individual attachments, exhibits, and/or supporting documentation that are **greater than fifty (50) pages** in length may be submitted in electronic copy instead of being submitted as a physical copy, if the Vendor so chooses.

If a Vendor does so choose, such an electronic copy must be submitted on flash drives. The original and physical copy technical responses must specifically identify the file names and location of the individual attachments, exhibits, and/or supporting documentation submitted in this manner.

- b) Submit your Technical and Cost Proposals in separate sealed packages. Clearly mark each package with: (1) Vendor name; (2) the RFP number; (3) Technical Proposal or Cost Proposal, respectively; and (4) the due date. Address the package(s) for delivery as shown in the table above.
- c) For delivery purposes, separate sealed envelopes from a single Vendor may be included in the same outer package. Proposals are subject to rejection unless submitted with the information above included on the outside of the sealed Proposal package.
- d) The electronic copies of your Proposal must be provided on separate read-only flash drives. The files on the flash drives **shall NOT** be password protected, shall be in .PDF or .XLS format, and shall be capable of being copied to other media including being readable in Microsoft Word and/or Microsoft Excel.
- e) Flash Drives One and Two must contain the entire Technical and Cost Proposals, including any proprietary information, and must have the following label affixed to the flash drives: (1) Vendor name; (2) the RFP number; (3) the due date; and (4) the words "Technical and Cost Proposals Non-Redacted."
- f) Flash Drive Three, if required for confidentiality, must contain the Technical and Cost Proposals, redacting any information identified as confidential under the Public Records Act. All redactions shall be made in accordance with Section V, Paragraph 24 "Confidential Information" of Attachment B: Instructions to Vendors. The Plan, in responding to public records requests, will release the information on this flash drive. The following label must be affixed to the flash drive: (1) Vendor name; (2) the RFP number; (3) the due date; and (4) the words "Technical and Cost Proposal Redacted."
- g) The Plan will accept digital electronic signatures.

Failure to submit a proposal in strict accordance with these instructions shall constitute sufficient cause to reject a Vendor's proposal(s) in the Plan's discretion.

The Plan may include critical updated information in Addenda to this RFP. It is important that all Vendors responding to this RFP periodically check the State's eVP website for any Addenda that may be issued prior to the bid opening date. All Vendors shall be deemed to have read and understood all information in this RFP and all Addenda thereto.

## 2.7 PROPOSAL CONTENTS

Vendors shall populate all attachments of this RFP that require Vendor to provide information and include an authorized signature where requested. Failure to provide all required items, or Vendor's submission of incomplete items, may result in the Plan rejecting the Vendor's proposal, in the Plan's sole discretion.

Vendor Proposal responses shall:

- a) Match the order of the RFP;
- b) Include the RFP section and requirement or specification numbers;
- c) Include a Table of Contents;
- d) Include tabs indexing each section;
- e) Be submitted in multiple three (3) ring binders no larger than three (3) inches each; and
- f) Include at a minimum the following information: RFP number, RFP title, Proposal title, and the submitting Vendor's name on the front and side of each binder.

### 2.7.1 Minimum Requirements Proposal Contents

Vendor RFP Minimum Requirements Proposal responses shall include the following items and attachments, which shall be arranged in the following order:

- a) Completed and signed Attachment G: Proposal Submission Information;

- b) Completed Attachment N: Minimum Requirements Response;
- c) Entire copy of Attachment B: Instructions to Vendors;
- d) Entire copy of Attachment C: General Terms and Conditions;
- e) Completed Attachment D: Customer Reference Template;
- f) Completed Attachment E: Location of Workers Utilized By Vendor;
- g) Completed and signed Attachment F: Certification of Financial Condition;
- h) Completed and signed Attachment I: Business Associate Agreement;
- l) Completed and signed Attachment K: DATA USE AGREEMENT (DUA); and
- j) Entire copy of Attachment L: Minimum Information Security Requirements.

### 2.7.2 Technical and Cost Proposal Contents

Vendor RFP Technical and Cost Proposal responses shall include the following items and attachments, which shall be arranged in the following order:

- a) Completed and signed EXECUTION PAGES, along with the body of the RFP and signed receipt pages of any addenda released in conjunction with this RFP, if required to be returned. The document must be signed and dated by an official authorized to bind the company. Proposals submitted without the signed and dated Execution Page will not be considered;
- b) Completed Attachment O: Technical Requirements Response;
- c) Completed Attachment A: Cost;
- d) Completed and signed Attachment H: HIPAA Compliance Questionnaire. Vendors must respond to all questions and requests for documentation in the HIPAA Compliance Questionnaire. Subcontractor Business Associate Agreements and HIPAA Privacy and Security policies must be provided;
- e) Completed Attachment J: Administrators for the Contract, HIPAA Compliance Officer, and Information Security Officer; and
- f) Completed Attachment P: Subcontractor Identification Form for each Subcontractor.
- g) Completed Attachment R: Validation of HIPAA and Security Requirements

### 2.8 ALTERNATE PROPOSALS - RESERVED

### 2.9 BID OPENING

The public bid opening for this solicitation will be conducted via a conference call on May 4, 2026, 10:00 AM ET. To hear the bid opening for this RFP, dial 1-984-275-3153, Conference ID: 272639288#.

### 2.10 DEFINITIONS, ACRONYMS, AND ABBREVIATIONS

Except as otherwise indicated, the following definitions apply to the Contract.

- a) **ADDENDUM:** Written clarification or revision to this RFP during the procurement process and prior to the close of bids.
- b) **ADMINISTRATIVE DECISION MEMO (ADM):** Document that outlines the Plan's business rules and/or requirements and the processes used by Vendor to support the Plan. The ADM must be signed by the Plan's Contract Administrator regarding day-to-day activities, and/or his/her delegate and Vendor's Contract Administrator regarding day-to-day activities, and/or his/her delegate.
- c) **AUDIT FILES:** A Full File that provides all records/transactions required to successfully validate vendor or Partner data including, but not limited to, enrollment (i.e., demographics, Member categories) and coverage periods (i.e., effective and expiration dates, plan, and Group).
- d) **AUDIT SCHEDULE:** Schedule that outlines the dates and turnaround times for each step of the monthly enrollment audits between Plan vendors.
- e) **BAFO:** Best and Final Offer, submitted by a Vendor to alter its initial offer, made in response to a request by the State.
- f) **BENEFIT EFFECTIVE DATE:** A Member's Benefit Effective Date is the first day the Member is enrolled in the benefit. For example, if a Member enrolls in the Plus PPO Plan effective February 1, 2026, then February 1, 2026, is the Benefit Effective Date. If the Member elects the Plus PPO Plan during the next open enrollment period and, for example, the network or other

Plan Design elements change for the PPO Plus Plan effective January 1, 2027, then the new Benefit Effective Date would be January 1, 2027, which would require a new ID Card with a new Benefit Effective Date.

- g) **BOARD OF TRUSTEES (BOARD):** The Board of Trustees of the State Health Plan for Teachers and State Employees. The Board is established by N.C.G.S. § 135-48.20 with the powers and duties as delineated in § 135-48.22 or as otherwise provided in Article 3B of Chapter 135 of the N.C.G.S.
- h) **BUSINESS REQUIREMENTS:** The Plan's needs and expectations that will be memorialized in a Business Requirements Document and fulfilled by the Vendor.
- i) **BUSINESS REQUIREMENTS DOCUMENT (BRD):** Document that outlines the Business Requirements, for a benefit, program, or process and may include requirements for multiple Plan vendors.
- j) **CHANGE FILE:** An EDI file that provides records/transactions, including retroactivity, that have changed or are new since the last EDI file. Change Files are often desirable as they are smaller in size and are quicker to process than Full Files. With Change Files, successive files will contain only data that has changed since the preceding Change File or Full File.
- k) **CLARIFICATION:** A written response from a Vendor that provides an answer or explanation to a question posed by the State about that Vendor's proposal. Clarifications are incorporated into Vendor's proposal response, except for those portions of the Vendor's response that are rejected by the Plan.
- l) **CLOSE-OUT DOCUMENT:** A document developed by Vendor to tie up any loose ends from a project and officially deliver the project to the operations and/or business teams.
- m) **CMS:** Federal Centers for Medicare and Medicaid Services.
- n) **COBRA:** Consolidated Omnibus Budget Reconciliation Act of 1986, 29 U.S.C. §. 1161-1168 as applicable to the North Carolina State Health Plan pursuant to Title XXII of the Public Health Service Act, U.S.C. §§ 300bb-1 through 300bb-8. Provides certain former employees, retirees, spouses, former spouses, and Dependent children the right to temporary continuation of health coverage at group rates. The coverage, however, is only available when coverage is lost for specific qualifying events.
- o) **CONFLICT OF INTEREST:** Situations or circumstances through which Vendor, or entities or individuals closely affiliated with Vendor, will derive, or reasonably may be perceived as deriving, direct financial or other pecuniary benefit from its performance of this Contract other than through the compensation received according to the Contract for performance of the Contract, or that might impair, or reasonably be perceived as impairing, Vendor's ability to perform this Contract in the best interests of the State.
- p) **CONTRACT ADMINISTRATOR:** Representative of the Plan who will administer this Contract for the State.
- q) **CONTRACT MANAGER:** Representative of the Plan who corresponds with potential Vendors regarding this RFP.
- r) **COVERAGE TIER:** The type of coverage (employee only, employee + spouse, employee + child(ren), and employee + family) the Subscriber has elected.
- s) **DATA WAREHOUSE:** A Data Warehouse is a merged repository that stores data from multiple sources from an enterprise's various operational systems, that is constructed with predefined schemas designed for data analytics and reporting, for current and historical decision support information of raw data, whether structured or unstructured, from multiple sources, and its schema is undefined.
- t) **DELIVERABLE:** Refers to any service, duty, performance, or other contractual obligation of Vendor.
- u) **DEPENDENT:** An eligible Plan Member other than the Subscriber.
- v) **DEPLOYMENT PLAN:** A document developed by Vendor to outline the sequence of operations or steps that must be carried out to deploy new functionality or processes.
- w) **ELECTRONIC DATA INTERFACE (EDI):** Standard format for exchanging business data.
- x) **EMPLOYING UNIT:** A North Carolina local education agency; community college; State department, agency or institution; or association or examining board or commission, whose employees are eligible for membership in a State of North Carolina-supported retirement system as defined in Article 3B of Chapter 135 of the North Carolina General Statutes as may be amended from time to time. An Employing Unit also shall mean a charter school in accordance with Part 6A of Chapter 115C of the North Carolina General Statutes whose board of directors elects to become a participating employer in the Plan under N.C.G.S. § 135-39.17. Bona fide fire departments, rescue or emergency medical service squads, and National Guard units are deemed to be Employing Units for the purpose of providing benefits under this Article. An Employing Unit shall also mean an employer, as defined for local government employers by N.C.G.S. § 128-21(11) who has received legislative authority to and has elected to participate in the Plan.
- y) **END-TO-END TESTING:** Testing that begins at the first step of the process and concludes with the last step. In this Contract, End-to-End Testing includes testing the process from the beginning step to the last step which includes testing with every Plan vendor involved in the item to be tested.
- z) **ENTITY:** For the purposes of this Contract, Entity refers to a distinct grouping of Employing Units. They include, but are not limited to:
  - a. **State Agencies - FIORI** – Employing Units utilizing the FIORI payroll system.

- b. **State Agencies/Groups – Non-FIORI** – Employing Units with their own, independent payroll system
- c. **Universities** – Employing Units that are part of the North Carolina University System.
- d. **Community Colleges** – Employing Units that are part of the North Carolina Community College System.
- e. **Public Schools** – Employing Units that are part of the North Carolina Public Schools or Local Education Associations (LEAs).
- f. **Charter Schools** – North Carolina Charter Schools that have elected to participate in the Plan.
- g. **Local Governments** – Local Governments that have elected to participate in the Plan.
- aa) **E-PROCUREMENT SERVICES:** The program, system, and associated Services through which the State conducts electronic procurement.
- bb) **FOCUS AUDITS:** Audits performed on an as-needed basis at the Plan’s discretion throughout the Plan Year. The North Carolina Office of the State Auditor may initiate an audit at any time.
- cc) **FULL FILE:** EDI file that provides all records/transactions between a date range or a complete historical dump of data. Full Files can also contain termination and future transactions based on the requirements. Full Files are larger in size and take longer to process. With Full Files, successive files will contain more and more and take longer and longer to process. For example, if Full Files are created each month, every Full File created will contain all records/transactions from the previous Full File and any additional records/transactions created during the current month. Examples of standard Full Files include but are not limited to:
  - a. **Audit Files** – A Full File that provides all records/transactions required to successfully validate vendor or Partner data including, but not limited to enrollment (i.e., demographics and Member categories) and coverage periods (i.e., effective and expiration dates, plan, and Group).
  - b. **Annual or Open Enrollment File** – A Full File that provides all records/transactions required to successfully validate vendor or Partner data for the subsequent Plan Year, including but not limited to enrollment (i.e., demographics and Member categories) and coverage periods (i.e., effective and expiration dates, plan, and Group). Vendors and Partners may request that an annual enrollment Full File is broken up into several files due to file size processing limitations.
- dd) **GO-LIVE:** The first time a system or service can be used after all tests have been completed and the functionality has been implemented. There shall be a Go-Live date in every Implementation Plan.
- ee) **GROUP:** The entity through which Members are “grouped” to enroll and be invoiced (i.e., Employing Units, Retirement Systems, direct bill, and COBRA).
- ff) **HEALTH BENEFIT REPRESENTATIVE (HBR):** The employee of an Employing Unit designated by that Employing Unit to administer the Plan for the unit and its employees. The HBR is not an employee or agent of the Plan and is responsible for enrolling new employees, reporting changes, explaining benefits, reconciling group statements, and remitting group fees. The North Carolina Retirement Systems is the HBR for retired state employees.
- gg) **HIPAA:** The Health Insurance Portability and Accountability Act of 1996, 42 U.S.C.§. 1301 et seq. The term HIPAA also includes all amendments and implementing regulations, including the HITECH Act of 2009, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (ARRA), Pub. L. No. 11-5..
- hh) **IMPLEMENTATION PLAN:** Documentation of the agreed upon target dates for meeting milestones and Deliverables that must be completed for the provision of services to Go-Live. Implementation Plans shall be utilized for the initial implementation and Go-Live of the Contract and for any subsequent Amendments or activities that require Vendor system development or Plan vendor integration. Implementation Plans shall include a description of the co-dependencies and tasks, identification of business, and/or Deliverable owner(s).
- ii) **INCLUDING:** “including” means “including but not limited to.”
- jj) **INTERACTIVE VOICE RESPONSE (IVR):** A technology that allows a computer to interact with humans through the use of voice and keypad inputs.
- kk) **LOAD RATE:** The number of enrollment transactions that successfully pass the EDI edits and load automatically into Vendor’s system without manual intervention. The enrollment transaction shall be counted at the Contract or family level.
- ll) **Mapped or Mapped Member:** The Plan’s EES vendor “maps” Members into a specific plan design and/or premium for the start of each year’s open enrollment. If Members take no action, they remain in that plan and premium for which they were “Mapped” for the following year. Example: All Plan members enrolled in the Enhanced PPO Plan (80/20) for the current benefit year are Mapped to the Base PPO Plan (70/30) for the following year. The Subscriber has the opportunity to change that Mapped enrollment during open enrollment.
- mm) **MAY:** Denotes that which is permissible, not mandatory
- nn) **MEDICAL MANAGEMENT:** A general term applied to practices of utilization management (UM), case management (CM), and disease management (DM), alone or in combination with each other.

- oo) **MEMBER:** Any Subscriber enrolled in the North Carolina State Health Plan for Teachers and state employees, or a Dependent currently enrolled in the health benefit plan for which a premium is paid.
- pp) **N.C.G.S.:** North Carolina General Statutes.
- qq) **Original Effective Date:** First day a Member has coverage with a Group. For example, the Original Effective Date for a Member who was hired by an Employing Unit and enrolls for the first time effective January 1, 2026, has an Original Effective Date of January 1, 2026. If that Member later leaves that Group and her coverage is terminated August 31, 2027, and she is hired by another Group in August and enrolls with an effective date of September 1, 2027, the Original Effective Date for that Group is September 1, 2027.
- rr) **PARTIES TO THE CONTRACT (Parties):** The Parties to this Contract are the Plan and the Vendor(s) approved by the Board under N.C.G.S. §§ 135-48.22(4), 135-48.33(a).
- ss) **PARTNER:** Other vendors, state agencies or other governmental units that may work with the Plan on a specific initiative.
- tt) **PERFORMANCE GUARANTEE:** A contractual obligation or performance standard Vendor must comply with or be subject to contractual fee reductions, payments to the Plan, or legal remedies.
- uu) **PLAN YEAR:** A twelve-month period which runs from January 1 through December 31.
- vv) **PLAN'S AUDITORS:** Includes external audit Vendors engaged by the Plan, internal Plan auditors, and Certified Public Accountants.
- ww) **PLAN DESIGN:** Each version of a Product is known as the Plan Design. For example, the Plan currently has three (3) PPO Plan Designs for Active Members: Plus PPO Plan (80/20), Standard PPO Plan (70/30), and the HDHP.
- xx) **POINT SOLUTION:** A specific service that a vendor provides within the benefit program.
- yy) **PREFERRED PROVIDER:** Providers that have been identified by the Plan as Preferred. Currently, those providers that have partnered with the Plan to form the Plan's Tier 1 network. These providers must meet specific quality and cost metrics.
- zz) **PRODUCT:** Health benefit Products are generally differentiated by the network and provider reimbursement methodology but may have other differentiating characteristics. The Plan currently offers two (2) different Products: Preferred Provider Organizations (PPO) and Medicare Advantage Plans.
- aaa) **PROTECTED HEALTH INFORMATION (PHI):** Shall have the same meaning as the term "Protected Health Information" in 45 C.F.R. § 160.103, limited to the information created or received by the Business Associate from or on behalf of the Covered Entity.
- bbb) **QUALIFIED PROPOSAL:** A responsive proposal submitted by a responsible Vendor.
- ccc) **REBATES:** All amounts paid, credited, or owing to, collected and/or received by the Vendor (including its affiliates, subsidiaries, parent companies, group purchasing organizations, rebate aggregators, or other related or unaffiliated third parties that the Vendor contracts with, utilizes, or engages in connection with services under this Contract) from pharmaceutical manufacturers, wholesalers, distributors, or other pharmaceutical supply chain entities, which are in any manner related to or allocable in proportion to the Plan's utilization, dispensing, purchasing, or coverage of drugs (including claims processing, formulary management, or networks). This includes, without limitation, all rebates (base, market share, formulary, and performance), fees (administrative, service, access, data, portal, educational, and promotional), inflation/price protection payments or reimbursements, manufacturer administrative fees (MAFs), group purchasing or aggregator fees, data sales or analytics compensation, and any other direct or indirect remuneration (e.g., bonuses, credits, refunds, chargebacks, and value-based arrangements).
- ddd) **REDACT:** To edit a document by obscuring, in black, information that under the North Carolina Public Records Act (N.C.G.S. § 132-1 et seq.) is not subject to public disclosure, e.g. trade secrets under § 132-1.2(1).
- eee) **REQUEST FOR PROPOSAL (RFP):** The document which establishes the bidding and contract requirements and solicits bid proposals to meet the purchase needs of the State as identified herein.
- fff) **SECURE FILE TRANSFER PROTOCOL (SFTP):** SFTP in which a standard network protocol is used to exchange files over a Transmission Control Protocol/Internet Protocol based network.
- ggg) **SERVICES:** The tasks and duties undertaken by Vendor to fulfill the requirements and specifications of this RFP.
- hhh) **SHALL OR MUST:** Denotes that which is a mandatory requirement.
- iii) **SHOULD:** Denotes that which is recommended or preferred, but not mandatory.
- jjj) **SPLIT-CONTRACT:** Retiree who is Medicare primary with one or more Dependents that are non-Medicare primary or vice versa.
- kkk) **STANDARD AUDITS:** Audits performed on an ongoing quarterly basis by the Plan's Auditors and/or the North Carolina Office of the State Auditor. Standard Audits are used to measure claims accuracy, generally, and associated with Performance Guarantees and identify overpayments
- lll) **STATE:** The State of North Carolina, including any of its sub-units recognized under North Carolina law.
- mmm) **STATE AGENCY:** Any of the more than 30 Employing Units within the executive branch of the State, including its departments, boards, commissions, institutions of higher education, and other institutions.

- nnn) **STATE BUSINESS DAY:** Monday through Friday 8:00 a.m. through 5:00 p.m., Eastern Time, except for North Carolina state holidays as defined by the Office of State Human Resources: <http://www.osp.state.nc.us/holsched.htm>.
- ooo) **SUBCONTRACTOR:** An entity having an arrangement with a Plan vendor, where the Plan vendor uses the Products and/or services of that entity to fulfill any portion of its obligations under its contract with the Plan, while retaining full responsibility for the performance of all of its (Vendor's) obligations under the contract, including payment to the Subcontractor. The Subcontractor has no contractual relationship with the Plan, only with Vendor.
- ppp) **SUBSCRIBER:** The Member who is the primary health benefit plan contract holder.
- qqq) **TEST PLAN:** The document or tool developed by Vendor to manage, organize and track test cases.
- rrr) **THIRD PARTY ADMINISTRATOR (TPA):** A Vendor that provides administrative services and assumes responsibility for administering health benefit plans including claims processing without assuming financial risk for claims payments.
- sss) **THIRD PARTY ADMINISTRATIVE (TPA) SERVICES:** Services provided by the Third Party Administrator.
- ttt) **UNIT TESTING:** Testing performed in isolation of interdependencies.
- uuu) **VENDOR:** Supplier, bidder, proposer, company, firm, corporation, partnership, individual, or other entity submitting a response to this RFP.

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## **3.0 METHOD OF AWARD AND PROPOSAL EVALUATION PROCESS**

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### **3.1 METHOD OF AWARD**

All Qualified Proposals will be evaluated, and an award will be made to the Vendor meeting the specifications of this RFP and determined to represent the best value to the Plan.

The Plan reserves the right to award a Contract or to cancel this RFP in its entirety without awarding a Contract if it is considered to be most advantageous to the Plan to do so.

The Plan reserves the right to waive any minor informality or technicality in Proposals received.

### **3.2 CONFIDENTIALITY AND PROHIBITED COMMUNICATIONS DURING EVALUATION**

While this RFP is under evaluation, the responding Vendor, including any Subcontractors and suppliers, are prohibited from engaging in conversations intended to influence the outcome of the evaluation. For more specific information on prohibited communications, see Section V, Paragraph 25 "Communications by Vendors" of Attachment B: Instructions to Vendors.

### **3.3 PROPOSAL EVALUATION PROCESS**

The Plan shall review all Vendor responses to this RFP to confirm that they meet the specifications and requirements of the RFP. Only Responsive submissions will be evaluated.

- a) The Plan will conduct a One-Step evaluation of Proposals:

Proposals will be received according to the method stated in Section 2.6 Proposal Submittal above. All Proposals must be received by the Plan by the date and time specified in Section 2.4 RFP Schedule above, unless modified by an Addendum. Vendors are cautioned that this is a request for proposals, not an offer or request to contract, and the Plan reserves the unqualified right to reject any and all proposals at any time if such rejection is deemed to be in the best interest of the Plan, as described in, among others, Section V, Paragraph 11 "Acceptance and Rejection" of Attachment B: Instructions to Vendors.

- b) Best Value Procurement

A trade-off/ranking method of source selection will be utilized in this procurement to allow the Plan to award this RFP to the Vendor providing the Best Value to the Plan, recognizing that Best Value may result in award other than to the lowest price or highest technically qualified offer. By using this method, the overall ranking may be adjusted up or down when price is considered with or traded-off against non-price factors.

Evaluation Process Explanation: The Plan will establish an evaluation committee to review each Vendor's response to this RFP and make award recommendations. The Plan will designate employees, independent contractors, or other individuals to serve on the evaluation committee or assist the evaluation committee as a subject matter expert during the evaluation process. The Plan reserves the right to alter the composition of the evaluation committee and to designate individuals and subject matter experts to assist in the evaluation process.

To be eligible for consideration, Vendor's proposal must conform to all requirements and must substantially conform to specifications provided in this RFP. Compliance with requirements and specifications will be determined by the Plan. Offers that do not meet all requirements listed in this RFP may be deemed deficient and precluded from award.

The evaluation committee may request Clarifications or presentations from any Vendor. However, the Plan may refuse to accept, fully or partially, the response to a Clarification given by any Vendor. Vendors are cautioned that the evaluators are not required to request Clarifications; therefore, all proposals should be complete, clear, and reflect the most favorable terms.

Vendors should be prepared to send qualified personnel to Raleigh, North Carolina to discuss technical and contractual aspects of the proposal as part of the negotiation process, if applicable.

The Plan shall conduct a comprehensive, fair, and impartial evaluation of the proposals received in response to this request. Specific evaluation criteria are listed in Section 3.4 "Evaluation Criteria and Methodology" below.

Upon completion of the evaluation process, including all necessary approvals, the Plan will make an award based on the evaluation and post the award to eVP under the RFP number for this solicitation. Award of a Contract to one Vendor does not mean that the other Proposals lacked merit, but that, all factors considered, the selected Proposal was deemed most advantageous and represented the best value to the Plan.

The Plan may establish a competitive range based upon evaluation of proposals, and request BAFOs from the Vendor(s) within this range; e.g., "Finalist Vendor(s)". If negotiations or subsequent proposals are solicited, the Vendor(s) shall provide BAFO(s) in response. Failure to deliver a BAFO when requested shall disqualify the non-responsive Vendor from further consideration. The Plan will evaluate BAFO(s), oral presentations, and product demonstrations as part of the Vendor's respective proposals consistent with the stated evaluation criteria to determine the final rankings.

c) Evaluation Committee

An Evaluation Committee ("Committee") will be established to review each proposal and recommend to the Executive Administrator a Vendor to be awarded the Contract. The Plan may engage the professional services of a different Plan vendor(s) to assist in the evaluation process. The Plan reserves the right to alter the composition of the Committee or to designate other staff to assist in the process. Other designated staff and senior management from the Department of State Treasurer may attend any oral presentations that may occur during the evaluation process. However, all decisions regarding ratings and the final award recommendation will be made solely by Committee members.

The Committee will review and evaluate all proposals that were submitted by the deadline(s) specified in this RFP. This Committee will be responsible for the entire evaluation process and the evaluation will be conducted in accordance with the steps outlined below. Committee participants are obligated to keep information identified as trade secret and proprietary confidential.

Proposals meeting the Minimum Requirements described in Sections 5.2 will be considered and evaluated as follows:

**1: Evaluation of Technical Proposal**

- Written Technical Proposals
- Oral Presentations

**2: Evaluation of Cost Proposal**

- Completed Cost Proposals

**3: Determination of Successful Proposal Based on the final ranking following evaluation of Technical & Cost Proposals**

**4: Adjustment of ranking after BAFO, if Applicable**

d) Approval for Contract Award

If approved by the Board and, if applicable, the Attorney General's Office, the Plan's Executive Administrator will award the Contract to the bidder that provides the best value to the Plan. A Contract is not binding until the Plan's Executive Administrator has signed the Acceptance of Proposal.

**3.4 EVALUATION CRITERIA AND METHODOLOGY**

Proposals meeting the Minimum Requirements described in Sections 5.1 will be evaluated using a Best Value Evaluation methodology with Vendors ranked, based on responses relative to the criteria described, to result in an award that represents the Best Value to the Plan. The Evaluation Criteria listed in descending order of importance are set forth below:

Criteria	Description
Network Development & Management	Vendor has provided transparency in its proposal regarding provider contracts and demonstrated that it will work with the Plan on aligning incentives and identifying network opportunities to drive savings and improve Member health.
Product & Plan Design	Vendor has resources and systems to support innovative Plan Design and flexibility regarding cost-sharing arrangements, cross accumulation, and network tiering.
Member Experience	Vendor has proposed resources, technology, and approach to effectively educate, communicate, and engage with Members and deliver superior member experience.
Enrollment, EDI, & Data Management	Vendor has technology, expertise and resources to successfully support the Plan’s enrollment rules, Group set-up requirements, and Medicare primary and secondary enrollment.
Medical Management	Vendor has proposed an integrated, data-driven approach that promotes high-quality care, positive health outcomes, and exceptional member experience while responsibly managing health care costs.
Claims Processing and Appeals Management	Vendor has proposed a claims system and resources to support regulatory requirements, custom benefits, and integration with other vendors to administer or coordinate Point Solutions.
Claims Audit, Recovery, and Investigation	Vendor has proposed an approach and resources to support a robust fraud, waste, and abuse program, cooperative and flexible approach to audits, and support for the Plan’s recovery efforts.
Project Management & Integrated Testing	Vendor has proposed resources and approach to support a successful and timely implementation of the contract and any future implementations of new processes or products.
Reporting	Vendor has proposed an approach to support the Plan’s custom reporting requirements and ad hoc reporting needs.
Finance & Banking	Vendor has demonstrated it can provide a full range of financial and accounting services in support of the Contract including claims processing, provider payments, and recoveries and requisite reporting.
Account Management	Vendor has proposed resources and approach to support the Plan in implementing and evolving new products and initiatives, maintaining day-to-day operations, and resolving issues.
Transition of Services	Vendor has proposed resources and approach for a smooth transition of services

Total Cost to the Plan is also a factor and is weighted significantly less than all other factors combined.

The Plan will evaluate Cost Proposals submitted for the Total Cost to the Plan based on administrative fees and programmatic cost in the formatted cost tables provided in this RFP. See Attachment A: Cost Proposal for additional information. A rating will not be assigned for Total Cost.

The Evaluation Committee will conduct a Best Value analysis of the Vendors’ proposals, comparing the ratings of each response and the Total Cost provided in the Vendors’ Cost Proposal to determine which response provides the best trade-off between price and performance, if a trade-off is indicated. The Committee will use a narrative of relative strengths and weaknesses to

support this ranking. Vendors will be ranked from most advantageous to least advantageous using the evaluation factors stated in this RFP and their relative importance. The overall ranking of any offer may be adjusted up or down during this Best Value process. See Attachment Q: Evaluation Methodology for more detailed information on the evaluation process.

Vendors that do not achieve a satisfactory rating for their response to Attachment R: Validation of HIPAA and Security Requirements as described in Attachment R: Validation of HIPAA and Security Requirements will not be eligible for Contract award and will not be ranked.

A Vendor will be recommended for Contract award if the Committee determines, based on its review of the proposals, considering the evaluation criteria and consensus ratings, that: 1) The proposal is responsive to RFP requirements; and 2) The Vendor can demonstrate responsibility and adherence to the requirements and specifications of the RFP and will be able to perform the functions under the Contract; and 3) The proposal represents the Best Value to the Plan considering the evaluation criteria, including technical and cost factors, resulting in a Contract that is most advantageous to the Plan.

### **3.5 PERFORMANCE OUTSIDE THE UNITED STATES**

Vendor shall complete ATTACHMENT E: LOCATION OF WORKERS UTILIZED BY VENDOR. In addition to any other evaluation criteria identified in this RFP, the Plan may also consider, for purposes of evaluating proposed or actual contract performance outside of the United States, how that performance may affect the following factors to ensure that any award will be in the best interest of the Plan:

- a) Total Cost to the Plan;
- b) Level of quality provided by the Vendor;
- c) Process and performance capability across multiple jurisdictions;
- d) Protection of the Plan’s information and intellectual property;
- e) Availability of pertinent skills;
- f) Ability to understand the Plan’s Business Requirements and internal operational culture;
- g) Particular risk factors such as the security of the Plan’s information technology;
- h) Relations with citizens and employees; and
- i) Contract enforcement jurisdictional issues.

## **4.0 REQUIREMENTS**

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This Section lists the requirements related to this RFP and any resulting Contract. By submitting a proposal, the Vendor agrees to meet all stated requirements in this Section as well as any other specifications, requirements, and terms and conditions stated in this RFP. If a Vendor is unclear about a requirement or specification or believes a change to a requirement would result in a better proposal for the Plan to consider, the Vendor should submit these items in the form of a question during the question-and-answer period in accordance with Section 2.5 Proposal Questions above.

### **4.1 PRICING**

The proposal price shall constitute the Total Cost to the Plan for complete performance in accordance with the requirements and specifications herein. Vendor shall not invoice for any amounts that are not specifically permitted by this RFP. Vendor shall be responsible for all travel expenses, including travel mileage, meals, lodging, and other travel expenses incurred in the performance of this Contract.

The pricing provided in ATTACHMENT A, or resulting from any negotiations, is incorporated herein and shall become part of any resulting Contract.

**Except as directed in the Technical and Cost Proposal response documents, Vendors shall not include any cost information in the Technical Proposal and shall not include any Technical information in the Cost Proposal. Failure to adhere to this requirement may result in the information not being considered, or the entire proposal being rejected.**

## 4.2 INVOICES

### 4.2.1 Administrative Fees

- a) Vendor shall submit a completed and signed "STATE OF NORTH CAROLINA SUBSTITUTE W-9 FORM, Request for Taxpayer Identification Number" to the Plan's Contract Manager for all Contractual Issues listed in Attachment J: Administrators For the Contract within fifteen (15) days of execution of the Contract. This form can be accessed at the following link: <https://www.ncosc.gov/sites/default/files/2024-11/Substitute%20W-9%20Form.pdf>
- b) Vendor shall invoice the Plan for administrative fees for Services rendered in accordance with the Scope of Work and provisions of this Contract, and in compliance with the cost proposed in Attachment A. Invoices containing any charges other than those identified in the Cost Proposal will be rejected.
- c) All invoices shall be submitted electronically to: SHPNCFinance@nctreasurer.com to ensure timely receipt and payment.
- d) All invoices shall include an authorized signature and a certification stating, "As an authorized representative of Vendor, I hereby certify that the units and amounts billed to the North Carolina State Health Plan ("Plan") on this invoice are accurate and true and comply with all laws, regulations, and contractual provisions that are conditions of payment pursuant to the relationship between Vendor and the Plan."
- e) Vendor shall submit an invoice by the 20th day of each month, unless another date is approved by the Plan, reflecting all billable administrative activity for the previous month.
- f) Any Services invoiced on a Per Member Per Month (PMPM) or Per Subscriber Per Month (PSPM) basis shall be based on actual membership provided by the Plan's EES vendor. The membership report will be provided electronically to Vendor by the Plan or the Plan's EES vendor by the 10th State Business day of the month. Vendor agrees that membership is to be based on this membership report without exception.
- g) The Parties shall mutually agree to an invoicing and reimbursement schedule for any one-time fees charged in accordance with Attachment A: Cost Proposal except the Plan shall not make payment for any one-time fees prior to the date services for the applicable component of the Scope of Work are fully implemented.
- h) The Plan, at its sole discretion, shall determine if the Services on each invoice have been satisfactorily completed. The Plan may withhold payment for incomplete, unsatisfactory, or untimely Deliverables.
- i) The Plan reserves the right to validate any invoice submitted for payment and shall have access to Vendor's or Subcontractors' supporting documentation necessary to validate the invoice.
- j) Payment of fees will be made within 30 days of receipt of the invoice, provided that the Plan has determined satisfactory completion of a particular service or Deliverable. If the Plan determines an invoice contains an error, Vendor shall be required to submit a corrected invoice, in which case payment shall be made within 30 days of receipt of the corrected invoice.
- k) Vendor is responsible for any and all payments to Subcontractors.
- l) Payment of the invoice by the Plan does not constitute a waiver or otherwise prejudice the Plan's right to object to or question any invoice or matter in relation thereto. Such payment shall not be construed as acceptance of any part of the work or service provided or as an approval of any of the amount invoiced therein.

### 4.2.2 Claims and Other Disbursements

- a) Vendor shall batch claims and/or other disbursements for payment from the Plan's bank account on a weekly basis according to the disbursement schedule established by the Plan.
- b) Vendor shall submit a weekly reporting package of disbursements as required in Section 5.2.5 "Finance and Banking" no later than 9:30 a.m. ET on the first State Business Day of each week.
- c) Vendor shall hold checks and processing of electronic funds transfers (EFTs) for all disbursements until funding is

authorized and requisitioned by the Plan. The Plan shall notify Vendor of funding availability no later than 4:00 p.m. ET on the day the request is received.

- d) The Plan reserves the right to validate any reporting package of disbursements submitted for funding and shall have access to Vendor's or Subcontractors' supporting documentation as necessary to validate the funding request.
- e) Funding of weekly disbursements by the Plan shall not constitute a waiver or otherwise prejudice the Plan's right to object to or question any disbursement or matter in relation thereto. Such funding shall not be construed as acceptance of any part of the work or service provided or as an approval of any of the amount funded therein.

### 4.3 FINANCIAL STABILITY

As a condition of Contract award, the Vendor must certify that it has the financial capacity to perform and to continue to perform its obligations under the Contract; that the Vendor has no constructive or actual knowledge of an actual or potential legal proceeding being brought against the Vendor that could materially and adversely affect performance of this Contract; and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

Each Vendor shall certify it is financially stable by completing Attachment F: Certification of Financial Condition and responding to the financial stability Minimum Requirement(s). The Plan is requiring this certification to minimize potential issues from contracting with a Vendor that is financially unstable. From the date of the Certification to the expiration of the Contract, Vendor shall notify the Plan within thirty days of any occurrence or condition that materially alters the truth of any statement made in this Certification. The Contract Manager may require annual recertification of Vendor's financial stability.

### 4.4 HUB PARTICIPATION – RESERVED

### 4.5 VENDOR EXPERIENCE - RESERVED

### 4.6 REFERENCES

Vendor shall provide at least three references, using Attachment D: Customer Reference Template, for which it has provided Services of similar size and scope to those proposed herein. The Plan may contact these references to determine whether the Services provided are substantially similar in scope to those proposed herein and whether Vendor's performance has been satisfactory. The information obtained may be considered in the evaluation of the Proposal.

### 4.7 BACKGROUND CHECKS

The Vendor and its personnel are required to provide or undergo background checks at the Vendor's expense prior to beginning work with the State. As part of the Vendor background, the following details must be provided to the State:

- a) Any **criminal felony conviction**, or conviction of any crime involving moral turpitude, including, but not limited to, fraud, misappropriation, or deception by the Vendor, its officers, or directors, or any of its employees or other personnel to provide Services on this project, of which the Vendor has knowledge, or provide a statement that the Vendor is aware of none;
- b) Any **criminal investigation** for any offense involving moral turpitude, including, but not limited to fraud, misappropriation, falsification or deception pending against the Vendor of which it has knowledge, or provide a statement the Vendor is aware of none;
- c) Any **regulatory sanctions** levied against the Vendor or any of its officers, directors or its professional employees expected to provide Services on this project by any state or federal regulatory agencies within the past three years or a statement that there are none. As used herein, the term "regulatory sanctions" includes the revocation or suspension of any license or certification, the levying of any monetary penalties or fines, and the issuance of any written warnings;

- d) Any **regulatory investigations** pending against the Vendor or any of its officers, directors, or its professional employees expected to provide Services on this project by any state or federal regulatory agencies of which the Vendor has knowledge or a statement that there are none.
- e) Any **civil litigation**, arbitration, proceeding, or judgments pending against the Vendor during the three years preceding submission of its proposal herein or a statement that there are none.

Vendor's response to these requests shall be considered a continuing representation, and Vendor's failure to notify the State within thirty days of any criminal litigation, other investigation, or proceeding involving the Vendor or its then current officers, directors, or persons providing Services under this Contract during its term shall constitute a material breach of contract. The provisions of this paragraph shall also apply to any Subcontractor utilized by the Vendor to perform Services under this Contract.

#### **4.8 PERSONNEL**

Vendor warrants that qualified personnel shall provide Services under this Contract in a professional manner. "Professional manner" means that the personnel performing the Services will possess the skill and competence consistent with the prevailing business standards in the industry. Vendor will serve as the prime contractor under this Contract and shall be responsible for the performance and payment of all Subcontractor(s) that may be approved by the Plan. Names of any third-party Vendors or Subcontractors of the Vendor may appear for purposes of convenience in Contract documents; and shall not limit Vendor's obligations hereunder. Vendor will retain executive representation for functional and technical expertise as needed to incorporate any work by third party Subcontractor(s).

Should Vendor's Proposal result in an award, Vendor shall be required to agree that it will not substitute key personnel assigned to the performance of the Contract without prior written approval by the Contract Administrator. Vendor shall further agree that it will notify the Contract Administrator of any desired substitution, including the name(s) and references of Vendor's recommended substitute personnel. The Plan will approve or disapprove the requested substitution in a timely manner. The Plan may, in its sole discretion, require the removal and replacement of any person assigned by the Vendor to provide Services under this Contract. Upon such removal and replacement, the Plan may request acceptable substitute personnel or terminate the contract Services provided by such personnel.

#### **4.9 VENDOR'S REPRESENTATIONS**

If Vendor's proposal results in an award, Vendor agrees that it will not enter any agreement with a third party that may abridge any rights of the Plan under the Contract. If any Services, Deliverables, functions, or responsibilities not specifically described in this solicitation are required for Vendor's proper performance, provision, and delivery of the Services and Deliverables under a resulting Contract, or are an inherent part of or necessary sub-task included within such Service, they will be deemed to be implied by and included within the scope of the Contract to the same extent and in the same manner as if specifically described in the Contract. Unless otherwise expressly provided herein, Vendor will furnish all of its own necessary management, supervision, labor, facilities, furniture, computer and telecommunications equipment, software, supplies and materials necessary for Vendor to provide and deliver the Services and/or other Deliverables.

#### **4.10 QUESTIONS TO VENDORS - RESERVED**

**4.11 AGENCY INSURANCE REQUIREMENTS MODIFICATION**

A. Default Insurance Coverage from the General Terms and Conditions applicable to this Solicitation:

- Small Purchases
- Contract value in excess of the Small Purchase threshold, but up to \$1,000,000.00
- Contract value in excess of \$1,000,000.00

**4.12 ADMINISTRATORS FOR THE CONTRACT**

Vendor shall complete and submit Attachment J: Administrators for the Contract, HIPAA Compliance Officer, and Information Security Officer. Either Party may change its Contract Administrator or his or her address and telephone number by written notice to the other Party.

**4.13 CONFIDENTIALITY AND PROTECTION OF PLAN DATA**

Pursuant to N.C.G.S. §§ 135-48.10, 132-1.2, 132-1.10, and 75-65 and in accordance with other applicable state and federal law, including HIPAA and HITECH, Vendor shall maintain the confidentiality of all Plan Member information, in whatever form, and however it is obtained. The Vendor further agrees that if it receives, stores, processes, has access to, maintains, or otherwise deals with "patient identifying information" or "records" as defined in 42 C.F.R. § 2.11 from a substance use disorder "program," as defined in 42 C.F.R. § 2.11, that is federally assisted in a manner described in 42 C.F.R. § 2.12(b), then it is fully bound by the federal regulations governing Confidentiality of Substance Use Disorder Patient Records, 42 C.F.R. Part 2, with respect to such information and records, including but not limited to the provisions related to use, disclosure and re-disclosure thereof. For any Security Breach by Vendor or its Subcontractors or agents, the Plan has a right to require Vendor to provide notice and to offer credit monitoring for affected Members, all at Vendor's sole expense.

**a) Confidentiality Agreements**

Within ten (10) days of the Contract execution date, Vendor must begin the process of executing Confidentiality Agreements with Plan vendors as determined by the Plan. Vendor must complete the execution of Confidentiality Agreements within forty-five (45) days of the Contract execution date. The Plan will provide Vendor with contact information for these Plan Vendors upon announcement of the winning Vendor

**4.14 CONTRACT DOCUMENTS AND ORDER OF PRECEDENCE**

The Contract consists of the following documents, incorporated herein by reference. These documents constitute the entire agreement between the Parties and supersede all prior oral or written statements or agreements:

- a) Amendments;
- b) The Addenda to this RFP, if any;
- c) This RFP, which includes all Exhibits, Attachments, and Appendices;
- d) Clarifications, BAFOs and Negotiation Documents;
- e) Vendor's Minimum Requirements Proposals;
- f) Vendor's Cost Proposal;
- g) Vendor's Technical Proposal and Cost Proposal; and
- h) Any ADM, Business Requirements Document (BRD), or Implementation Plans (developed or modified as described in Attachment C. 3. Amendments).

In the event of a conflict between the Contract Documents, the term in the Contract with the highest precedence shall prevail. The order of precedence shall be (high to low), each in reverse chronological order, as follows: (1) Any Amendments, ADMs and Implementation Plans, (2) Clarifications, BAFOs and Negotiation Documents, (3) The Addenda to this RFP, if any, (4) RFP, (5) Vendor's Minimum Requirements Proposals, (6) Vendor's Technical Proposal and Cost Proposal; and (7) Business Requirements Document (BRD).

#### **4.15 DATA OWNERSHIP**

The Vendor understands and agrees that all data and documents provided by the Plan or by Plan vendors are and shall be owned by the Plan or its vendors, respectively, and shall be used by the Vendor solely for the purposes described in this Contract. Under no circumstances shall the Vendor share the data with any other entity without the Plan's prior written authorization except as otherwise authorized by this Contract.

#### **4.16 CONFLICT OF INTEREST**

By signing the Execution Page, the Vendor certifies that it shall not take any action or acquire any interest, either directly or indirectly, that will conflict in any manner or degree with the performance of its Services during the term of the Contract.

**Vendor shall:**

- a) Disclose any relationship to any business or entity with whom Vendor is currently doing business that creates or may give the appearance of a Conflict of Interest related to this RFP.
- b) Disclose prior to employment or engagement by the Vendor, any firm principal, staff member, or Subcontractor, known by Vendor to have a Conflict of Interest or potential Conflict of Interest related to this RFP.
- c) Disclose any affiliation, business relationship, or other association with any other Plan vendor. A list of Plan vendors is available at <https://www.shpnc.org/documents/shp-documents/plan-contracted-vendors>.
- d) Provide written notice to the Plan of any actual or imminent legal matters or regulatory compliance actions involving Vendor and federal, state, or local government entities. Without limitation, notice shall be provided for investigations and legal actions or matters subject to arbitration involving Vendor and/or its Subcontractors, including key management or executive staff, or any major stakeholder (five percent or more), brought by a government agency (federal or state) on matters relating to payments from government entities. In providing the notice, Vendor shall provide the date of initiation, the subject matter, and the parties to the matter, and the resolution if resolved at the time of the notice. Notice must include settlement agreements or corporate integrity agreements, unless otherwise confidential.
- e) Specify any lawsuits or regulatory compliance actions with which Vendor has been involved within the past five (5) years. If any, please provide a detailed explanation.
- f) Notify the Plan in writing within fifteen days of any material changes in disclosures or certifications made under this section for the duration of the Contract.

#### **4.17 VENDOR'S REPRESENTATIVE**

**Vendor shall:**

- a) Provide to the Plan in Attachment G: Proposal Submission Information a list of individuals with authority to bind the firm in connection with this Contract, including answering questions, providing Clarifications concerning the Vendor's Proposal, and executing future contractual documents.
- b) Notify the Plan in writing within fifteen days of any changes in those individuals identified as having authority to bind the firm by submitting an amended Attachment G: Proposal Submission Information.

#### **4.18 DEBARRED, SUSPENDED OR EXCLUDED VENDORS**

**Vendor shall:**

- a) Notify the Plan in writing within fifteen (15) days if any of its principals, Subcontractors, or Subcontractors' principals become debarred, suspended, or in any way excluded from state or federal procurements as reported to the System for Award Management or appears as an excluded provider on the Office of Inspector General List of Excluded Individuals/Entities.
- b) If information contrary to this certification or notification subsequently becomes available, such evidence may be grounds for non-award, or breach of contract should Vendor be a recipient of the Contract award.

#### **4.19 REGISTRATION AND CERTIFICATION**

**Vendor shall comply with the following:**

- a) As a condition of Contract award, any Vendor that is a corporation, limited-liability company, or limited-liability partnership shall have received, and shall maintain throughout the term of the Contract, a Certificate of Authority to Transact Business in North Carolina from the North Carolina Secretary of State, as required by North Carolina law.
- b) Vendor shall notify the Plan in writing within fifteen (15) days of any changes in certifications made in response to this RFP for the duration of the Contract.

#### **4.20 PERFORMANCE GUARANTEES**

By signing the Execution Page, the Vendor certifies its agreement to adhere to the Performance Guarantees in Section 6.0 "Contract Performance, Deliverables, Performance Guarantees, and Reduction in Fees".

**[Space intentionally left blank.]**

## 5.0 MINIMUM, TECHNICAL, AND COST PROPOSAL REQUIREMENTS

### 5.1 MINIMUM REQUIREMENTS

This procurement is open to qualifying Vendors that satisfy the Minimum Requirements described in this section.

When completing ATTACHMENT N: MINIMUM REQUIREMENTS RESPONSE, Vendors must confirm or not confirm, and only when requested, provide information for all Minimum Requirements. Only those Vendors that meet 100% of the Minimum Requirements will be provided a link to the SFTP system for Attachment A: Cost Proposal worksheets, attachments, and data files needed to submit technical and cost proposals for consideration and possible Contract award.

The Plan reserves the right to reject proposals deemed incomplete or non-compliant with these Minimum Requirements.

<b>THIRD PARTY ADMINISTRATIVE SERVICES MINIMUM REQUIREMENTS TABLE</b>	
1	Vendor shall provide a description of the company, its operations and ownership.
2	Vendor shall provide the city and state for each office where the operational and account management resources dedicated to the Plan will be primarily located.
3	Vendor shall complete, sign and submit without exception, Attachment F: Certification of Financial Condition and demonstrate financial stability. In addition, Vendor shall provide audited or reviewed financial statements prepared by an independent Certified Public Accountant (CPA) for the two (2) most recent fiscal years that shall include, at a minimum, a balance sheet, income statement (i.e., profit/loss statement), and cash flow statement and, if the most recent audited or reviewed financial statement was prepared more than six (6) months prior to the issuance of this RFP. Vendor shall also submit its most recent internal financial statements (balance sheet, income statement, and cash flow statement or budget), with entries reflecting revenues and expenditures from the date of the audited or reviewed financial statement to the end of the most recent financial reporting period (i.e., the quarter or month preceding the issuance date of this RFP). Vendor is encouraged to explain any negative financial information in its financial statement and is encouraged to provide documentation supporting those explanations. Consolidated financial statements of Vendor’s parent or related corporation/business entity shall not be considered, unless: 1) Vendor’s actual financial performance for the designated period is separately identified in and/or attached to the consolidated statements; 2) the parent or related corporation/business entity provides the State with a document wherein the parent or related corporation/business entity shall be financially responsible for Vendor’s performance of the Contract and the consolidated statement demonstrates the parent or related corporation’s/business entity’s financial ability to perform the Contract, financial stability, and/or such other financial considerations identified in the evaluation criteria; and/or 3) Vendor provides its own internally prepared financial statements and such other evidence of its own financial stability identified above.
4	Vendor shall confirm it agrees to Attachment B: Instructions to Vendors without exception.
5	Vendor shall confirm it agrees to Attachment C: General Terms and Conditions without exception.
6	Vendor shall complete and submit Attachment D: Customer Reference Template.
7	Vendor shall complete and submit, without exception, Attachment E: Location of Workers Utilized by Vendor.

<b>THIRD PARTY ADMINISTRATIVE SERVICES MINIMUM REQUIREMENTS TABLE (CONTINUED)</b>	
8	Vendor shall complete, sign and submit Attachment G: Proposal Submission Information form.
9	Vendor must confirm compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and it's implementing regulations, including the Privacy Rule (45 CFR 164E), the Security Rule (45 CFR 164C), and Breach Notification Rule (45 CFR 164D as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH)).
10	Vendor shall complete, sign, and submit Attachment I: Business Associate Agreement (BAA).
11	Vendor shall complete, sign, and submit, Attachment K, Data Use Agreement (DUA).

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<b>THIRD PARTY ADMINISTRATIVE SERVICES MINIMUM REQUIREMENTS TABLE (CONTINUED)</b>	
12	<p>a. Vendor must confirm it agrees to Attachment L: Minimum Information Security Requirements without exception and the additional requirements below.</p> <p>b. Vendor shall confirm without exception the sufficiency of its security standards, tools, technologies, and procedures in providing TPA services required under this RFP.</p> <p>c. For Plan claims data Vendor may receive to respond to this RFP as contemplated by Attachment K: Data Use Agreement (DUA) and identified in Attachment A-1: Census File Format and Attachment A-4: Claims Repricing File Layout, identify all systems, applications or platforms (whether cloud-based or on-premises) to be used by Vendor, its agents, or subcontractors to access, collect, store, process, transmit, or otherwise handle that specific data. For each system, Vendor shall provide the following:</p> <ol style="list-style-type: none"> <li>1) Service name;</li> <li>2) Service provider;</li> <li>3) Service administrator;</li> <li>4) Service hosting organization;</li> <li>5) Internet address (if applicable);</li> <li>6) Primary function of the Service;</li> <li>7) Whether the service utilizes Generative AI (Yes/No);</li> <li>8) Whether data resides exclusively within the United States (Yes/No);</li> <li>9) Type of third-party security attestation (e.g., SOC 2, GovRamp, HITRUST); and</li> <li>10) An un-Redacted copy of the valid corresponding third-party assessment report.</li> </ol> <p>d. To satisfy 10) above regarding a valid corresponding third-party assessment report, such report(s) must have been issued within twelve (12) months prior to the anticipated Contract award date or be supplemented by bridge letters covering no more than three months after the report expiration date.</p> <p>e. Vendor agrees that the Plan has the right to independently evaluate, audit, and verify security requirements as part of its continuous assessment and during the life of the Contract. The Plan will verify any third-party security opinions or attestations yearly during the life of the Contract, and Vendor will be required to timely provide an updated report or bridge letter verifying that there have been no material changes in the Scope of the Examination reported since the issuance of the last report.</p> <p>f. Additional Security Documentation: Prior to Contract award, the Plan may in its discretion, require Vendor to provide additional security documentation, including but not limited to vulnerability assessment reports and penetration test reports. The awarded Vendor shall provide additional security documentation, upon request, by the Plan during the term of the Contract.</p> <p>g. The Plan understands that security assessment reports and security information provided to the Plan for the purpose of this RFP may contain confidential information and/or trade secrets.</p>

	<p>Refer to Section V, Paragraph 24 “Confidential Information” of Attachment B: Instructions to Vendors for information regarding the treatment of Confidential Information.</p> <p>h. Cybersecurity - Vendor shall obtain and maintain Cybersecurity Insurance with limits of at least \$5,000,000 per claim and aggregate and including without limitation coverage for sending breach notifications to, and providing credit monitoring for, affected individuals; investigating a breach; and paying any fines related to a breach.</p>
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**5.1.1 Account Management Minimum Requirements**

1. Vendor has provided services similar to those described in this RFP to at least one (1) public or private self-funded client with more than 50,000 covered lives and shall provide the Plan with contact information for one (1) such client to complete a reference call related to the services in this RFP.
2. Vendor must have provided services similar to those described in this RFP to one (1) or more current or former ASO clients with more than 25,000 Medicare primary members. Vendor shall provide the Plan with contact information for one (1) such client to complete a reference call related to the services in this RFP.
3. Vendor shall exercise loyalty and a duty of care to the Plan and its Members in performing its responsibilities under this Contract. Vendor must assume and exercise the same fiduciary responsibility established in N.C.G.S. § 135-48.2 for the State Treasurer, Executive Administrator, and the Board.
4. Vendor shall provide subject matter experts, in addition to account management resources, to work directly with Plan and Plan vendor staff.
5. Vendor has a “firewall” between its TPA services operations and any other service operations, such as a PBM, consulting group, or any other services.

**5.1.2 Project Management and Integrated Testing Minimum Requirements**

1. Vendor shall have a fully assembled implementation team that includes the appropriate subject matter experts that will manage the day-to-day operations of the Plan, ready to begin work within two (2) weeks of contract award. The team shall include an overall implementation manager, the operational resources that are outlined in the Account Management Section of this RFP, key subject matter experts and separate implementation resources for, at a minimum, each of the following work streams.
  - a. Group Set-Up & Enrollment
  - b. Plan Vendor Integration & EDI, which includes but not limited to
    - 1) EES vendor Integration. (EDI, PCP Tool, SSOs, Audits)
    - 2) PBM vendor Integration. (Data files, SSOs, Accumulators)
    - 3) Point Solution Integration (Data files, SSOs, Accumulators, payment)
    - 4) Plan Data Warehouse Integration. (Data files)
  - c. Network Evaluation and Development.
  - d. Member Experience
  - e. Data Analytics & Reporting

Other workstreams, such as, but not limited to, banking and finance, will kick-off throughout 2026 and 2027.
2. Vendor shall have the depository bank account(s) set up and tested at least 45 days prior to January 1, 2028.
3. Vendor shall have the disbursement account(s) set up and tested at least 30 days prior to January 1, 2028.
4. Vendor shall have all Services, including custom programs, operational by January 1, 2028.

5. Vendor shall work with the Plan to document in an ADM all custom processes developed to meet the Plan's unique requirements.
6. For all technical components of the initial implementation as well as any implementations throughout the lifetime of the Contract, Vendor shall develop functional requirements documents or Solutions Documents, Implementation Plans, Test Plans, Deployment Plans, and Close-Out Documentation derived from the Plan's Business Requirements. These documents must be mutually agreed upon by Vendor, the Plan, and any impacted Plan vendor(s).
7. Vendor shall support both Unit Testing and End-to-End Testing prior to Go-Live of any initiative. To support testing, Vendor must not only have the resources, but also the test environments, that are necessary to support multiple work streams at one time. The test regions must support testing full populations of both production and test data. The Test Plan will be mutually agreed upon by Vendor, the Plan, and the other impacted Plan vendors.
8. Vendor shall support the 2028 Open Enrollment, which is currently scheduled for October 2027, but may be rescheduled to a different time at the Plan's sole discretion. Vendor must have the Group set-up complete, the call center open, any required SSOs in place, the PCP selection tool integrated with the Plan's EES vendor and be able to accept EDI from Plan vendors during the month Open Enrollment occurs.
9. Vendor shall support scenario and End-To-End testing with the Plan's EES vendor, and other Plan vendors as needed for each subsequent Open Enrollment. To support testing, Vendor must not only have the resources, but also the test environments that are necessary to support multiple work streams at one time. The test regions must support testing full populations of both production and test data.

### 5.1.3 Network Development & Management Minimum Requirements

1. Vendor agrees the Plan is a government payor.
2. Vendor shall provide a base network(s) that will support Plan Members residing in all 100 counties in North Carolina and throughout the United States.
3. Vendor has a network strategy for North Carolina.
4. Vendor has a dedicated local presence with no fewer than 3 network development and contracting professionals dedicated to the 6 Medicaid regions in NC.
5. Vendor shall provide details on integration between network team, and value-based care contracting teams, if different.
6. Vendor shall administer the Plan's custom network strategy. See Exhibit 1: State Health Plan Preferred Provider Network for more information.

### 5.1.4 Product & Plan Design Minimum Requirements

1. Vendor shall administer the covered benefits and exclusions as outlined in the Plus PPO Plan, Standard PPO Plan, 70/30 PPO Plan and HDHP benefit booklets. The Standard PPO Plan and 70/30 PPO Plan have the same benefits.
  - a. Plus PPO Plan: <https://www.shpnc.org/media/2583/download?attachment> Plus PPO Plan benefit booklet
  - b. Standard PPO Plan/70/30 PPO Plan: Standard PPO Plan benefit booklet  
<https://www.shpnc.org/media/2582/download?attachment>
  - c. HDHP: <https://www.shpnc.org/media/2584/open> HDHP benefit booklet
2. Vendor shall administer a tiered copay program that will reduce a copay when the Member visits the PCP listed on his or her ID card or another PCP in the same practice, regardless of practice location. The amount of the copay reduction depends on

whether the PCP is a "Preferred" PCP or a network PCP that is not Preferred. See Exhibit 2: Current PCP Copay Incentive Scenarios for more detailed information about the current program.

3. Vendor shall customize its current value-based and incentive Plan Design features and/or implement new, customized ones, if requested by the Plan.
4. Vendor shall integrate with other vendor Point Solutions, as requested by the Plan, to administer specific benefits.
5. Vendor shall integrate real-time or near real-time deductible and/or OOP accumulators with the Plan's PBM or other Plan vendors to support a combined Medical/Rx deductible and OOP maximums.
6. Vendor shall administer all benefits as required by Article 3B of Chapter 135 which includes requirements for coordinating benefits with Medicare and, to the extent applicable, Chapter 58 of the North Carolina General Statutes and as may be amended from time to time.
7. Vendor shall administer benefits in accordance with all Federal and State requirements and notify the Plan of new mandates, or other requirements, that will require benefit changes to maintain compliance.
8. Vendor shall partner with the Plan to design custom benefits and/or Plan Design features, as requested by the Plan and provide associated financial/actuarial impact analysis.
9. Vendor shall supplement the Plan's custom network with other providers contracted directly by Vendor for services such as reference labs, durable medical equipment, and other commodity services as well as to ensure access to care standards are met in North Carolina.
10. Vendor shall work with the Plan to develop a "narrow" network, at the regional or state level, of lower cost, high quality providers to be paired with a custom Plan Design, if requested by the Plan. This narrow network may be a full replacement or offered alongside other Plan Design options.
11. Vendor's current network shall include bundled/episodic payment and clinically integrated network arrangements.
12. Vendor shall work with the Plan to expand, and if necessary, customize bundled/episodic payment arrangements.

#### **5.1.5 Finance & Banking Minimum Requirements**

1. Vendor shall comply with N.C.G.S. § 147-77 regarding the deposit of funds belonging to the Plan and confirm agreement that all receipts and other money belonging to the Plan that are collected or received by Vendor shall be deposited daily to the Plan's bank account(s) as designated by the State Treasurer and reported daily to the Plan.
2. Vendor shall comply with the Plan's requirements regarding the disbursement of funds on the Plan's behalf which are outlined by the Department of State Treasurer's website: <https://www.nctreasurer.gov/divisions/financial-operations/banking/guidelines-manuals-and-handbooks>
3. Vendor must (1) print checks with the Plan's logo and digitized signature with guidance on the layout from the Department of State Treasurer based upon a standard format; (2) prepare checks and EFTs for claims and other disbursements to be drawn directly from the Plan's bank account upon approval and release by the Plan; (3) and be fully operational at least 30 days prior to January 1, 2028.
4. Vendor shall email weekly disbursement request to the Plan by 9:30 a.m. ET on the first State Business Day of the week and hold disbursements until approved by the Plan.

5. Vendor shall support the State of North Carolina’s financial processing, banking, and reporting requirements which can be found at the following links or exhibits:
  - a. State banking: [www.nctreasurer.gov/documents/files/fod/banking-services-handbook/open](http://www.nctreasurer.gov/documents/files/fod/banking-services-handbook/open)
  - b. Cash management: <https://www.ncosc.gov/state-agency-resources/state-disbursing/statewide-cash-management>
  - c. Escheats: <https://www.nccash.com/holder-information-and-reporting>
  - d. High level daily deposits and disbursements of state funds workflows: Exhibit 3, “Deposits and Disbursements Process.”
6. Vendor shall provide a SOC1, Type II, and if applicable, a bridge letter, upon request by the Plan.

#### **5.1.6 Member Experience Minimum Requirements**

1. If requested by the Plan, Vendor shall allow the Plan to carve out some or all of Member engagement Services in this RFP.
2. Vendor shall provide a dedicated customer call center with hours of operation from at least 8:00 a.m. to 5:00 p.m. ET, each State Business Day, to respond to Member inquiries.
3. Vendor shall have a dedicated toll-free number for Plan Members.
4. Vendor shall answer the call center phones with a greeting that identifies the individual answering as a representative for the State Health Plan.
5. Vendor shall customize its Interactive Voice Response (IVR) script with a Plan-specific greeting and prompts, and transfers to other Plan vendors.
6. Vendor shall make and receive warm and cold transfers to/from other Plan vendors who may be required to resolve the Members’ issues.
7. Vendor shall record and track **all** Member calls including date of initial call, inquiry closed, representative who handled the call, call status, if and where the call was referred for handling, reason for call (issue), and what was communicated to the Member.
8. Vendor shall allow the Plan to include customized inserts or messaging in ID Cards and EOB mailings as well as offer customization of the EOB and ID Cards as directed by the Plan. Refer to Exhibit 4: ID Card Front, Exhibit 5: ID Card Back, Exhibit 6: EOB Sample Pages, Exhibit 7: EOB Sample Pages, Exhibit 8: EOB Sample Pages, and Exhibit 9: EOB Sample Pages.
9. Vendor shall customize the content of all letters or other materials the Vendor will send and/or display to Members.
10. Vendor shall co-brand letters or other materials the Vendor sends to Members.
11. Vendor shall customize the portal and mobile app with the Plan’s branding (logo).

#### **5.1.7 Medical Management Minimum Requirements**

1. Vendor shall pass 100% of pharmacy Rebates to the Plan.
2. Vendor shall carve-out PBM services from this Contract.
3. Vendor shall customize any of the Medical Management or utilization management programs, if requested by the Plan.
4. Vendor shall customize any medical policy, if requested by the Plan.

#### **5.1.8 Enrollment, EDI and Data Management Minimum Requirements**

1. Vendor shall support the Plan’s Group set-up structure which includes establishing, maintaining, and reporting on more than 400 individual Employing Units, the Retirement Systems Group, the Direct Bill Group, the Sponsored Dependent

Group, and the COBRA Group. A list of the Plan’s current Group structure, which includes Group and Entity identifiers, can be found in Exhibit 10: Group Structure.

2. Vendor shall support the addition of new Groups throughout the year and assist with any Group name changes or reporting requirements, as needed.
3. Vendor shall have the capability to accept and load at least 500,000 transactions in a single file transmission.
4. Vendor shall have the capability to extract and send up to 500,000 transactions to Plan vendors in a single file.
5. Vendor shall accept and load a daily industry standard and/or custom data files from the Plan’s EES vendor. The data file will be received between 5:00 – 9:00 p.m. ET each night and must be processed by Vendor by 8:00 a.m. ET the following day.
6. Vendor shall process enrollment updates manually for Plan members requiring immediate enrollment and benefits. The request to manually load may come from the Plan or a Plan Vendor.
7. Vendor shall produce recurring outbound data files for Plan vendors, the Plan and/or Plan Partners. For inbound and outbound data flows, see Exhibit 11: Vendor Data Feeds.
8. Vendor’s daily outbound data file to the Plan’s EES vendor must be sent by 12:00 p.m. ET on the first day after the daily data file from the Plan’s EES vendor is received.
9. Vendor shall accept monthly Audit Files from the Plan’s EES vendor and work with the Plan and the EES vendor to review and correct discrepancies. This includes providing audit metrics that identify enrollment mismatches as well as automated corrections to align enrollment with the Plan’s EES vendor’s records. The production of the audit metrics report and the automated corrections must be completed with two (2) State Business Days of receipt of the audit file. Refer to Exhibit 12: Audit & Reconciliation for the Monthly Audit & Reconciliation process. The schedule for the monthly audit will be determined during the implementation and will be re-evaluated annually as part of open enrollment planning. A copy of a sample Audit Schedule can be found in Exhibit 13: Sample Audit Schedule.
10. Vendor shall agree to other enrollment audits, as requested by the Plan, to address specific issues.
11. Vendor shall enroll and accurately process claims for both Medicare primary and Non-Medicare primary Members within the same Group and Plan Design.

Example: Employing Unit – Department of State Treasurer

Plus PPO Plan includes:

- Non-Medicare primary Members
- Medicare primary Members

Standard PPO Plan includes:

- Non-Medicare primary Members
- Medicare primary Members

12. Vendor shall serve as the Plan’s Responsible Reporting Entities (RRE) under Section 111 of Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) Expanded Reporting Option.
13. As an Expanded Reporter, Vendor shall submit, at a minimum, a quarterly Query-Only File to CMS to obtain Part A, B, and C information on Plan Members and perform a quarterly Medicare Primacy audit with Plan Enrollment data in Vendor’s system. Vendor shall utilize the results of the audit in conjunction with the Plan’s Medicare rules, to determine which Plan Members’ Medicare information requires updating.
14. Vendor shall update Vendor’s system with the necessary updates from the Medicare audit and send Members’ updated Medicare information to the Plan’s EES vendor. The EES vendor will determine primacy in relation to the Plan and send that to Vendor via daily file as described in Section 5.1.8 .5.
15. Vendor shall store and utilize the MBI, in addition to other Member identification numbers, such as SSN and UPID.
16. Vendor shall maintain Medicare Eligibility effective and termination dates as well as Medicare Part A and Part B and Phantom Medicare effective and termination dates.

17. Vendor shall maintain Medicare primacy effective and termination dates.
18. Vendor shall maintain multiple Medicare entitlement reasons.
19. Vendor shall collect, store, and utilize other commercial insurance information to coordinate benefits for Plan Members. The EES vendor will only collect Medicare COB information EES vendor will determine primacy as it relates to the Plan only. All other commercial insurance information shall be managed by the TPA.
20. Vendor shall enroll split-contracts where the family Members are split between Vendor and another carrier (i.e., Medicare primary Subscriber enrolled in a Medicare Advantage plan with another carrier and non-Medicare primary Dependents are enrolled on a Plan provided by Vendor).
21. Vendor shall support enrollments where one or more family Members are enrolled in one Plan Design as Medicare primary and other family Member(s) are enrolled in another Plan Design as Non-Medicare primary, or vice versa.
22. Vendor shall provide a PCP selection tool that can be integrated with the Plan's EES vendor's enrollment portal to facilitate the Members' PCP elections. See Exhibit 14: PCP Selection Tool and Maintenance, for PCP selection overview.
23. Vendor shall routinely perform provider maintenance of PCP data to ensure that the PCP selection tool contains the most current PCP data and that only valid PCPs may be elected. See Exhibit 14: PCP Selection Tool and Maintenance for high level overview of PCP maintenance requirements.
24. Vendor shall implement workflows that support the maintenance of the PCPs which may require that Vendor notify Members if their elected PCP is no longer in network and notify the EES vendor, via the daily return file to the EES vendor, if any PCP code information, including provider termination, has occurred. The Member communication should include instructions for electing a new PCP. The final workflows will be defined during Contract implementation. See Exhibit 14: PCP Selection Tool and Maintenance for high level overview of PCP synchronization requirements.
25. Vendor shall customize ID cards with all data elements requested by the Plan, including, but not limited to, each of the following: (See Exhibit 4: ID Card Front, Exhibit 5: ID Card Back, Exhibit 6: EOB Sample Pages, Exhibit 7: EOB Sample Pages, Exhibit 8: EOB Sample Pages, and Exhibit 9: EOB Sample Pages).
  - a. Benefit Effective Dates
  - b. Plan's logo.
  - c. Plan's messaging.
  - d. Plan's network (if applicable).
  - e. Member out-of-pockets.
  - f. Plan's Rx BIN and PBM information.
  - g. Group Name (e.g., Wake County Schools, University of North Carolina, Department of Transportation).
  - h. Member's unique ID number.
  - i. Member's selected PCP.
26. Vendor shall meet all Plan, federal, and state mandated Plan enrollment communication and/or reporting requirements such as, but not limited to, the reporting needs under Sections 6055 and 6056 of the IRS code.
27. Vendor shall provide a custom claims data files to the Plan on a monthly basis. The file requirements will be documented in a BRD during implementation and may be updated from time to time throughout the lifetime of the Contract, as requested by the Plan.
28. Vendor shall provide a custom provider data file(s) to the Plan on a bi-weekly basis. The file(s) requirements will be documented in a BRD during implementation and may be updated from time to time throughout the lifetime of the Contract, as requested by the Plan.
29. Vendor shall provide other, ad hoc data files, as requested by the Plan. The specifics of the data file requests will be outlined in an ADM and/or BRD.
30. Vendor shall release data to the Plan as described in state and federal law.
31. Vendor shall not place limitations on the Plan's use of data that are more restrictive than described in state and federal law.

### 5.1.9 Claims Processing and Appeals Management Minimum Requirements

1. Vendor shall comply with all requirements set forth in Article 29B of Chapter 90 of the North Carolina General Statutes. As required, Vendor will validate provider enrollment in North Carolina's Health Information Exchange (NC HealthConnex) prior to paying Plan Member claims. If prohibited by the Statewide Health Information Exchange Act, Vendor must deny any claims received from providers that are not in compliance on the date of service.
2. Vendor shall ensure the Plan's compliance with all federal and state regulations not otherwise stated previously (i.e., prompt pay, mental health parity, disclosures, reporting, etc.). In no instance shall the Vendor implement a compliance change, without prior approval from the Plan.
3. Vendor shall process all claims, including claims that are Medicare primary and Medicare secondary, from the same claims processing platform.
4. Vendor shall "gold card" specific providers, as requested by the Plan, to bypass Vendor's prior authorization and other utilization management programs.
5. Vendor shall administer the appeals process required by Chapters 58 and 135 of the North Carolina General Statutes, including appeals for the Plan's PBM. Refer to Benefits Booklets and N.C.G.S. § 135-48.24.
6. Vendor shall customize any appeals letters, as requested by the Plan.
7. Vendor shall work with the Plan to resolve and respond to any inquiries from the North Carolina Department of Insurance's Smart NC Program.
8. Vendor shall support the Plan's methodology for coordinating with Medicare Members as outlined in N.C.G.S § 135-48.38, including Members who have not elected Medicare Part A and/or B. As required by state law, the Plan coordinates claims for Members who do not elect Medicare Parts A and/or B as if they had elected them. (a.k.a. Phantom Processing) See Exhibit 15: Claims Processing Phantom Plan – Medicare Part B.
9. Vendor shall reimburse the Plan on a weekly basis for any prompt pay penalties included in the weekly claims disbursement for that week as the Plan will pay no prompt-pay penalties for claims that are paid outside of the prompt-pay guidelines as a result of Vendor's action, inaction, or system failure.
10. Vendor shall integrate with other Plan Vendors and/or Point Solutions that may be responsible for specific Services such as, but not limited to, outpatient surgery. The goal would be to set these vendors up as in-network providers so that the payment for these Services is funded via the weekly disbursement process and any associated claims included in the Vendor's claims data. The specific integration requirements would be determined during Contract implementation, or throughout the lifetime of the Contract, as requested by the Plan.
11. Vendor shall customize EOBs with the Plan's logo and if applicable, custom network and other information as illustrated in Exhibit 6: EOB Sample Pages, Exhibit 7: EOB Sample Pages, Exhibit 8: EOB Sample Pages, and Exhibit 9: EOB Sample Pages.

### 5.1.10 Claims Audit, Recovery and Investigation Minimum Requirements

1. Vendor shall support ongoing quarterly claims accuracy audits, or Standard Audits, performed on a statistically valid random claims sample selected by the Plan's audit vendor which will be used to measure claims accuracy for Performance Guarantees on a quarterly basis. Vendor will share provider contracts and system pricing with the Plan's Auditors for review and audit. The audit will also include targeted sample selected from a comprehensive analysis of all claims by the Plan's audit vendor.

An audit plan will be provided prior to the initial quarterly audit that will define the ongoing Standard Audit timelines. Both the random claims sample and the targeted sample will be used to identify overpayments owed to the Plan. For purposes of Standard Audits, claims accuracy will be measured based on the following criteria:

- a. Financial Accuracy: Total dollar amount processed accurately divided by the total dollar amount processed in the audit sample. The total dollar amount processed accurately is calculated by subtracting the absolute values of the dollars processed in error from the total dollars processed. Underpayments and overpayments are not offset by one another.

- b. Payment Accuracy: The number of claims with the correct benefit dollars paid divided by the total number of claims paid in the audit sample.
- c. Processing Accuracy: The number of claims processed with no procedural errors divided by the total number of claims processed.

For purposes of the above definitions, if Vendor has identified and recovered an overpayment or processed an underpayment prior to the audit, it is not an error. If Vendor has identified but not recovered the overpayment or processed the underpayment, it is an error.

- 2. Vendor shall, in addition to supporting ongoing quarterly claims accuracy audits, support Focus Audits, such as, but not limited to, COB audits, duplicate claims audits, eligibility audits, and Comprehensive Electronic Audits conducted by the Plan’s auditor vendor on an as needed basis. All the rules outlined in Section 5.1.10.1. will apply to these audits.
- 3. Vendor’s recovery processes shall follow all deposit and financial reporting requirements outlined in Section 5.2.5 Finance and Banking.
- 4. Vendor shall recover any overpayments to Providers by offsetting future payments or by demand without any limitation as to time since the Plan as a government payor is not subject to the two-year limitation established in N.C.G.S. § 58-3-225(h).
- 5. Vendor shall support the Plan’s participation in the North Carolina Debt Setoff Program (North Carolina General Statutes Chapter 105A, Article 1), the Retirement/Disability Offset Program (N.C.G.S. §§ 135-9(b), 128-31, 120-4.29), Wage Garnishment (N.C.G.S. § 135-48.37A), and Credit Card Intercepts (N.C.G.S. § 1-359) and implement an accounts receivable collection process as outlined under the North Carolina Office of State Controller, Statewide Accounts Receivable Program. Refer to Exhibit 16: State Health Plan Recovery Workflows.
- 6. Vendor shall have an investigation or similar unit to investigate possible fraud and abuse and share details about specific investigations that impact the Plan, including the names of the providers involved.

**5.1.11 Reporting Minimum Requirements**

- 1. Vendor shall agree to deliver the Standard Reports as described in Section 5.2.11 Reporting, and based on the delivery schedule in Exhibit 17: Standard Reports.

**5.1.12 Population Health Services Minimum Requirements**

- 1. Vendor shall carve-out PHM services from this Contract.
- 2. Vendor shall integrate with the Plan’s PHM vendor, as requested by the Plan.

**5.2 TECHNICAL PROPOSAL REQUIREMENTS**

Instructions: Vendor must respond to all questions and each part and subpart to each question in Attachment O: Technical Requirements Response. Vendor’s response to each question must follow the corresponding RFP section, as applicable. The Vendor must confirm adherence to and describe its approach to meet the requirements of the Contract as indicated. This includes providing a detailed narrative, diagrams, exhibits, examples, sketches, descriptive literature and/or detailed information responsive to the questions to demonstrate Vendor’s ability to meet specifications of the TPA RFP. The Vendor’s Response to Technical Evaluation Questions should clearly indicate the citation and/or location of exhibits, attachments, flows, etc., that supplement responses to Attachment O: Technical Requirements Response and demonstrate understanding and the ability to meet each specification. The Plan is not required to look for or consider information outside of the response to individual questions where the Vendor fails to clearly indicate the location of exhibits, attachments, flows, etc. Further, where indicated and applicable, Vendor must describe any limitations or issues it has with meeting the requirements of the Contract within its response to the Technical Evaluation Questions. While the Plan has not set page limits for responding to each question, Vendor should be mindful to avoid providing superfluous information that unnecessarily lengthens the response. The Plan reserves the right to validate information provided within Vendor’s response.

By submitting a Proposal, Vendor agrees to meet all stated requirements in these sections as well as any other specifications, requirements, and terms and conditions stated in this RFP. If a Vendor is unclear about a requirement or specification or believes a change to a requirement would allow for the Plan to receive a better Proposal, Vendor is urged and cautioned to submit these items in the form of a question during the question-and-answer period in accordance with Section 2.5 Proposal Questions. Questions or objections that were evident to a reasonable Vendor but were not raised during the question-and-answer period shall be deemed waived.

## 5.2.1 Account Management

### 5.2.1.1 Overview and Expectations

The Plan seeks to partner with a Vendor that has the experience, knowledge, and resources to support all the Services outlined in this RFP. Both the Vendor's staff and systems must support the Plan's vision and priorities. Vendor must be transparent when partnering with the Plan on initiatives or providing internal processes, data, or other information, as requested by the Plan. Vendor must also show a willingness to develop custom networks and Product solutions to support the Plan. Finally, Vendor must be responsive and have the resources to support Plan operations, implementations, and ongoing data needs. See Exhibit 1 "State Health Plan Preferred Provider Network" and Exhibit 18: Member Navigation to learn more about the Plan's network and member engagement strategy.

### 5.2.1.2 Resources

1. Vendor shall provide seasoned resources that are one hundred percent (100%) dedicated to the Plan for each of the following roles. These resources should be located in North Carolina.
  - a. **Account Executive** – Responsible for overall account relationship including strategic planning in relation to Plan performance, consultative Services, recommendations and evaluation for benefit and network design and cost containment opportunities, and contract oversight.
  - b. **Account Manager** – Responsible for managing all aspects of the account, serving as the primary project manager for all Plan initiatives. This position will work closely with the Director of Plan Operations on a day to day basis.
  - c. **Director of Network Management** – Responsible for overall management of Vendor's network including provider contracting, network development, and/or provider relations functions with a specific focus on North Carolina. This resource will work with the Plan to develop, implement, and maintain custom provider reimbursement models or other provider initiatives as requested by the Plan. This person will be versed in contracting alternative payment models.
  - d. **Operations Director** – Provides oversight of Members Services, Claims Services, Enrollment and Group Set-Up. This must be a "working" director who understands Vendor's systems and can provide technical expertise, as needed.
  - e. **Member Services Manager** – Responsible for all customer service functions and reporting.
  - f. **Claims Services Manager** – Responsible for claims payments, recoveries and audits. This resource must have hands-on, technical experience
  - g. **Enrollment and Group Set-Up Manager** – Responsible for all enrollment, enrollment files/EDI, and reconciliation Services. This resource must have hands-on, technical experience as he/she will be expected to respond to questions about Vendor's systems, technology and EDI ingestion, throughput and errors.
  - h. **Data Manager** – Responsible for providing expertise in data analytics and modeling as well as coordinating data requests, data testing, and data exchanges, including any data files to Plan vendors, Plan Partners, and the Plan. The person will have at least 10 years of experience in data management and analytics and should have oversight for all the reports provided to the Plan.
  - i. **Implementation Manager** - Responsible for development and execution of Implementation Plans and coordinating with the Plan and internal and external resources. The Implementation Manager shall be dedicated to the Plan during the implementation process and must continue to support the Plan for the lifetime of the Contract. Such support includes, but is not limited to, weekly calls with the Plan and the designated account management team; maintenance of issue tracking logs; and issue resolution.
  - j. **Attorney** - Must be well versed in the Plan's Contract with Vendor. Responsible for promptly reviewing materials for Vendor and providing appropriate, legally justifiable, feedback to the Plan. This person must be

well-versed in Chapter 135 of the North Carolina General Statutes and the extent to which North Carolina Department of Insurance (DOI) regulations apply to the Plan. This individual should also understand all the federal regulations and requirements that impact the Plan. This person must attest to all definitions being owned by the Plan and confirm those definitions prior to the contract being awarded. Responsible for communicating program and policy updates to the Plan and coordinating as necessary with the Plan's internal counsel and staff.

2. While not all resources need to be one hundred percent (100%) dedicated, the Plan expects to have access to other resources at will and as needed. Vendor shall provide the following resources to the Plan on an as needed basis:
  - a. **Clinical Director** - Responsible for determining the clinical effectiveness of benefit and program changes, prospectively and retrospectively, as well as for determining outcome-based measures in order to measure clinical effectiveness of alternative care delivery models (tiered networks, centers of excellence, medical home models, etc.) This resource will work proactively and collaboratively with the Plan to identify gaps in care and assist in the development of modified or additional programs to target these gaps and will collaborate with the Plan to fully support strategic initiatives.
  - b. **Actuary** - Responsible for calculating financial impact of benefit and program changes, prospectively and retrospectively. Also responsible for calculating Return on Investment (ROI) in order to measure financial effectiveness of alternative care delivery models (tiered networks, centers of excellence, medical home models, etc.) as well as alternate payment models (Accountable Care Organizations, Clinically Integrated Networks, etc.). Will be required, upon request, to provide sufficient data and documentation to the Plan to independently verify calculations. The Actuary shall be a Fellow of the Society of Actuaries with a primary focus in Health Benefit Systems.
  - c. **Privacy Officer** - Responsible for ensuring compliance with all applicable laws and regulations, including, but not limited to, HIPAA, Patient Protection and Affordable Care Act (PPACA), and the Employee Retirement Income Security Act of 1974 (ERISA). Responsible for maintaining internal controls to protect Protected Health Information (PHI) and ensuring that adequate and timely steps are taken in the event of a breach of confidentiality.
3. Vendor shall provide an Operations Team, which includes the claims, enrollment/EDI and customer service teams that are one hundred percent (100%) dedicated to the Plan.

### 5.2.1.3 Responsiveness and Transparency

1. The Plan requires a Vendor that is both responsive and transparent; therefore, the Vendor shall:
  - a. Meet with the Plan as often as daily to resolve issues. This includes having the appropriate staff on the call that are prepared to triage, update, and solution identified issues. This requirement applies to all issues including but not limited to, operational and/or data and reporting issues.
  - b. Meet with the Plan within two (2) weeks of new requests or initiatives and bring to the table the resources with the appropriate subject matter expertise and authority to discuss the specific topic(s) requested by the Plan. Meeting topics could include, but would not be limited to, data requests, network and/or Product development, pilots, and other initiatives.
  - c. Ensure Vendor teams meet at the State Health Plan office at least weekly.
  - d. Once a project or initiative is underway, meet with the Plan within one (1) week of the request and include the resources with the appropriate subject matter expertise and authority to discuss the specific topic(s) requested by the Plan.
  - e. Acknowledge all Plan inquiries regarding legal, financial, or operational matters within two (2) hours of request and provide a full response within two (2) State Business Days of the request, unless extended by the Plan. The response shall be received prior to 5:00 p.m. ET.
  - f. Provide a full response to Plan inquiries regarding Member and provider matters within twenty four (24) hours of the request, unless extended by the Plan.

- g. Work with the Plan and other Plan vendors as needed to resolve issues. This includes providing the specific Vendor resources and expertise needed to address the specific issue(s), not just the account management team; and multiple meetings per week prior to and after Go-Live before all Services are normalized.
- h. Vendor will keep the Plan informed of changing state and federal rules, mandates or other requirements to ensure compliance, but will not implement any changes without approval from the Plan.
- i. Upon request, provide written documents outlining internal processes and procedures and, when requested by the Plan, agree to alter internal processes to meet the needs of the Plan.
- j. Upon request, provide detailed cost information on any program offered under this RFP or proposed in the future to the Plan.

## **5.2.2 Project Management and Integrated Testing**

### **5.2.2.1 Overview and Expectations**

The Plan seeks to partner with a Vendor that has the resources to support on-time implementation of all programs and Services included in this Contract. Vendor must provide dedicated resources and subject matter expertise to support simultaneous implementations of multiple work streams. This includes the resources identified in the Account Management Section of this RFP. The Vendor's test regions must support testing with both production and test data to satisfy all testing scenarios. In addition, the Plan will implement new benefits, Services, and Plan vendors throughout the life of the Contract that will require Vendor to be nimble and efficient in terms of implementing new processes and/or integrating with new Plan vendors, or support changes to existing Plan vendors' requirements. When possible, the Plan will work with all parties to let the implementation schedule dictate the Go-Live date, but in some instances, such as the annual benefit changes or Plan vendor changes, the Go-Live date will be pre-determined. The Plan will notify Vendor as soon as possible about all proposed changes

### **5.2.2.2 Vendor shall:**

1. Provide the Plan with access to its test regions to review test results.
2. Provide reports and system mock-ups for the Plan's approval before deploying any customizations for the Plan.
3. Ensure there are no data latency issues that would delay initiating any audits with the Plan's Auditors after the first quarter, or any subsequent quarter, of operation.
4. If during the implementation, a decision is made that Members will need welcome kits, ensure that those kits are mailed prior to January 1, 2028.
5. If requested by the Plan, support a readiness review and/or implementation audit at least sixty (60) days prior to January 1, 2028. Vendor shall participate in all readiness review and/or implementation audit activities conducted by the Plan or by Plan vendors to ensure Vendor's operational readiness.

## **5.2.3 Network Development and Management**

### **5.2.3.1 Overview and Expectations**

The Plan has tremendous scale in North Carolina, and that is reflected in a couple of ways. First, the Plan has the largest employee base in the State of North Carolina. Second, the Plan is the most politically relevant health plan in North Carolina. Given the Plan's role and footprint, the Plan has the opportunity and access to contract with providers differently from a traditional TPA. This is why the Plan seeks a partner with a base network and platform, not a TPA with a very tightly defined network that cannot be customized by the Plan. The Plan will create its own arrangements with key Partners. The Plan's TPA partner must be able to administer those arrangements.

Transparency is another key component of network management. The Vendor must be transparent with its provider contracts by sharing rates, pricing, and terms as well as offering flexibility to amend or enhance those contracts to meet the Plan's needs. The Vendor's systems should be structured so that data/intelligence/rates are readily available to the Plan, so the Plan understands where there are leverage, strength, and opportunities within the network. The Plan must know where there is parity; where there are misaligned incentives, or where there is opportunity to contract and partner differently on things in an ever-evolving

landscape. The Plan wants to drive savings in a total cost of care perspective, not just drive down unit costs. That is difficult to do without a transparent TPA partner.

What the Plan does not want is a TPA partner and a Contract that leads with distrust of provider. Instead, the Plan wants to align incentives. The Plan and providers will be in North Carolina in perpetuity; therefore, the Plan must work together with providers to affordably and sustainably improve health. The relationship with the provider or health care system must be intentional, not adversarial.

### 5.2.3.2 Vendor shall:

- 1) Support transparency by allowing the Plan, at its request, to directly view any contracts associated with Vendor's network. This includes, but is not limited to, the terms of any risk sharing arrangements, incentives, pay-for-performance reimbursement, future contractual rate increases, and fee schedules. The Plan will take steps to protect Vendor's confidential data and proprietary information in accordance with applicable state and federal laws and regulations. As part of the response, Vendor shall include a list of the North Carolina Hospital systems along with the renewal date/or other date when Vendor would anticipate a possible rate change.
- 2) Provide Services to Members who travel outside the United States and have an urgent medical need. Include in the description the current out-of-country coverage.
- 3) Have a narrow network strategy.
- 4) Apply the same utilization management and payment rules to providers located in North Carolina and throughout the United States.
- 5) Work with the Plan to ensure reimbursement rates for virtual visits with network providers are set appropriately.
- 6) Provide transition of care Services to assist Members when their provider is no longer in the network.
- 7) Have a local network management team that will support the Plan on any custom or private label network solutions.
- 8) Have a provider credentialing team that could be utilized to credential potential network providers if the Plan were to develop a network solution that may include providers that are not currently enrolled in Vendor's other networks.
- 9) Have the ability to communicate directly with providers and will communicate Plan specific information to providers, as requested by the Plan.
- 10) Provide detailed reporting about all value-based arrangements and transparent demonstration of performance which includes quality and costs
- 11) Work with the Plan to develop and implement reimbursement strategies to reduce costs for specific Services such as, but not limited to, specialty pharmacy.
- 12) Have experience with each of the following alternative models of care or clinically integrated systems and shall work with the Plan to deploy Vendor's solution or develop a similar custom solution for the Plan.
  - a. Accountable Care Organizations.
  - b. Community Care Organizations.
  - c. Integrated Delivery Networks.
  - d. Shared Risk/Savings.
  - e. Pay-for-Performance.
  - f. Global Payment/Capitation.
  - g. Primary Care Incentives.
- 13) Support the integration and ongoing operations of any of the following alternative payment models or clinically integrated systems that may be designed and managed by other Plan vendors:
  - a. Accountable Care Organizations.
  - b. Community Care Organizations.

- c. Integrated Delivery Networks.
  - d. Shared Risk/Savings.
  - e. Pay-for-Performance.
  - f. Global Payment/Capitation.
  - g. Primary Care Incentives.
- 14) Have the capability to manage two-sided risk and, upon request, will implement a custom risk arrangement for the Plan.
  - 15) Ensure that if the Plan deploys a custom network or reimbursement models, Vendor's provider portal will allow Providers to submit claims, access policies, receive announcements, and perform other functions necessary for proper participation in the Plan's custom network.
  - 16) If the Plan deploys a custom network, administer Plan specific provider contract documents which may include, but is not limited to, network participation agreements (NPA), reimbursement exhibits, pricing policies, fee schedules, and pricing development and maintenance policies.
  - 17) Acknowledge that any NPA developed to support a custom network for the Plan is not subject to review by DOI since the Plan is self-funded and not subject to DOI regulations except for those specifically noted in Chapters 58 and 135 of the North Carolina General Statutes.
  - 18) Develop, maintain, and administer medical and payment policies with input as desired by the Plan to support any custom alternative payment models or networks implemented for the Plan.
  - 19) If requested, develop and implement direct primary care (DPC) networks in all or parts of North Carolina.
  - 20) Customize "hidden providers" (e.g., an out-of-network anesthesiologist used at an in-network facility whose status is unknown to the Member receiving a procedure by an in-network surgeon) and payment policies, as requested by the Plan.
  - 21) Provide a dedicated provider call center, with a Plan specific phone number and greeting if the Plan implements a full, custom provider network.
  - 22) Have the systems capability to support capitated payments.

## 5.2.4 Product and Plan Design

### 5.2.4.1 Overview and Expectations

The Plan seeks a Vendor that offers innovation in both Product and Plan Designs. Vendor should have an efficient business rules-based claims system that can not only support state, federal, and other custom benefits but also accommodate unique medical and claims processing policies. Vendor should be nimble in its approach to piloting new programs and demonstrate "speed to market" when rolling out new Products, Plan Designs, and benefit features to meet the challenges facing state government health plans.

### 5.2.4.2 Vendor shall:

1. Have systems that support each of the following Plan Design features below.
  - a. Apply a copay and a deductible to the same service.
  - b. Apply a copay based on the providers network tier.
  - c. Waive the emergency room copay when the Member is admitted for an inpatient stay and/or an observation stay.
  - d. Apply a different cost-sharing arrangement (deductible, copay, coinsurance, etc.) for each of the following:
    - 1) PCP.
    - 2) Specialist.
    - 3) Urgent Care.
    - 4) Emergency Room (ER).

- 5) Outpatient Surgery
  - 6) Ambulatory Surgery Center (ASC)
  - 7) Physical Therapy.
  - 8) Occupational Therapy.
  - 9) Speech and Hearing Therapy.
  - 10) Outpatient Behavioral Health.
  - 11) Per Inpatient Confinement.
- e. Limit benefits by age.
  - f. Limit benefits by occurrence(s).
  - g. Limit benefits by confinement.
  - h. Cross-accumulate the out-of-network out-of-pocket (OOP) with in-network OOP, but not the in-network OOP to the out-of-network OOP.
2. Administer a four-level PPO benefit with three (3) network tiers and one (1) non-network tier. The three (3) network tiers will have separate out-of-pockets that cross accumulate.
  3. Upon request, vary the copay and/or deductible/coinsurance by service within a hospital system. For example, a cardiology procedure may have one cost share and a gastrological procedure with a different member cost share.
  4. Upon request, administer a four-level PPO benefit with a Tier 1 network benefit, a Tier 2 network benefit, an out-of-area (OOA) benefit, and a non-network benefit.
  5. Administer a multitiered network approach for certain Services within a network, such as high-cost radiology.
  6. Upon request, administer a three-level PPO benefit with a Tier 1 network benefit, a Tier 2 network benefit, and a non-network benefit.
  7. Upon request, administer a three-level PPO benefit with a Tier 1 network benefit, an OOA benefit, and a non-network benefit.
  8. Administer Member cost-sharing (co-pay, deductible, coinsurance) for a specific service based on place of service.
  9. Process benefit exceptions for Plan Members, when requested by the Plan as authorized by N.C.G.S. § 135-48.24.(a)(2).
  10. Upon request, customize and support medical policies according to Plan needs and requirements.
  11. Implement incentive programs where Plan Members are given gift cards, or other incentives, for seeing certain providers and/or completing certain tasks.
  12. Upon request, integrate with other Plan vendors or Partners to deliver value-based and/or incentive benefits.
  13. Upon request, implement a Health Reimbursement Account (HRA) for Plan Members with each of the following HRA features below:
    - a. HRA annual balances based on the number of family Members enrolled.
 

Example:

      - 1) Subscriber only = \$600 starting balance.
      - 2) Subscriber + one (1) Dependent = \$1200 starting balance.
      - 3) Subscriber + two (2) or more Dependents = \$1800 starting balance.
    - b. Virtual funding that meets all the banking and financial reporting requirements that are outlined in Section 5.2.5 Finance and Banking
    - c. HRA account reconciliation Services to support the Plan's banking and financial reporting requirements.
    - d. Proration that reduces the starting HRA amount for Members who enroll after the beginning of the Benefit Year.
    - e. Ability to add funds to Members' HRA accounts throughout the year based on incentives earned through programs offered by Vendor and by other Plan vendors.
    - f. Automatic claims reimbursement functionality from the HRA.

- g. Ability to integrate with the Plan's PBM so that pharmacy claims can be processed by the Members' HRA.
  - h. Annual HRA rollover functionality from the HRA.
  - i. Ability to customize the HRA Member portal, as requested by the Plan.
  - j. Ability to customize the HRA Member materials, including system generated letters, as requested by the Plan.
  - k. HRA Administrative Portal that can be accessed by the Plan to run ad hoc reports and review Member level data.
  - l. HRA Debit Card.
  - m. Ability to integrate with Plan's Vendor(s) to receive Member level information via ongoing EDI files to apply virtual HRA incentive funds to Member HRA accounts.
  - n. Ability to provide an HRA on a copay-based plan like the Enhanced PPO Plan (80/20).
  - o. Ability to customize HRA reports, as requested by the Plan.
14. Offer Health Savings Account (HSA) administration and/or integrate with an HSA administrator preferred by the Plan.
  15. Upon request, administer a self-funded Group Medicare Supplement Plan.
  16. Work with the Plan to implement benefits that may not be finalized and/or approved until close to the effective date. While it is the Plan's preference to have all benefits approved by the Board more than six (6) months in advance, there are dependencies, such as final budget approval by the North Carolina General Assembly or simply reaching final Board consensus that may impact the timing of final benefit approval.

## 5.2.5 Finance and Banking

### 5.2.5.1 Overview and Expectations

The Plan seeks a Vendor that can provide a full range of superior financial and accounting Services in support of TPA Services. These Services include, but are not limited to, claims processing, provider payments, and recoveries. Vendor must be able to process, and deposit receipts each day as well as batch claims and other disbursements on a weekly basis as required by the Plan. Vendor must be able to implement processes for all financial transactions that are compliant with State banking guidelines, including the policies and regulations of the Office of State Controller and the Department of State Treasurer, and provide timely documentation and reporting to support the Plan's financial reporting. As a State Agency, the Plan may have unique limitations or special requirements around funding claims and handling deposits and other financial transactions.

### 5.2.5.2 Vendor shall:

1. Provide detailed, accurate and timely financial reporting related to all financial processes completed on behalf of the Plan.
2. Manage multiple bank accounts for deposits, and if applicable, disbursements under the Department of State Treasurer.
3. Complete bank reconciliation for all disbursing accounts.
4. Track and report receivables as well as earned and unearned revenue on behalf of the Plan.
5. Provide access to up to three (3) years of historical receipts and claims funding data.
6. Provide electronic submission of deposit reports and disbursement funding as well as detailed backup documentation to support the transactions.
7. Provide historical check register detail and receipts as well as claims funding data.
8. Have internal quality control programs and audits that will ensure the accuracy of all financial reporting to the Plan.
9. Batch claims and other disbursements for payment via check or automatic clearing house (ACH) from the Plan's bank account on a weekly basis as determined by the Plan.
10. Hold payment of weekly claims and other disbursements until funding is authorized and requisitioned by the Plan.

11. Limit the aggregate dollar amount of claims paid each week if requested by the Plan to manage cash flow.
12. Deposit checks received into the Plan's bank account within twenty four (24) hours of receipt to comply with the State's banking and cash management requirements.
13. Provide a daily reporting package of deposited receipts as required by the Plan (see Section 5.2.11 Reporting).
14. Provide a weekly reporting package of claims and other disbursement as required by the Plan (see Section 5.2.11 Reporting ).
15. Customize the reporting of any deposits, disbursements, or other financial transactions as required by the Plan.
16. Notify and report on all warrants/checks to be escheated prior to the submitting state filings, and if required by the Plan, adhere to a prior approval process for escheats.
17. Recommend uncollectible accounts for write-off and adhere to a prior approval process.
18. Notify and consult with the Plan at least sixty (60) days in advance, or as soon as practical, of any system or business process change as it relates to handling, processing or reporting of the Plan's financial transactions.
19. Process ad hoc check requests, such as a settlement check to a Member, as requested by the Plan.

## 5.2.6 Member Experience

### 5.2.6.1 Overview and Expectations

A top priority for the Plan is delivering a superior member experience across all member-facing resources and tools. With more than 750,000 members spanning a wide range of ages, generations, and racial and religious backgrounds, the Plan's population is diverse—and so are its needs. To effectively educate, communicate with, and engage our members, the Plan requires a vendor that understands how different audiences receive information: what resonates with them, what is most relevant, and when messages are most likely to break through.

The Plan will need a vendor capable of executing a multimodal engagement strategy—one that keeps members informed, supports healthier outcomes, and strengthens their ability to navigate their health benefits with confidence. A Vendor must show a dedication to constant experience improvements and be an innovator in member engagement. To support this, the Plan anticipates conducting regular consumer segmentation studies to better understand our member Groups and tailor outreach strategies accordingly.

Engagement also includes web based and mobile technology, transparency tools and provider search functions that clearly identify low-cost, high-quality providers by specialty. If Plan-specific networks are utilized, these tools must display the Plan-specific information. For a full description of the Plan's vision for Member navigation, see Exhibit 18: Member Navigation.

Ultimately, the Plan needs a solution that meets members where they are, recognizes who they are, and delivers information in a way that motivates and rewards them for taking the right actions for their health. To that end, the Plan may choose to have another vendor manage part or all of the member engagement experience. Vendor's capabilities will be evaluated during and post implementation, to determine whether other solutions are required. The Plan also recognizes that some Vendors may choose to engage with another partner/vendor to deliver these Services. If the Vendor intends to subcontract for any/all of these services, that should be disclosed in the response.

### 5.2.6.2 Vendor shall:

1. Provide a secure Member web portal that is available 24/7, excluding periodic scheduled maintenance. The portal must have the ability to do each of the following:
  - a. View claims and claim payment status.
  - b. View and print EOBs.
  - c. View deductible and OOP accumulations.
  - d. Capture Plan Members' preferences for communication.
  - e. SSO to the HSA vendor, if applicable.

- f. View HRA claims, if applicable.
  - g. View HRA Balances, if applicable, including, but not limited to:
    - 1) Initial HRA Funding.
    - 2) Rollover Funds.
    - 3) Incentive Funds.
  - h. Order ID Cards.
  - i. Print temporary ID cards that include the Plan's custom information.
  - j. Order new HRA or HSA debit cards, if applicable.
  - k. Track incentive programs and benefit designs (e.g., cash rewards, health reimbursement account contributions) and administer the reward for participation, as defined by the Plan.
  - l. Complete a health assessment that could be customized by the Plan.
2. Display the appropriate Group name on Member ID cards, the secure Member portal and reports. The following are examples of Group Names :
    - a. Department of State Treasurer
    - b. Charlotte Mecklenburg Schools
    - c. NC Retirement Systems
  3. Customize the materials available to Plan Members via the secure Member portal.
  4. Have a provider search tool that can be customized by the Plan so that Plan members can easily identify providers that have been "Preferred" by the Plan.
  5. Have a cost comparison tool that Members can use to shop for Services.
  6. Receive emails from Plan Members and respond to their inquiries within forty eight (48) hours.
  7. Have a North Carolina return address on all correspondence to Plan Members and providers.
  8. Upon request, provide expanded hours of operation during the OE period at no additional cost to the Plan. The Plan's enrollment and eligibility call center is generally open on Saturdays during OE.
  9. Provide non-English speaking Services for callers who may need assistance in other languages.
  10. Offer Telecommunications Device for Deaf (TTY) Services for Plan Members who need them.
  11. Provide copies of recorded calls to the Plan within two (2) State Business Days of the request.
  12. Provide detailed copies of all call notes to the Plan within two (2) State Business Days of the request.
  13. Provide copies of call notes to Members upon request.
  14. Provide reports, based on call reason type, to the Plan upon request.
  15. Provide an Escalation Team of at least four (4) people to respond and resolve inquiries from the Plan. This is separate from the single point of contacts outlined in the Account Management Section of this RFP.
  16. When appropriate, mail letters of apology to Plan Members who have been impacted by a Vendor error.
  17. Support single sign-on to and from the Plan's PBM customer portal, the Plan's EES vendor and other Plan vendor sites, as requested by the Plan.
  18. Have the ability to leverage virtual chat capability via the secure Member portal and mobile app.
  19. In addition to displaying the Plan's branding, display the name of the Member's Employing Unit (e.g., Department of State Treasurer, Retirement System, Wake County Schools, etc.) once the Member has logged into the secure member site.
  20. Upon request, segregate and provide secure Member portal access to a Dependent, or a Dependent's designee, in a court-ordered scenario such as a Medical Support Notice.
  21. Provide a virtual ID card for Members who prefer to use mobile technology.

22. Ensure its member portal receives and displays timely data from various providers such as, but not limited to, lab results from large independent labs, prescriptions from pharmacies, and other data from physicians' offices. This information could be used by Plan Members to gather information necessary to complete annual health assessments or validate Member actions to earn incentives.
23. Participate in routine joint Plan vendor and Partner calls to discuss Plan initiative, upcoming Plan mailers and/or events, and develop and implement process improvements between the Plan vendors and Partners.
24. If instructed by the Plan, conduct either an annual member Satisfaction Survey for all Plan Members, including Members who are not enrolled in plans administered by the Vendor or a Consumer Segmentation Study. The Plan will be responsible for communicating the survey to Plan Members and may provide a link to the survey on the Plan's website. The Vendor will be responsible for developing the custom survey, as directed by the Plan, hosting the survey, and providing a summary of results.
25. Conduct other surveys, as requested by the Plan.
26. Attend Plan-hosted OE events to educate members on Plan options. The Plan representatives are generally on the road across the State during most of September and October promoting OE. Representatives from the TPA and Medicare Advantage carriers generally attend and may make presentations to Members, primarily retirees.
27. Assist with web-based training or meetings hosted by the Plan to educate Members and/or HBRs on Plan benefits.
28. Attend Wellness Fairs and other promotional events around the State, as requested by the Plan.
29. Provide resources to conduct biometric screening at wellness events, as requested by the Plan. If requested, Vendor shall have the ability to send the biometric results to the Members' primary care providers.
30. Provide language interpreters, including sign language, at events as requested by the Plan.
31. Upon request, provide Marketing and Communication resources to the Plan to develop materials.
32. Assist with the Plan's Benefit Booklet review and/or provide guidance regarding the Plan's Benefit Booklets which includes individual books for each plan offered.
33. Develop and implement new letters and/or communication materials for Members and/or Providers to support any programs implemented for the Plan.
34. Include non-discrimination notices on all significant publications and communications as required by Section 1557 of the Affordable Care Act.
35. Suppress specific Member communications, upon request from the Plan.

## **5.2.7 Medical Management**

### **5.2.7.1 Overview and Expectations**

The Plan seeks a Vendor with demonstrated expertise in comprehensive, clinically sound Medical Management that promotes high-quality care, positive health outcomes, and an exceptional member experience while responsibly managing health care costs. Medical management is a critical component of the Plan's strategy to ensure members receive the right care, at the right time, in the right setting. It's important to note that while the Plan intends to include Medical Management and utilization management in this Contract, Population Health Management is not a core component. That is viewed as an optional service that may be managed by a separate vendor.

The Vendor must demonstrate an integrated, data-driven Medical Management approach that aligns utilization management, care management and disease management into a cohesive clinical model. Medical Management programs should be grounded in evidence-based medicine, regulatory compliance, clinical best practices, and continuous quality improvement.

### **5.2.7.2 Vendor shall:**

1. Provide comprehensive, holistic, evidence-based medical policies.

2. Partner with the Plan on Medical Management initiatives and provide relevant clinical and financial outcome data to support program implementation and evaluation by leveraging data analytics and predictive modeling to inform interventions and improved outcomes, if requested by the Plan.
3. Keep the Plan apprised of condition trends within the population and provide reporting that summarizes overall Plan health.
4. Appropriately identify and engage Members in each of the following types of programs:
  - a. Transition of Care (TOC) programs.
  - b. High utilizer outreach and management programs; and,
  - c. Complex case management programs.
5. Integrate with other Plan vendors and/or Partners to deliver a care management program for Plan Members, if requested by the Plan.
6. Provide specific claims data or other clinical data, as requested by the Plan to support benefits that may be administered by another Plan vendor.
7. Integrate data from the Plan's PBM or other Plan vendors to administer benefits on Vendor's platform. Any such plan design will be implemented after Business Requirements and an Implementation Plan are completed and if required, an amendment is executed.
8. Meet with the Plan and the Plan's PBM as needed to coordinate medical and pharmacy management programs.
9. Perform warm transfers to Plan vendors and/or Plan Partners who provide specific Services and/or support for Plan Members.

## **5.2.8 Enrollment, EDI and Data Management**

### **5.2.8.1 Overview and Expectations**

The Plan seeks a Vendor with a platform that can support the Plan's enrollment rules, as defined by North Carolina General Statutes Chapter 135, Article 3B. Vendor must also be able to support the Plan's Group set-up requirements which include setting up and maintaining over 400 Employing Units, the Retirement Group, and the other non-active Groups including the Direct Bill Group, the COBRA Group and the Sponsored Dependents Group. Vendor must also have extensive experience with Medicare eligibility as the Plan has both Medicare primary and Medicare secondary Members.

### **5.2.8.2 Vendor shall:**

1. Provide an employer portal to be used by Plan staff to validate enrollment and view claims in Vendor's systems. The portal should display Members' current, past and future enrollments along with the following data elements for each Member:
  - a. Enrollment effective and termination dates.
  - b. Plan Design information.
  - c. Medicare eligibility effective and termination dates.
  - d. Medicare Part A, Part B and Phantom effective and termination dates.
  - e. Multiple segments of Medicare information if Member has gone in and out of Medicare eligibility and/or primacy.
  - f. Selected PCP with effective and termination dates.
  - g. Copy of ID Card
  - h. Claims information similar to what is available to the Member via the secure Member portal.
2. Provide the monthly claims and provider Data Files to the Plan, and other Plan vendors and Partners, by the 10th of the following month. For example, the January claims file would be provided by February 10.
3. Maintain both the Member's Original Effective Date and Benefit Effective Date.

4. Complete any manual updates required to correct the enrollment record within three (3) State Business Days of receipt of the file in addition to applying the automated corrections and producing the audit results report within two (2) State Business Days of receipt of the enrollment audit file.
5. Support Plan eligibility as defined by North Carolina General Statutes Chapter 135, Article 3B, Part 4.
6. Accept industry standard and/or custom data files from Plan vendors and/or Plan Partners, as requested by the Plan, which includes but is not limited to:
  - a. ASC X12 EDI transaction sets.
  - b. XML files.
  - c. Flat/ Fixed Files.
  - d. APIs.
7. Have a pass-through rate of at least ninety-nine percent (99%). An EDI schedule for daily files will be developed as part of the implementation and incorporated into the Contract via an ADM which can be updated as needed during the life of the Contract.
8. Accept and process multiple data files within the same day and in the correct order.
9. Accept and process multiple concurrent file transmissions and in the correct order.
10. Process “change” records as either terminated or added records.
11. Load and process “terminated” and “add” transactions for the same Members within the same day.
12. Exchange enrollment and eligibility data using secure protocols.
13. Provide a copy of outbound files delivered to other Plan vendors to the Plan via SFTP or SharePoint based on instructions from the Plan.
14. Re-use business rules for processing inbound files from the Plan or Plan vendors for consistent data quality.
15. Configure thresholds to reject an entire file based on how many records successfully passed business edits. Thresholds will be determined during implementation.
16. Have a Load-Rate of at least 98% on accurate transactions received via EDI from the Plan’s EES vendor.
17. Manually load any data that cannot be processed automatically within three (3) State Business Days in addition to accepting and processing daily enrollment data file from the Plan’s EES vendor.
18. Notify the Plan immediately when any event or condition is discovered that adversely affects Members.
19. Accept and store multiple Member ID numbers from the Plan’s EES vendor such as a unique member ID created by the EES vendor and MBI and/or the Member SSN.
20. Use the unique Member ID number provided by the EES vendor as the primary Member ID for claims processing, customer services and other operational purposes; therefore, the unique Member ID number provided by the EES vendor will be the sole Member ID on the ID Card.
21. Send the unique Member ID number provided by the EES vendor to the Plan and other Plan vendors.
22. Accept and load Member enrollment with retroactive effective dates that may cross multiple Plan Years and not receive enrollment effective dates prior to January 1, 2028, but store Medicare information that was either effective or terminated prior to January 1, 2028.
  - a. Example 1: March 2029, Vendor receives enrollment with a December 1, 2028, effective date. Vendor updates Member with appropriate 2028 and 2029 coverage.
  - b. Example 2: January 2028, Vendor receives enrollment with a January 1, 2028, Benefit Effective date and a July 1, 2027 Medicare eligibility date, and a July 1, 2027 – September 30, 2027 Medicare primary segment. The Member is Medicare secondary October 1, 2027, through current.
23. Adjust enrollment effective or termination dates retroactively that may cross Plan Years.

24. Meet with the Plan and other Plan vendors on a weekly basis, or as requested by the Plan.
25. Store a Member's PCP election, including the PCP election effective and termination dates to facilitate the PCP copay incentives outlined in Section 5.2.4 Product and Plan Design.
26. Notify providers that they have been selected as a Member's PCP.
27. Support an Open Enrollment (OE) period that generally last two (2) to four (4) weeks and during a time period chosen by the Plan.
28. Support multiple OEs in one Plan year, if requested by the Plan.
29. Vary the OE periods by Group and/or Product, if requested by the Plan.
30. Upon request, receive Member enrollments from the Plan's EES vendor prior to OE that have been "Mapped" to a specific Plan Design for the next Plan Year. The "Mapping" of Members will occur over several weeks prior to the beginning of OE. These "Mapped" Members may be included in the daily EDI Change Files received from the Plan's EES vendor or in a Full File, if chosen by the Plan.
31. Receive and process Member elections from the Plan's EES vendor after OE using a Full File or via daily Change Files that come during OE. The type of file will be determined by the Plan during the initial implementation and will be re-evaluated annually as part of OE planning.
32. Produce and distribute ID cards for over 500,000 Members after OE so that Members receive their ID cards prior to the new Plan Year.
33. Produce and mail Certificates of Creditable Coverage (CCCs) to Members whose coverage terminates.
34. Produce CCCs for Members who reside in states that require annual CCCs.
35. Produce and mail or email CCCs on demand, for Members who request new copies of CCCs.
36. Produce 1095-B forms which includes making them available in digital format to Member and/or mailing them, if requested by the Plan.
37. Provide call center support to respond to both HBRs and Member inquiries about 1095-B forms, if requested by the Plan.
38. Provide duplicate 1095-B forms to Members upon request, if requested by the Plan.
39. File 1094-B and 1095-B forms electronically, if requested by the Plan.
40. Continue filing 1095-B corrections to the IRS throughout the year, if requested by the Plan.
41. Hold claims for individual Groups that have not paid their premium bill upon notification by the Plan's COBRA Administration and Billing (CABS) vendor,
42. Ensure that the monthly custom claims data file that will be provided to the Plan is sent as a Full File or Change File. The specific requirements will be developed during the implementation.
43. Provide reference tables and data dictionaries, with thorough field descriptions, to support the monthly custom claims data file; update the reference tables and data dictionaries as needed; and send to the Plan within three (3) State Business Days of any change.
44. Conduct a Medicare repricing exercise to benchmark Vendor's network rates against Medicare reimbursement rates. The details of the repricing exercise shall be formalized in an ADM and memorialized via an Amendment to the Contract, as needed.

## **5.2.9 Claims Processing and Appeals Management**

### **5.2.9.1 Overview and Expectations**

The Plan seeks a Vendor with an efficient business rules-based claims system that can support required state, federal, and other custom benefits. When necessary, Vendor must also integrate with other vendors or Point Solutions; therefore, Vendor's claims

system must be able to integrate with other vendors to ensure Member's OOP and other accumulators are appropriately maintained or to set the other vendor up as a provider, and adjudicate vendors' claims as requested by the Plan.

### **5.2.9.2 Vendor shall:**

1. Maintain and make accessible to the Plan at least 10 years of claims history.
2. Provide the Plan with a quarterly compliance report outlining any new or proposed laws, regulations or other mandates that might impact the Plan. No changes shall be implemented without the Plan's approval.
3. Work with the Plan's internal legal counsel and the North Carolina Attorney General's Office, as appropriate, throughout the appeals process; and make available its subject matter experts to testify during hearings when requested.
4. Process all claims in accordance with state and federal laws including the Plan's 18 month timely filing rules set forth in N.C.G.S. § 135-48.52(6).
5. Provide the Plan with any information requested regarding its pre-pay claims edits and add edits at the Plan's request.
6. Pay all claims including non-network claims based on assignment of benefits, upon request.
7. Provide a weekly summary of any claims totaling one hundred thousand dollars ( \$100,000.00) or greater to the Plan's Contract Administrator for day-to-day activities that includes the following:
  - a. the total charge,
  - b. total allowed amount,
  - c. Member cost share, and
  - d. a short description of circumstance of the claim, including a status of the Member's condition.
8. Support Medicare direct claims by interfacing with Medicare crossover vendors and CMS.
9. Coordinate benefits with other commercial payors.
10. Support all future state and federal requirements at no additional cost to the Plan.
11. Produce EOBs that meet all Federal requirements.
12. Prevent Subscribers from having access to the Dependents EOBs when the Subscriber does not have custodial rights.
13. Mail EOBs directly to Dependents 18 years of age or older without a copy to the Subscriber.
14. Mail a Dependent's EOB to a different address if a different address exists in the Dependent's demographic record.
15. Support Members' election of electronic EOBs in lieu of paper EOBs.
16. Provide a single, combined Medical and HRA EOB, as requested by the Plan.
17. Implement PCP "gate-keeper" rules, if requested by the Plan.

## **5.2.10 Claims Audit, Recovery, and Investigation**

### **5.2.10.1 Overview and Expectations**

The Plan seeks a Vendor that places great value on the accuracy of its Deliverables. Vendor must be open to audits by the Plan's Auditors as well as audits performed by and for the North Carolina Office of the State Auditor. The Plan expects Vendor to be time sensitive to all audit requests and be prepared to support multiple audits simultaneously. The Plan, at its discretion, may use its own vendors to seek recoveries; therefore, Vendor must support the Plan's recovery vendors by providing claims data, adjusting claims, and posting payments. Vendor must also demonstrate a dedication to the detection and reduction of fraud, waste, and abuse. This includes the recovery of fraud dollars and a willingness to assist in the prosecution of those who commit fraud.

Notice: The Plan is not assigning its right to pursue recoveries on its own behalf or through another vendor.

**5.2.10.2 Vendor shall:**

1. Support any audit requested by the NC OSA.
2. Support multiple audits simultaneously. Although the Plan will work with Vendor to manage the scope, duration, number, and timing of audits whenever possible, audits may occur simultaneously and for extended periods of time.
3. Provide the Plan's Auditors access to all necessary data, systems, and any other materials needed to successfully perform the audits including remote, view only access to view the claims adjudication system used by Vendor to process the Plan's claims.
4. Provide on-site office space at Vendor's facilities that are actually processing Plan claims, including system access for the Plan's Auditors, the Plan, or the NC OSA.
5. Customize any Standard Audit reports to meet the Plan's specific audit needs.
6. Provide claims files to the Plan's Auditors on a monthly basis.
7. Provide feedback on all site visit claims within two (2) weeks of the end of the on-site visit; and respond to any findings in the draft audit report within two (2) weeks of receipt.
8. Provide a corrective action plan for the Plan's review, approval, and monitoring within (thirty) 30 days of the final report, or another timeframe as specified by the Plan.
9. Provide full impact reports, and review and recover out-of-sample claims for any audit findings that reveal systemic or easily repeatable issues. These out-of-sample claim recoveries will not impact Performance Guarantee measures.
10. Bear sole liability for any overpayments or erroneous payments resulting from Vendor's failure to accurately configure and process claims in accordance with the Plan's Plan Design, benefits, eligibility, and utilization management specifications.
11. Not enter into a settlement on the Plan's behalf with a provider, a Member, or anyone else, without first obtaining the Plan's approval.
12. Support the Plan's third-party liability vendor, or any other recovery vendor the Plan may work with, by providing data, adjusting claims, and posting payments.
13. Provide Plan specific recovery reports on a monthly basis that include both summary and detail information outlining the programs' results.
14. Customize any recovery or investigation reports, if requested by the Plan.
15. Implement debt collections processes with a collection agency approved by the NC AGO. The list of approved collections agencies may change during the life of the Contract, as required by the NC AGO.
16. Adjust Member claims based on recoveries received on behalf of the Plan, including, but not limited to, those from the collection agency, Plan vendors, or Members within 30 days of notification. This will require Vendor to work with other Plan vendors or State Collections Agencies that seek recoveries on behalf of the Plan to ensure the claims are appropriately adjusted and recoveries are deposited in the Plan's depository accounts.
17. Establish a payment plan upon request from a Member covered through an Employing Unit, the Direct Bill Group, the Sponsored Dependent Group, or the COBRA Group; however, payment plans shall not exceed 12 months without the Plan's prior approval.
18. Establish a payment plan upon request by a Member covered through the NC Retirement Systems that does not exceed six (6) months without the Plan's prior approval.
19. Consider any Member or former Member to be in default who misses one (1) payment or sends in a partial payment, and remaining balance not paid within one (1) month.
20. Allow the Plan to perform onsite reviews and validations of Vendor's internal processes.
21. Provide workflows, data, and other materials to review Vendor's processes within thirty (30) days of request.

22. Work with the Plan to develop process improvement plans.
23. Provide monthly recovery reports and customize those reports, if requested by the Plan.
24. Track and report actual cost savings dollars against targets, and if available, benchmarks.
25. Not charge the Plan any fee for the identification, recovery, or adjustment of overpayments, duplicate payments, or other processing errors.
26. Provide Plan specific investigation reports on a monthly basis and customize these reports, as requested by the Plan.

## 5.2.11 Reporting

### 5.2.11.1 Overview and Expectations

The Plan seeks a partner that can support its custom reporting requirements which include reports that are sent to the Plan on a daily, weekly, monthly, quarterly, and annual basis. These reports must be accurate and received on the schedule defined by the Plan. The Plan will also have ongoing ad hoc report requirements; therefore, Vendor must have the resources and expertise to assist the Plan as needed.

Notice: Final individual report or reporting package format and content shall be finalized during implementation and may be updated throughout the lifetime of the Contract via ADM:

### 5.2.11.2 Vendor shall:

1. Provide an online, interactive report tool that allows the Plan the ability view claim12s and assess trends. The reporting tool should support the stratifications similar to the ones outlined in 5.2.11.2.12 below.
2. Provide standard and ad hoc reports in any of the following formats, as requested by the Plan:
  - a. Excel
  - b. PDF
  - c. Text
  - d. XML
  - e. HTML
  - f. CSV (raw format)
3. Customize any report, as requested by the Plan.
4. Combine claims and financial data in reporting.
5. Email all standard reports, to the email addresses provided by the Plan.
6. Produce ad hoc reports within 10-15 days of a request to support the Plan's responsibilities to the Board of Trustees and/or North Carolina General Assembly.
7. Include Book of Business and other internal and/or external benchmarks in reports, when requested by the Plan.
8. Provide other enterprise-level, executive reports as well as departmental and ad-hoc reporting, as requested by the Plan.
9. Work collaboratively with Plan staff, consultants, and auditors to ensure reporting meets evolving needs and supports strategic decision-making.
10. Collaborate with the Plan to develop custom reports and analytics as needed.
11. Provide the methodology and data logic used to produce all standard and custom reports and how that logic corresponds to the Data Files that Vendor shall provide to the Plan on an ongoing basis.
12. Include stratifications for all reports, as determined during implementation. Stratifications may include:
  - a. Demographics

- 1) Gender
  - 2) Age
  - 3) Race
  - b. Employing Unit, work location
  - c. Geography
    - 1) Zip Code
    - 2) County
    - 3) Hospital Service Area
    - 4) Healthcare Referral Region (HRR)
    - 5) Out-Of-State
  - d. Subscriber versus Dependents
  - e. Active
    - 1) Medicare Primary
    - 2) Non-Medicare Primary
  - f. Non-Active
    - 1) Medicare Primary
    - 2) Non-Medicare Primary
  - g. Medicare primary retiree
  - h. Plan Design
  - i. Time period
    - 1) Calendar Year (CY)
    - 2) Year-to-Date (YTD)
    - 3) Month-to-Month
    - 4) Fiscal Year
    - 5) Quarterly
    - 6) Ad-hoc
  - j. Paid, incurred, capitated claims
  - k. Provider Level
    - 1) By NPI, DEA #, In/Out-of-Network, Vendor's unique provider number
    - 2) PCP, Specialist, Hospital
  - l. Network
    - 1) In/Out-of-Network
    - 2) Quality Outcomes
  - m. Utilization Trends
    - 1) High Cost Claimants
    - 2) High Volume Claims Utilizers
  - n. Disease Categories via ICD-10, DRG, MDC, or ad hoc criteria
    - 1) Chronic conditions
    - 2) Acute conditions
    - 3) Catastrophic (cost-driving outliers)
13. Provide each of the following enrollment reports or reporting packages. The method for providing the report will be determined during implementation.
- a. Weekly membership reports that include, but are not limited to, the following information:
    - 1) Group Number
    - 2) All internal and external member Identification numbers (i.e., EES assigned ID, SSN, MBI, Employer ID, etc.)
    - 3) Subscriber number
    - 4) Hire date
    - 5) Coverage effective date
    - 6) Coverage expiration date
    - 7) Current Benefit Effective date
    - 8) Current benefit expiration date
    - 9) Member First Name
    - 10) Member Last Name
    - 11) Member SSN
    - 12) Member date of birth

- 13) Member tier
  - 14) Member benefit identifier code(s)
  - 15) Medicare primary flag
  - 16) Medicare Coverage
    - a) Medicare A effective date
    - b) Medicare B effective date
  - 17) Medicare effective date
  - 18) Medicare expiration date
  - 19) Member's elected PCP information
- b. Monthly Member reporting package based on enrollment the last day of the previous month that includes each of the following:
- 1) Enrollment by Plan Design, Entity, Group, Tier and Medicare Status.
  - 2) In-State Member counts by county broken down by Plan Design, then totaled.
  - 3) Out-of-state Member counts by state or country broken down by Plan Design, then totaled.
  - 4) Enrollment by Group number broken down by Subscriber and Dependent, then totaled.
  - 5) Graphs (pie charts) that include:
    - a) All Members by Plan Design.
      - i. In-State Members by Plan Design.
      - ii. Out-of-state Members by Plan Design.
    - b) All Members by Coverage Tier.
    - c) Top 10 Counties.
- c. Monthly PCP Election report that includes, but is not limited to:
- 1) Total number of Members that have elected a PCP broken down by Preferred Provider designation or other network PCP and Plan Design.
  - 2) Statistics about the Members who see the PCP or another PCP at the same practice on their card and those that see other PCPs.
  - 3) Types of PCP elected (i.e., general practice, pediatrician, family medicine, etc.).
  - 4) List of elected providers and number of Members who have elected them as their PCP.
14. Provide each of the following Banking and Finance reports or reporting packages. The method for providing the report will be determined during implementation.
- a. Quarterly report of any uncollectible accounts:
- 1) Recommended for debt write-off which includes, but is not limited to:
    - a) Account name.
    - b) Subscriber number, if applicable.
    - c) Description/justification of the reason for write-off.
    - d) The provider code, if applicable.
    - e) Dollar amount and date originally paid, if applicable.
    - f) Payee status.
    - g) Identifying number (e.g., invoice, claim, case).
    - h) Total amount proposed for write-off.
  - 2) Recommended for exhausted debt (debt Vendor should stop tracking and pursuing when agreed upon recovery process has been completed) which includes, but is not limited to:
    - a) Account name.
    - b) Subscriber number, if applicable.
    - c) Description/justification of the reason for exhausted debt.
    - d) Provider code, if applicable.
    - e) Dollar amount and date originally paid, if applicable.
    - f) Payee status.
    - g) Identifying number (e.g., invoice, claim, case).
    - h) Total amount proposed for exhausted debt.
- b. Daily deposited receipts reporting package, reported separately by Product type, e.g., PPO, HSA, HRA, etc., including:
- 1) Summary report, which includes, but is not limited to:
    - a) Date of deposit.
    - b) Total amount received by check.

- c) Total amount received by ACH.
- d) Distinct identification of which amounts relate to claims and which amounts relate to other types of deposits.
- e) Descriptive labeling of other deposits.
- f) Grand total of the daily deposits.
- 2) Daily deposit supporting documentation report, which includes, but is not limited to:
  - a) Type of deposit, i.e., checks, ACH, and/or wire.
  - b) Amount of each individual deposit and a grand total per deposit type.
- c. Daily NSF report listing all NSF for the previous months which includes:
  - 1) Subscriber number, if applicable.
  - 2) Provider information, if applicable.
  - 3) Date returned.
  - 4) Dollar amount.
- d. Monthly misapplied deposits and/or collections report (e.g., applied deposit to wrong Member or wrong client) which includes date originally deposited and how they were corrected.
- e. Weekly reporting package of claims and other disbursements by Product type, which includes, but is not limited to:
  - 1) Number of checks processed weekly.
  - 2) Number of EFTs processed weekly.
  - 3) Payment amount(s) by type e.g., claims refunds, adjustments, miscellaneous payments, voided checks, escheats, reissued checks, etc.
  - 4) Breakout of type of disbursement (e.g. claims, fees),
  - 5) Weekly total by type.
  - 6) Month to date total by type.
  - 7) Supporting documentation of all disbursements and an explanation of any adjustments and/or miscellaneous payments, e.g., check register, any system generated reports of check writes, etc.
  - 8) For outlier weeks when the claims experience is either significantly higher or lower than typical, additional detail identifying the drivers
- f. Monthly deposit reconciliation which includes, but is not limited to:
  - 1) Date of each daily deposit.
  - 2) Total amount of deposit for each day.
  - 3) Breakdown of amount by type of deposit, i.e., checks, wires, ACH (drafts).
  - 4) Monthly total of each type.
- g. Monthly reconciliation of claims and other disbursements which includes, but is not limited to:
  - 1) Daily transactions listed individually with a daily total as well as a summary total.
  - 2) A breakout of ACH/EFT, voids, cancelled checks, manual checks, any adjustments, total net disbursement, refunds and other disbursements.
- h. As applicable, escheats report of all warrants/checks to be escheated by state and Product type, which includes, but is not limited to:
  - 1) Final due date to escheat the warrants/checks.
  - 2) Name of state and dormancy period for each state.
  - 3) Number of warrants for each state and dollar amount.
  - 4) Grand total of number of warrants, dollar amount by Product type and grand total dollar amount for all Product types.
  - 5) Explanation of any special circumstances or issues.
- i. Monthly Summary of Billed Charges by State Fiscal Year which includes a summary of claims paid for the period which includes both medical and pharmacy claims.
- j. Monthly Statement of Account (SOA) which includes all charges including claims and administrative fees are paid. It is a full picture of all income/expenses for the month.

15. Provide each of the following Financial Performance reports or reporting packages. The method for providing the report will be determined during implementation.
- a. Performance Guarantees (PG), as outlined in Section 6.0, reports as follows:
    - 1) Monthly PG status report.
    - 2) Quarterly PG report cards.
    - 3) Annual PG report cards that include summary data and year end PG results.
  - b. Monthly Performance Matrix reports, stratified by Group, plan, status, or Medicare status, as outlined in Exhibit 17: Standard Reports and listed below:
    - 1) Report 1: Charge Summary Trend Incurred.
    - 2) Report 2: Coinsurance and Deductible, Full Population-Incurred.
    - 3) Report 3: Copay-Incurred (Claims Run out).
    - 4) Report 4: Claims Experience Summary by Demographics-Incurred
    - 5) Report 5: Financial Reconciliation-Incurred
  - c. Monthly Triangulations reports are expected to have “paid” amounts that are consistent with the weekly disbursement reports with stratification to be determined during implementation such as:
    - 1) Service type to include Ancillary, Inpatient Facility, Inpatient Professional, Outpatient Facility, etc. including a summary based on total membership.
    - 2) Plan Design and/or Product, including a summary based on total membership.
    - 3) Medicare primary versus non-Medicare
  - d. Monthly prompt payment interest claims report that includes, but are not limited to:
    - 1) Prompt pay for adjusted claims.
    - 2) Prompt pay for new claims.
    - 3) Claim count.
    - 4) Total interest paid.
  - e. Financial Guarantee Reports on guarantee performance no less than quarterly as well as annual reporting, with detailed calculation and methodology and reconciliation of any amounts owed to the Plan due to underperformance, as outlined in cost proposal and as follows:
    - 1) Trend guarantees reports with detailed calculations
    - 2) Discount and pricing guarantee reports
16. Vendor will provide each of the following Claims and Appeals reports or reporting packages. The method for providing the report will be determined during implementation.
- i. Monthly processed claims reports that include, but are not limited to:
    - 1) Claims type.
    - 2) Total claims billed.
    - 3) Total claims paid.
  - ii. Monthly Deductible and Out-of-Pocket reports, by Plan Design, by month.
  - iii. Monthly COB reports that identify savings associated with both Medicare and Commercial COB.
  - iv. Quarterly denied claims report that includes, but is not limited to:
    - 1) Denial reason.
    - 2) Number of claims for each denial reason.
    - 3) Total charges for each denial reason.
  - v. Quarterly high claimant reports that include, but are not limited to (the dollar threshold for including Members on the report will be determined during implementation):
    - 1) Member ID.
    - 2) Plan ID.
    - 3) Member age.
    - 4) Diagnosis.
    - 5) Service start date.
    - 6) Encounter service type.
    - 7) Place of service.
    - 8) Provider specialty description.
    - 9) Paid amount.
    - 10) Status (active versus terminated).
    - 11) Projected total claim amount in subsequent period/year.

- vi. Monthly medical and pharmacy appeals reports that include, but are not limited to:
    - 1) Number of first level appeals received.
    - 2) Number of first level appeals approved.
    - 3) Number of first level appeals denied.
    - 4) Number of second level appeals received.
    - 5) Number of second level appeals approved.
    - 6) Number of second level appeals denied.
    - 7) Statistics on types of appeals received, approved and denied at both first and second level.
  - vii. A Monthly pharmacy appeals received detail report that includes, but is not limited to, the following:
    - 1) Member ID.
    - 2) Member First Name.
    - 3) Member Last Name.
    - 4) Type of Appeal Review Decision.
    - 5) Type of Appeal Category.
    - 6) Date Appeal Initiated.
    - 7) Final Written Date.
    - 8) Appeal Decision Description.
    - 9) Medication Name, Strength and Dosage.
    - 10) Method Appeal Received.
    - 11) Appeal Origin.
    - 12) Drug Class.
17. Provide the following Network report or reporting packages The method for providing the report will be determined during implementation.
    - a. Quarterly GeoAccess report. If multiple networks are utilized, Vendor shall provide a separate report for each one.
  18. Provide each of the following Medical Management reports or reporting packages. The method for providing the report will be determined during implementation.
    - a. Quarterly Medical Cost and Clinical Outcomes reports across diagnosis categories, highly prevalent, costly, and/or determined by the Plan to be clinically significant, to include HEDIS measures, and state, national, and book-of-business data segregated by Plan Designs (70/30, 80/20, HDHP,) Medicare and Non-Medicare primary status, and by Group.
    - b. Quarterly Case Management Clinical Outcomes.
    - c. Quarterly Preventive Care Service Utilization.
  19. Vendor will provide each of the following utilization management reports or reporting packages. The method for providing the report will be determined during implementation.
    - a. Quarterly utilization management Cause, Cost and Clinical Outcomes, including, but not limited to, inpatient admissions, readmissions, emergency department visits, urgent care visits, outpatient Services, behavioral health Services, ambulance Services, private duty nursing, pharmacy Services and polypharmacy, primary care physician visits, specialist visits, prior authorizations and approvals, and high cost claims and claimants across Plan Products (70/30, 80/20, HDHP, non-Medicare) and Employing Units.
    - b. Annual utilization management Interventions: Interventions and outcomes of efforts to address ineffective utilization of Services.
  20. Provide the following specialty pharmacy management report or reporting package. The method for providing the report will be determined during implementation.
    - a. A quarterly utilization report detailing specialty pharmacy Rebates that includes which quarter the period is being collected as well as for each specific specialty drug.
  21. Provide each of the following Customer Experience reports or reporting packages using the method for providing the report determined during implementation.
    - a. The Weekly Operations Dashboard of Key Performance Indicators (KPI), including, but not limited to, the following:
      - 1) Total Member calls received.
      - 2) Weekly ASA rate for Member calls.
      - 3) Weekly first contact resolution rate.

- 4) Weekly second contact resolution rate.
  - 5) Turnaround Time (TAT) for processing all enrollment data files received from Plan's EES Vendor.
  - 6) TAT for completing manual enrollment updates.
  - 7) Enrollment accuracy rate for the current month.
  - 8) Number and percentage of clean claims processed  $\leq$  30 days.
  - 9) Number and percentage of claims processed  $>$  30 days.
  - 10) Number and percentage of claims processed  $>$  60 days.
  - 11) Number and percentage of claims processed  $>$  90 days.
- b. A Quarterly Web Trends Report that provides statistics on Plan Members transaction history compared to Vendors' Book of Business data.
22. Provide each of the following Recovery and Special Investigation reports or reporting packages using the method for providing the report determined during implementation.
- a. Monthly recovery reporting package that includes, but is not limited to the following:
    - 1) Recovery or pre-prepayment claim types (Examples: COB, Duplicate Claims, Pricing, etc.).
    - 2) Total requested or saved, by recovery type and recovery subcontractor.
    - 3) Total received, by recovery type and recovery subcontractor included Plan recovery Vendors. (Example: The Plan's Subrogation Vendor's results included in reporting package alongside Vendor's other recovery results.)
    - 4) Total by subcontractor, including Plan recovery Vendors.
    - 5) Quarter and year-to-date results.
    - 6) Trends.
    - 7) If available, benchmark data.
  - b. Monthly Plan specific investigation reports that include, but are not limited to, the following data:
    - 1) Name of provider.
    - 2) Number of Members impacted.
    - 3) Date case opened.
    - 4) Basis for review.
    - 5) Summary of case.
    - 6) Status of the case.
    - 7) Total projected Plan claims dollars associated with the case.
    - 8) Upon final resolution, dollars to be recovered and any projected savings from future avoidance of similar claims.
  - c. A quarterly medical audit repayment report that includes, but is not limited to, the following data:
    - 1) Date of Service.
    - 2) Member Name.
    - 3) Subscriber Number.
    - 4) Claim Number.
    - 5) Original Paid Amount.
    - 6) Appropriate Paid Amount.
    - 7) Overpayment Amount.
    - 8) Amount Repaid to the Plan.
    - 9) Total Amount Repaid to Plan from all Claims Across All Members for Quarter.
    - 10) Cumulative Amount Repaid to Plan from all Claims Across All Members for YTD
23. Ingest all historical and current claims, eligibility, and financial data provided by the Plan, including data from the previous carrier.
24. Validate and reconcile data across carriers to ensure data integrity, continuity and accuracy.
25. Maintain audit trails and documentation of all data transformations and mappings.
26. Produce comparative trend analyses reports that span both the previous and current carrier data sets.
27. Highlight shifts in utilization, cost, and member outcomes over time.
28. Include stratifications by geography, condition category, provider type, and other Plan-defined metrics.

## 5.2.12 Optional Services

### 5.2.12.1 Overview and Expectations

The Plan recognizes Vendor may have optional Services that bring value to the Plan. For awareness and transparency, Vendor should describe and include pricing for any optional service the Vendor believes would be a value to the Plan during the lifetime of this Contract. If the Plan determines either during the initial Contract implementation, or at a later date, to elect one of the Vendor's optional Services, an amendment to the Contract will be required.

At this time, the Plan intends to carve out Population Health Management (PHM) Services from this Contract. However, Vendors are required to respond to this section to allow the Plan to evaluate the Contractor's capability to support PHM Services should the Plan elect, at a future date, to integrate some or all PHM functions into this Contract.

### 5.2.12.2 Population Health Services – Vendor shall:

1. Have a robust, secure, and highly interactive member portal capable of supporting PHM Services. The portal must be HIPAA-compliant, available 24/7/365, and customizable to support current and future Plan programs including the ability to:
  - a. Customize portal features and content in collaboration with the Plan.
  - b. Capture and manage member communication preferences, including frequency, topics, and delivery method (e.g., text, email, mail).
  - c. Receive, integrate, and display timely data from multiple sources, including but not limited to:
    - 1) Medical and pharmacy claims
    - 2) Laboratory results
    - 3) Information from provider offices
  - d. Provide a personal member calendar that can:
    - 1) Schedule appointments with care managers, disease managers, or health coaches
    - 2) Send automated reminders via text or other channels
    - 3) Sync appointments with personal calendars
    - 4) Allow authorized care team access to scheduling information
  - e. Deliver condition-specific and preventive health resources, such as educational content, videos, digital coaching modules, webinars, tools, and Plan-approved external resources.
  - f. Display member-specific information, including but not limited to:
    - 1) Case management, disease management, and health coaching notes
    - 2) Care gap alerts
  - g. Provide customized, targeted messaging based on member demographics, health conditions, or stated preferences.
  - h. Track and administer incentive programs
  - i. Produce dashboards or status reports showing activity completion and wellness outcomes.
  - j. Provide eligibility verification for condition- or program-specific Services.
  - k. Allow Members to set and track individual health goals, such as weight loss, and monitor their progress.
  - l. Allow Members to track a variety of health indicators (minimum required include, height, weight, waist circumference, waist to hip ratio, fasting blood sugar, cholesterol, blood pressure, physical activity and nutrition intake) which allow personalized lifestyle coaching.
  - m. Upload the latest biometric information from lab data that includes, but is not limited to the following:
    - 1) Blood pressure (systolic and diastolic).
    - 2) Height and weight with a BMI calculator.
    - 3) Waist measurement.
    - 4) Hip measurement.
    - 5) Glucose or Hemoglobin A1c, value if applicable.
    - 6) Cholesterol (LDL, HDL and TG).
    - 7) Calculation of measures such as BMI, Waist to Hip ratio, Waist to Height ratio, and Total Cholesterol-to-HDL ratio.
    - 8) If value is not available, ability to upload
  - n. Produce a custom summary that includes an analysis of individual Member's health status that can be printed or viewed within their portal that includes but is not limited to personalized recommendations to inform Members on their health status and suggested actions for them to improve or maintain their health.

2. Provide PHM programs that include targeted care management programs designed to improve member health outcomes. Programs may be population-wide or focused on specific subgroups and may evolve over the life of the Contract but at a minimum they include each of the following:
  - a. Transitions of Care (TOC) programs
  - b. High-utilizer outreach and management programs
  - c. Complex case management programs
3. Collaborate with the Plan to design and implement comprehensive care management programs, ensuring all aspects align with the Plan’s strategic goals including but not limited to the ability to:
  - a. Integrate with other Plan vendors or Partners to support coordinated program delivery.
  - b. Participate in the development of Business Requirements Documents for new programs, subject to Plan approval.
  - c. Propose innovative or value-added care management programs.
  - d. Perform warm transfers to Plan Vendors and/or Plan Partners who provide specific Services and/or supports for Plan Members.
4. Ensure PHM programs include the following types of coaching Services.
  - a. Disease Management Health Coaching
  - b. Active Lifestyle Health Coaching
5. Have strong outreach and intervention capabilities.
6. Have targeted or specialty care management programs.
7. Have processes used to research, design, implement, and evaluate new programs.
8. Ensure PHM programs include targeted care management programs designed to improve Member health.

**5.2.13 Additional Optional Services**

**5.2.13.1 Worksite or Other Site Clinics Overview and Expectations**

The Plan prefers a Vendor that, upon request, can provide vaccination clinics or biometric screenings at worksites.

**5.2.13.2 Vendor shall:**

1. Provide worksite or other site vaccination clinic or biometric screenings, if requested by the Plan.

**5.2.13.3 Other Optional Services:**

1. Vendor shall provide any other optional Service(s) available to the Plan, if requested.

**5.2.14 Transition of Services**

**5.2.14.1 Overview and Expectations**

The Plan requires a Vendor that can work with the Plan to ensure a smooth transition of Services at the beginning and end of the Contract.

**5.2.14.2 Transition of Services Requirements**

1. If a Contract results from this solicitation, the Vendor shall cooperate fully with the incumbent, as required by the Plan, in the transition of Contract-related activities;
2. If the Contract is not renewed at the end of the last active term or is canceled prior to its expiration for any reason, the Vendor shall cooperate fully in the transition of Contract-related activities to the successor vendor and Plan for a period of up to eighteen months, which includes but is not limited to sending data files during the testing and transition phase, as requested by the Plan and formalized in the Implementation Plan with the new TPA vendor to facilitate the orderly transfer of such Services to the Plan or its designees; and

3. The Plan requires a Vendor that can work with the Plan to ensure a smooth transition of Services at the end of the Contract or if Services are carved out of the Contract.

Vendor shall:

- a. Work with the Plan and the new TPA Services vendor to develop a transition schedule that causes minimal disruption to Plan Members;
- b. Continue the services required to support claims processing which include, but are not limited to claims processing, eligibility, customer service, appeals and grievances, Medical Management, and escheats during the 18-month runout of the Contract;
- c. Continue to send claims Data Files to the Plan during the runout period. The file delivery schedule shall be determined during the implementation of the new contract; and
- d. Send the final quarterly and annual Standard Reports per the Contract schedule.

### 5.3 COST PROPOSAL REQUIREMENTS

**If any cost information is included in the Technical Proposal and/or if any technical information is included in the Cost Proposal, the information may not be considered or the entire proposal may be rejected.**

Vendor shall:

1. Submit a Cost Proposal and include the Cost Proposal separate from the Technical Proposal; and
2. Submit the Cost Proposal in accordance with ATTACHMENT A: COST PROPOSAL.

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## 6.0 CONTRACT PERFORMANCE, DELIVERABLES, PERFORMANCE GUARANTEES, AND FEE REDUCTIONS

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### 6.1 Audits of Records and Performance

The Plan reserves the right to conduct an audit of Vendor’s records as specified in Attachment C. 1. “Access to Persons and Records” to validate the results of Vendor’s performance. Vendor will be required to resolve any material discrepancies identified to the satisfaction of the Plan.

### 6.2 Contract Compliance and Performance

a) Vendor shall comply with all terms, conditions, requirements, performance standards, and applicable laws as set forth in the Contract and any amendments thereto

b) The Plan reserves the right to impose any and all remedies available under the terms of the Contract, at law, or in equity, including remedial actions, fee reductions, and/or termination of the Contract, in the event that the Plan determines, in its sole discretion, that Vendor has violated any provision of the Contract or that Vendor has not complied with any applicable North Carolina or federal law or regulation.

Violations of the Contract and noncompliance with applicable North Carolina or federal law or regulation shall include the following:

- i. Vendor fails substantially to provide a service outlined in the Contract;
- ii. Vendor misrepresents or falsifies information that it furnishes to the Plan;
- iii. Vendor misrepresents or falsifies information that it furnishes to Plan Members or Providers; or
- iv. Vendor distributes directly, or indirectly through any agent or independent Vendor, Marketing Materials that have not been approved by the Plan or that contain false or misleading information.

c) Risk Level Assignment

i. Upon the discovery of a violation of the terms, conditions, or requirements of this Contract or any other noncompliance by the Vendor, the Plan shall assign the violation into one of four risk levels:

- 1) **Level 1:** Action(s) or inaction(s) that seriously jeopardize the health, safety, and welfare of Member(s); reduces Members’ access to care; and/or jeopardize the integrity of the Plan’s TPA Services.
- 2) **Level 2:** Action(s) or inaction(s) that jeopardize the integrity of TPA Services but does not necessarily jeopardize Member(s) health, safety, and welfare or reduces access to care.
- 3) **Level 3:** Action(s) or inaction(s) that diminish the effective oversight and administration of TPA Services.
- 4) **Level 4:** Action(s) or inaction(s) that inhibit the efficient operation of TPA Services.

ii. The Plan may impose additional remedial actions, fee reduction, and/or elevate the violation to a higher Risk Level if the same noncompliant behavior continue or if the Vendor fails to comply with the originally imposed action.

iii. The Plan’s decision to impose specific remedial action(s) and/or fee reduction against the Vendor will include consideration of some or all of the following factors:

- 1) Risk Level assignment;
- 2) The nature, severity, and duration of the violation;
- 3) The type of harm suffered due to the violation (e.g., impact on the quality of care, access to care, program integrity);
- 4) Whether the Violation resulted from negligent or willful conduct;
- 5) Whether the violation (or one that is substantially similar) has previously occurred;
- 6) The timeliness in which the Vendor self-reports a violation;
- 7) The Vendor’s history of compliance;
- 8) The good faith exercised by the Vendor in attempting to stay in compliance of ; or
- 9) Any other factor the Plan deems relevant based on the nature of the violation.

### 6.3 Notice of Deficiency

- a) Prior to the imposition of any remedial action or fee reduction against the Vendor or termination of the Contract for cause, the Plan will provide the Vendor with written notice detailing the nature of the violation or noncompliance, the risk level assigned to the violation, any actions the Plan seeks to impose against the Vendor, and, if applicable, the method and timeframes by which the Vendor may appeal applicable claim of noncompliance and the imposed actions.
- b) Within three (3) Business Days of the Vendor's full remediation of the identified violation(s) in the Notice of Deficiency, or within another timeframe set by the Plan, the Vendor shall provide the Plan with written notice confirming the date that the noncompliant behavior was resolved and the actions the Vendor took to remediate the noncompliance.

### 6.4 Remedial Actions

- a) Remedial Actions: Prior to the imposition of fee reduction or contemporaneously there with, the Plan may require Vendor to take the following actions to address identified violation(s) or other noncompliance:
  - i. Immediate remediation of the violation or noncompliant behavior or practice, as determined by the Plan, in a manner consistent with the nature of the violation or noncompliance.
  - ii. Submission and implementation of a Corrective Action Plan; or
  - iii. Participation in additional education or training.
- b) Corrective Action Plans ("CAPs"):
  - i. CAPS developed by Vendor:
    - 1) Following notification of the original violation giving rise to the CAP, Vendor shall immediately cease the noncompliant behavior and mitigate the harm caused by the violation until a CAP approved by the Plan is implemented.
    - 2) If any CAP is required to be submitted to the Plan, Vendor shall, at a minimum, identify the following:
      - a. The finding resulting in a request for corrective action by the Plan;
      - b. A description of how the finding resulting in a request for corrective action will be remediated;
      - c. The timeline for the implementation and completion of the corrective action(s); and
      - d. The name of the person(s) who will lead all corrective action activities.
    - 3) Any CAP submitted by Vendor to the Plan shall be subject to approval by the Plan.
    - 4) Vendor shall submit the CAP within fifteen (15) Calendar Days, or within a time determined by the Plan, from the date on the written notice requesting the CAP.
    - 5) Upon receipt, the Plan may accept the CAP as submitted, accept the CAP with Plan-specified modifications, or reject the CAP.
    - 6) If the Plan specifies modifications or rejects the CAP, Vendor shall revise and submit a new CAP within ten (10) Calendar Days of the Plan's rejection of specification of modification, or within a time determined by the Plan, that addresses the concerns and modifications identified.
    - 7) The Vendor shall complete the corrective action(s) contained in the CAP within the time period approved by the Plan.
    - 8) Vendor shall provide updates to the Plan on the remediation of all findings resulting in a request for corrective action at the interval requested by the Plan.
  - ii. CAPS defined by the Plan
    - 1) The Vendor shall accept and implement a Plan defined CAP.

### 6.5 Reduction in Fees

- a) Vendor shall be subject to reductions in fees or payments based on performance and delivery of contracted Services outlined in Section 5.0 Minimum Requirements and Technical & Cost Proposal Requirements and the schedules in Section 6.13 Third Party Administration Performance Guarantees – Schedule I and II. Unless otherwise specified, the reductions in fees shall be calculated as a flat dollar amount or as a percentage (%) of administrative fees paid by the Plan, as each is stated below.

- b) Following receipt of a Notice of Deficiency assessing fee reductions, the Plan may continue to assess damages in accordance with the Contract until such time as the Plan, in its sole discretion, determines the Violation(s) has been cured.
- c) The Plan, in its sole discretion, reserves the right to assess a general reduction of two thousand five hundred dollars (\$2500.00) per day, per occurrence, as applicable, for any violation not specifically listed in this Section 6.0 Contract Performance, Deliverables, Performance Guarantees, and Fee Reductions.
- d) Fee reductions assessed by the Plan do not affect the Vendor's rights or obligations with respect to any third party, including Members or Providers.
- e) Failure of Vendor to accept reductions in fees according to the schedules in Section 6.13 Third Party Administration Performance Guarantee Schedule I and II for any non-compliant Contract Deliverable outlined in this Section 6.0 shall be, at the Plan's discretion, grounds for imposition of other remedies available to the Plan under the Contract, including immediate termination of the Contract.
- f) Reductions in fees may be waived by the Plan, in its sole discretion, in the event there are circumstances outside Vendor's control which result in failure to meet the established timeframe or Deliverable. However, as specified in Attachment C. 23. "No Waiver," the waiver by the State of any right or remedy on any one occasion or instance shall not constitute or be interpreted as a waiver of that or any other right or remedy on any other occasion or instance.
- g) Any delay in the submission of any Contract Deliverable requires a written explanation by the Vendor, no later than thirty (30) days prior to the due date of any Deliverable, and written approval by the Plan's Executive Administrator. Such explanation and approval will not constitute automatic waiver of any associated reduction in fee and shall not relieve Vendor of its responsibility for completion of Deliverables in accordance with the Contract.

## 6.6 Payment of Fee Reduction

- a) If the Vendor elects not to appeal or request a waiver of the assessment of fee reduction, the assessed amounts shall be due and payable within thirty (30) days of the date on the written Notice of Deficiency assessing the fee reduction.
- b) If the Vendor elects to request a waiver of the assessment of fee reduction but such waiver is not granted by the Plan, the fee reduction/monetary risk shall be due and payable within ten (10) days of the date on the written notice of the final decision issued by the Plan upholding its original decision to impose the fee reduction (including a final decision modifying the amount owed).
- c) Vendor shall remit payment associated with any reductions in fees through the Automated Clearing House (ACH) and include a copy of the Plan's request for payment letter. Prior to the remittance of payment, Vendor shall notify the Plan of the forthcoming payment via email. Any such Performance Guarantee payment shall be due to the Plan within thirty (30) days of the request. Credit memo or invoice adjustment is prohibited.
- d) The Plan shall have the right to recoup any monies owed to the Plan from assessed fee reductions or other monetary sanctions by withholding the amount from future payments owed to the Vendor. The Plan shall provide written notice to the Vendor prior to withholding a portion of the payment for assessed PG or other monetary sanctions.

## 6.7 Contract Performance Dispute Resolution

- a) Vendor may appeal certain Contract performance actions arising under this Contract. Vendor may also request a waiver of the imposition of fee reduction as provided in Section 6.7 (b), except that the Vendor shall not have the right to contest a requirement imposed by the Plan to perform a remedial action.
- b) Appeal of Noncompliance Finding(s) and Waiver Procedures
  - i. To appeal the finding of noncompliance or request a waiver, the Vendor shall submit a written request to the Plan's Executive Administrator, or the Executive Administrator's delegee, for appeal and waiver within fifteen (15) Calendar Days of the date of the written notice imposing the Plan's intended action. The Plan may extend the Vendor's deadline to request appeal and waiver for good cause if the Vendor requests an extension within ten (10) days of the date on the written notice.

- ii. Vendor shall include in the written request for appeal and waiver, all arguments, materials, data, and information necessary to resolve the dispute (including all evidence, documentation, and exhibits).
- iii. Vendor waives any dispute not raised within fifteen (15) days of the date on the written notice imposing any proposed action by the Plan (unless the Plan grants an extension).
- iv. Vendor also waives any arguments it fails to raise in writing within fifteen (15) days (unless the Plan grants an extension) of the date of the written notice imposing the proposed action, and waives the right to use any materials, data, and information not contained in or accompanying the Vendor's written request for dispute resolution in any subsequent legal proceeding.
- v. The Plan will review the appeal and waiver request including submitted evidence and information and issue a written final decision within forty-five (45) State Business Days of the Vendor's request for appeal and waiver. The Plan shall have the right to extend its deadline to issue the final decision for good cause and shall notify Vendor of any extension and the reason for such extension.
- vi. The final decision issued by the Plan following appeal and waiver shall not be subject to further review or Appeal within the Plan.

### **6.8 Notice to External Agencies**

- a) The Plan may provide notice to any other state or federal agency for violations of the terms, conditions, or requirements of this Contract or for any other violation of applicable laws or regulations by Vendor.

### **6.9 Publication of Contract Compliance Issues**

- a) The Plan may publish on its website a list of Vendors that were subject to remedial action(s), and/or fee reduction, the risk level assigned to Violation(s), the type of actions imposed on the Vendor, and the basis for the actions taken by the Plan.
- b) The Plan shall not publish, as final, any actions that are under dispute with the Vendor or any remedial action(s) and/or reduction in fees that have been waived or lifted by the Plan.

### **6.10 Right to Waive or Modify**

- a) The Plan, in its sole discretion, may waive, modify, or lift the imposition of any action taken against a Vendor for any good cause as determined by the Plan, which includes the right of the Plan to suspend the imposition of a remedial action, reduction in fees, while the Vendor works to resolve the underlying issue that resulted in the action taken by the Plan.

### **6.11 Performance Guarantee Timeliness Guidelines and Definitions**

- a) All files received from the Plan's EES vendor are considered enrollment data files; including but not limited to daily Change Files, Audit Files, and Member lists. Once complete information is received, the information should be updated without manual intervention into Vendor's core system.
- b) Manual enrollment updates represent all manually executed actions necessary to ensure access to care, accurate claims processing and seamless experience for Plan Members. Notification of the need for a manual update may come from any source. Scripts that are manually initiated will be considered a manual enrollment update.
- c) Manual updates requested by Plan Staff or the Plan's EES vendor may come via email or the Plan's discrepancy log (Dlog) which is a secure, online database used to track enrollment discrepancies.
- d) Per requirement # 9. in Section 5.1.8 Enrollment, EDI and Data Management Minimum Requirements, the audit between the TPA and the EES vendor shall be completed within three (3) State Business Days. The audit schedule will be updated on an annual basis via ADM to ensure the audit is delivered on a day that allows time for the three (3) day turnaround.
- e) Plan inquiries that require a 24-hour response include any inquiries sent by any Plan staff or the Attorney General's Office to Vendor's escalation team. An automated acknowledge email is not considered a response. While the initial response does not have to include a full resolution, the response does need to appropriately acknowledge the steps required to

respond in full.

- f) The "Standard Reports," and their corresponding due dates are in Exhibit 17: Standard Reports. Reports without a specific time of day noted on the report are due by 5:00 p.m. ET. If any report due date falls on a weekend or holiday, the report is due the first State Business Day after the scheduled date.

## 6.12 Performance Guarantee Accuracy Definitions

- a) EDI Load Rate is the number of enrollment transactions that successfully pass the EDI edits and load automatically into Vendor's system without manual intervention. The enrollment transaction should be counted at the contract, or family level.
- b) Manual entry accuracy shall be calculated at the contract, or family level. There should be one (1) point assigned at the Subscriber enrollment level. If any field on the family enrollment is inaccurately entered, the score for that enrollment is zero. (Example: Ten (10) enrollments are pulled for audit. Five (5) contain enrollments for more than one (1) Member of a family and five (5) are for individual enrollments. Total points available for this audit are ten (10) points. Upon audit, it is determined that an address was misspelled on one (1) enrollment and two (2) family Members were inaccurately enrolled on one (1) enrollment. Eight (8) out of 10 enrollments were completed accurately; therefore, the accuracy score is 80%. The audit sample size will be determined by the Plan during the implementation and the ongoing audits will be performed by Vendor. If additional inaccurate updates are identified (by the Group, Member, Plan or Plan vendors, etc.), the additional error and transaction should be included in the month's accuracy score.
- c) Call accuracy shall be determined based on Vendor's payment policies as well as the Plan's benefits, documented business rules and processes, Business Requirements, and the Service Center training materials which will be approved by the Plan prior to use. The sample size shall be determined by Vendor and the audit will be conducted by Vendor. The Plan will also pull random calls for review. If additional inaccurate calls are identified (by the Group, Member, Plan, Plan Vendors, etc.) through an audit or any other means, the additional error and transaction shall be reported in the month in which it was found. The accuracy results will identify the number of inaccurate calls for the reporting period.
- d) Financial Accuracy (Claims): Total dollar amount processed accurately divided by the total dollar amount processed in the audit sample. The total dollar amount processed accurately is calculated by subtracting the absolute values of the dollars processed in error from the total dollars processed. Underpayments and overpayments are not offset by one another.
- e) Payment Accuracy (Claims): The number of claims with the correct benefit dollars paid divided by the total number of claims paid in the audit sample.
- f) Processing Accuracy (Claims): The number of claims processed with no procedural errors divided by the total number of claims processed.
- g) The Deposit Error Rate shall be determined by dividing the total number of inaccurate daily deposits identified during the performance period by the total number of daily deposits for the performance period. A deposit will be considered inaccurate when:
- i. Detailed backup documentation does not agree to the bank balance reported on applicable Plan depository accounts. This includes confirming the claims recovery receipt information as well as any other types of deposits are accurate in relation to the detail report. (See Section 5.2.5 Finance and Banking)
  - ii. Plan deposits are made to the wrong account and/or receipts belonging to other entities are incorrectly deposited to the Plan's account.

- h) The Disbursements error rate shall be determined by dividing the total number of inaccurate weekly disbursements identified during the performance period by the total number of disbursements for the performance period. A disbursement will be considered inaccurate when:
- i. Weekly refunds and other disbursements, including system generated checks, EFTs, voids and reissues, cancelled and manual checks, EFT adjustments and any other adjustments are found to be incorrect. (See Section 5.2.5 Finance and Banking.)
  - ii. Plan's disbursements are drawn on the wrong account and/or payment obligations belonging to other entities are incorrectly drawn on the Plan's account.
- i) ID Card Accuracy requires that the following data elements are correct:
- i. Plan Logo.
  - ii. Plan Network.
  - iii. Group Name (Examples: Dept of State Treasurer, Wake County Public Schools, NC Retirement Systems, etc.).
  - iv. Member's Benefit Effective Date
  - v. Member's PCP Information.
  - vi. RxBin/Group.
  - vii. Plan Design (Examples: Plus, Standard, and HDHP).
  - viii. Member Cost-Shares
  - ix. Plan Vendor Phone Numbers.
- j) Benefit configuration accuracy measures the accuracy of the benefits configured in the claims administration system(s). This includes appropriate configuration of covered and excluded benefits, and the application of appropriate copays, deductibles, and out-of-pockets. If an inaccurate benefit configuration is discovered after the start of a new Benefit Year, Vendor will pay a per day fee calculated from the date the benefit was effective until the date it is corrected in Vendor's systems.
- k) Technical Issue Management includes any TPA technical issue that impacts the TPA's ability to accurately load all elements of the members' enrollment record or process claims correctly. It also includes TPA's ability to send data accurately via EDI to the Plan's EES Vendor.

### **6.13 Third Party Administration Performance Guarantees – Schedules I and II**

The Performance Guarantee Section is comprised of schedules indicating the measure, description, standard, and fees at risk for each Performance Guarantee. Included are one-time Performance Guarantees around implementation of Services and additional Performance Guarantees measured on a quarterly basis throughout the term of the Contract. If the Vendor fails to meet any performance standard, the Plan may assess fee reduction and impose any other remedial action in accordance with this Section 6.0 Contract Performance, Deliverables, Performance Guarantees, and Fee Reductions for the period in which the deficiency occurs and until the Plan, in its sole discretion, determines the deficiency has been cured.

[Continues on next page.]

<b>Schedule I. Implementation Performance Guarantees</b> <i>All performance targets and results are Plan, not book of business, specific.</i>		
Measure	Implementation	Monetary Risk
Insurance	Proof of insurance required in Attachment C. 19. Insurance to be provided to the Plan within 15 days of execution of Contract.	Vendor shall pay \$10,000.00 for each day the proof of insurance is late.
Timeliness	Initial enrollment Data File from Plan’s EES vendor automatically loads in Vendor’s system at a 95% Load-Rate within 24 hours of receipt.  Any enrollment data that errors back to the EES vendor for correction, is not included in the calculation.	Vendor shall pay \$10,000.00 for each day the file is not processed in Vendor’s system after the initial 24 hours turnaround time.
Timeliness	Any enrollment data that does not automatically load during the initial load from the Plan’s EES vendor, must be manually loaded within five (5) State Business Days. Any enrollment data that errors back to the EES vendor for correction, is not included in the calculation.	Vendor shall pay \$10,000.00 per day for each day beyond the 5 <sup>th</sup> State Business Day that the initial enrollment is not loaded in Vendor’s systems.
Accuracy	Initial pre-Go-Live enrollment audit is completed on time based on the Enrollment Audit Schedule that is developed during the Contract implementation.  The audit process is outlined in Exhibit 12: Audit & Reconciliation.	Vendor shall pay \$10,000.00 per day for each day delay in meeting the Enrollment Audit Schedule.
Timeliness	Initial implementation ID cards mailed within two (2) State Business Days of the target date established in the Implementation Plan.	Vendor shall pay \$5,000.00 for each day beyond the target date.
Accuracy	Initial implementation ID card accuracy is 100% accurate.	Vendor shall pay \$2,500.00 plus the cost of reissuing the cards.
Accuracy	Complete Benefit Configuration by the date established in the Implementation Plan.	Vendor shall pay \$5,000.00 for each day beyond the date in the Implementation Plan.
Timeliness	Depository bank accounts are set-up, tested, and operational at least 45 days prior to January 1, 2028.	Vendor shall pay \$5,000.00 for each day later than 45 days prior to January 1, 2028.
Timeliness	Disbursing bank accounts are set-up, tested, and operational at least 30 days prior to January 1, 2028.	Vendor shall pay \$5,000.00 for each day later than 30 days prior to January 1, 2028.
Timeliness	All Plan vendor SSOs are implemented prior to the 2028 Open Enrollment period.	Vendor shall pay \$5,000.00 for each day beyond the target date in the implementation schedule.
Timeliness	All other Services under the Contract are fully implemented by the “Go-Live” dates which will be determined during the implementation and documented in the Implementation Plan.	Vendor shall pay \$10,000.00 per day if 1-15 days late; and \$20,000.00 per day if more than 15 days late.

<b>Schedule II. Third Party Administration Services Performance Guarantees</b>			
<b>Measure</b>	<b>EDI &amp; Enrollment Maintenance</b>	<b>Target</b>	<b>Monetary Risk</b>
Timeliness	All daily enrollment data files received from Plan’s EES vendor between 5:00 p.m. and 9:00 p.m. ET are processed and loaded in Vendor’s system by 9:00 a.m. ET the following State Business Day.	100%	1%
Timeliness	The daily outbound EDI files to the Plan’s EES vendor are sent no later than 12:00 p.m. ET the day after the daily file from the Plan’s EES vendor is received. If the daily enrollment file from the Plan’s EES vendor is not received by the deadline, the PG does not apply.	99%	0.5%
Timeliness	Complete any manual enrollment updates no later than three (3) State Business Days for enrollments that were accurately sent by the Plan’s EES vendor but did not automatically load into Vendor’s system.	99%	1%
Timeliness	Complete any manual enrollment updates requested by Plan staff or the Plan’s EES vendor for Plan Members no later than three (3) State Business Days of notification.	99%	0.5%
Timeliness	The monthly enrollment audit is completed no later than three (3) State Business Days.	100%	1%
Accuracy	EDI Load Rate	98%	0.5%
Accuracy	Manual Entry Accuracy Rate	99%	2%
<b>Project Management</b>			
Timeliness	Any projects, including the annual open enrollment, initiated after Go-Live on January 1, 2028, are delivered by the date outlined in the Implementation Plan for that project.	100%	0.5%
<b>Customer Experience</b>			
Timeliness	Average Speed to Answer (ASA) no more than 30 Seconds outside of Open Enrollment	98%	0.5%
Timeliness	Respond to Plan inquiries regarding Member and/or provider matters within 24 hours of receipt.	98%	0.25%
Accuracy	Call Accuracy	Per Instance	\$500/call identified
<b>Technical Issue Management</b>			
Timeliness	New ticket threshold no more than fifteen (15) per quarter.	100%	0.5%
Timeliness	Ticket backlog no more than eight (8) per quarter.	100%	0.5%
Timeliness	Ticket triaged no more than three (3) State Business Days.	100%	0.5%
Timeliness	Ticket root cause and impacted population provided no more than three (3) State Business Days.	100%	0.5%
Timeliness	Ticket total time to resolution no more than twenty-five (25) State Business Days. Ticket total time to resolution more than twenty-five (25) days shall be considered backlog.	95%	0.5%

<b>Schedule II. Third Party Administration Services Performance Guarantees (Continued)</b>			
<b>Claims</b>			
Timeliness	Claims Paid in no more than 30 Days.	98%	.5%
Accuracy	Claims Financial Accuracy Rate equal to or greater than 99%.	99%	.5%
Accuracy	Claims Payment Accuracy Rate equal to or greater than 99%.	99%	.5%
Accuracy	Process Accuracy Rate equal to or greater than 99%.	99%	.5%
<b>Pharmacy Benefit</b>			
Timeliness	Pharmacy Rebates made out to Vendor shall be delivered to the Plan no later than 10 State Business Days after Vendor receives payment from the drug manufacturer.	100%	.25%
<b>Financial Performance Reports</b>			
Timeliness	Provide Matrix reports as outlined in Exhibit 17: Standard Reports	100%	.25%
Timeliness	Provide Triangulation report as outlined in Exhibit 17: Standard Reports	100%	.25%
<b>Banking and Finance Reports</b>			
Timeliness	Deposit all receipts within 24 hours of receipt.	98%	.5%
Timeliness	Provide daily reporting package of deposits to the Plan on schedule. (See 13. in Section 5.2.11 Reporting).	98%	.5%
Timeliness	Deliver weekly package of disbursement by 9:30 a.m. ET on the first State Business Day of the week.	100%	1%
Timeliness	Release weekly disbursement only upon Plan approval.	100%	1%
Accuracy	Daily deposit error rate	≤ 2%	.5%
Accuracy	Weekly disbursements error rate	≤ 2%	.5%
<b>Annual Open Enrollment</b>			
Timeliness	ID Cards issued no more than two (2) State Business Days from the mutually agreed upon dates included in the Open Enrollment project plan.	100%	Vendor shall pay \$5,000.00 for each day beyond the target date.
Accuracy	ID card accuracy is 100% accurate	100%	Vendor shall pay \$2,500.00.
Accuracy	Complete the Benefit Configuration by the benefit effective date.	100%	Vendor shall pay \$5,000.00 for each day beyond the benefit effective date.

**LIST OF ATTACHMENTS AND EXHIBITS**

ATTACHMENT A	COST PROPOSAL Includes Attachments A1-A12
ATTACHMENT B	INSTRUCTIONS TO VENDORS
ATTACHMENT C	GENERAL CONTRACT TERMS & CONDITIONS
ATTACHMENT D	CUSTOMER REFERENCE TEMPLATE
ATTACHMENT E	LOCATION OF WORKERS UTILIZED BY VENDOR
ATTACHMENT F	CERTIFICATION OF FINANCIAL CONDITION
ATTACHMENT G	PROPOSAL SUBMISSION INFORMATION
ATTACHMENT H	HIPAA COMPLIANCE QUESTIONNAIRE
ATTACHMENT I	BUSINESS ASSOCIATE AGREEMENT
ATTACHMENT J	ADMINISTRATORS FOR THE CONTRACT, HIPAA COMPLIANCE OFFICER, AND INFORMATION SECURITY OFFICER
ATTACHMENT K	DATA USE AGREEMENT (DUA)
ATTACHMENT L	MINIMUM INFORMATION SECURITY REQUIREMENTS
ATTACHMENT M	RESERVED
ATTACHMENT N	MINIMUM REQUIREMENTS RESPONSE
ATTACHMENT O	TECHNICAL REQUIREMENTS RESPONSE
ATTACHMENT P	SUBCONTRACTOR IDENTIFICATION FORM
ATTACHMENT Q	EVALUATION METHODOLOGY
ATTACHMENT R	VALIDATION OF HIPAA AND SECURITY REQUIREMENTS
EXHIBIT 1	STATE HEALTH PLAN PREFERRED PROVIDER NETWORK
EXHIBIT 2	CURRENT PCP COPAY INCENTIVE SCENARIOS
EXHIBIT 3	DEPOSITS AND DISBURSEMENT PROCESS

EXHIBIT 4	ID CARD FRONT
EXHIBIT 5	ID CARD BACK
EXHIBIT 6	EOB SAMPLE PAGES
EXHIBIT 7	EOB SAMPLE PAGES
EXHIBIT 8	EOB SAMPLE PAGES
EXHIBIT 9	EOB SAMPLE PAGES
EXHIBIT 10	GROUP STRUCTURE
EXHIBIT 11	VENDOR DATA FEEDS
EXHIBIT 12	AUDIT & RECONCILIATION
EXHIBIT 13	SAMPLE AUDIT SCHEDULE
EXHIBIT 14	PCP SELECTION TOOL AND MAINTENANCE
EXHIBIT 15	CLAIMS PROCESSING PHANTOM PLAN – MEDICARE PART B
EXHIBIT 16	STATE HEALTH PLAN RECOVERY WORKFLOWS
EXHIBIT 17	STANDARD REPORTS
EXHIBIT 18	MEMBER NAVIGATION

## ATTACHMENT A: COST PROPOSAL

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### INSTRUCTIONS FOR DATA ACCESS AND COST PROPOSAL

This Section contains the submission requirements and instructions for Data Files and Cost Proposal worksheets required to be submitted by Vendor.

Each Vendor must submit a signed **Attachment K: Data Use Agreement (DUA)** to the Plan to gain access to **Cost Proposal worksheets** and Data Files. The DUA is included as part of the Minimum Requirements and must be submitted with the Minimum Requirement Responses.

The Plan will send the signed DUAs for all Vendors meeting Minimum Requirements to its Actuarial/Analytical and Health Benefits Consulting vendor, The Segal Company (Southeast), Inc. ("Segal"). The Segal point of contact will provide Vendor's designated recipient a link to a SFTP system. The designated recipient may access the secure site and download the cost proposal worksheets and data files that will be used for the repricing exercise and other requirements within the cost proposal. Segal will not release any cost proposal worksheets and data files to any Vendor without a signed DUA.

For informational purposes, the Segal point of contact is as follows:

Nick Beckman  
nbeckman@segalco.com  
678-306-3137

If issues arise, Segal and Vendor are permitted to communicate via email directly with one another regarding the transmission and receipt of documents through the Secure File Transfer system. Segal and Vendor must copy [Sharon.Smith@nctreasurer.com](mailto:Sharon.Smith@nctreasurer.com) and [SHPContracting@nctreasurer.com](mailto:SHPContracting@nctreasurer.com) on such emails. This communication between Segal and Vendor is limited to technical support; all substantive questions shall be submitted to the Plan pursuant to Section 2.5 Proposal Questions set forth in the RFP.

#### 1.1 Network Access

The Plan seeks to have a provider network in place that best meets the program's long-term needs. This includes a broad provider network with low disruption and with competitive pricing. This Section will address access to the proposed network of healthcare providers.

##### 1.1.1 Access Reports

Vendors shall submit an accessibility report (Optum<sup>TM</sup>, GeoAccess<sup>®</sup>, GeoNetworks, or comparable software) for the proposed provider network. Access must be reported by county.

Vendor shall provide a summary of participants with and without access to network provider types within the established mileage parameters listed below:

Provider Type	Urban and Out-of-State	Suburban	Rural
<b>Facilities</b>			
Hospitals	1 within 20-miles	1 within 25-miles	1 within 35-miles
Ambulatory Surgical Centers	1 within 20-miles	1 within 25-miles	1 within 35-miles
Urgent Care facilities	1 within 20-miles	1 within 25-miles	1 within 35-miles
Imaging Centers	1 within 20-miles	1 within 25-miles	1 within 35-miles
Inpatient Behavioral Health Facilities	1 within 20-miles	1 within 25-miles	1 within 35-miles
<b>Professional Services</b>			
<b>Primary Care</b>			
General/Family Practitioner (includes Internal Medicine, Family Medicine, and General Medicine)	2 within 10-miles	2 within 15-miles	2 within 20-miles
OB/GYN (female members, age 12 and older)	2 within 10-miles	2 within 15-miles	2 within 20-miles
Pediatrician (birth through age 18)	2 within 10-miles	2 within 15-miles	2 within 20-miles
<b>Specialists</b>			
Endocrinologist	2 within 20-miles	2 within 25-miles	2 within 35-miles
Urologist	2 within 20-miles	2 within 25-miles	2 within 35-miles
Cardiologist	2 within 20-miles	2 within 25-miles	2 within 35-miles
Dermatologist	2 within 20-miles	2 within 25-miles	2 within 35-miles
Allergist	2 within 20-miles	2 within 25-miles	2 within 35-miles
Psychologist/Psychiatrist	2 within 20-miles	2 within 25-miles	2 within 35-miles
General Surgeon	2 within 20-miles	2 within 25-miles	2 within 35-miles
Hematologist/Oncologist	2 within 20-miles	2 within 25-miles	2 within 35-miles
Chiropractor	2 within 20-miles	2 within 25-miles	2 within 35-miles

The submitted access reports (mapping and accessibility analysis) must demonstrate provider availability for **each** provider group type listed in the table above. In the production of the reports, please note the following:

Vendor must utilize Optum™, GeoAccess®, GeoNetworks or comparable software.

- The access report must indicate, by county, those participants with access and those without access according to the provider network access standards listed above.
- The access reports should include providers under contract as of May 1, 2026, and may also include providers that have executed a legally-binding letter of intent or letter of agreement with Vendor.
- Vendor is required to provide separate reporting for each proposed provider network.

A census file will be provided in a format detailed in **Attachment A-1**. Vendors should use this file to support the accessibility report.

Vendor must submit the summary grids, included in **Attachment A-2**, for its proposed provider network, along with the detailed access report(s). There are separate summaries for urban, suburban, and rural county designations. Out-of-state members will follow Urban parameters.

### 1.1.2 Providers by County

Vendors are required to submit a summary of the number of providers (under contract or with signed letter of intent) by county and category, consistent with the access reports in **Attachment A-2**.

### 1.1.3 Provider Listing

Vendors are required to submit a listing of the entire proposed provider network in **Attachment A-2**. The file should contain information for each proposed network, using the format disclosed, and identifying whether each provider is currently under contract or has entered a legally-binding letter of intent with Vendor.

## 1.2 Network Pricing

The Plan seeks to contract with an organization(s) that has proven success in managing provider costs and will submit data timely, in the required formats. The RFP was designed with knowledge of the capabilities of the market, and it is expected that each Vendor will comply with these requirements. If any issues or complications are expected, Vendors should submit questions as directed in RFP Section 2.5.

### 1.2.1 Claims Repricing File

A claims repricing file (**Attachment A-3**), containing participant claims experience for calendar year 2025, will be made available through a Secure File Transfer Protocol (SFTP) to Vendors meeting the minimum requirements.

The layout of the fields that will be included in the repricing file are detailed in **Attachment A-4**. This attachment also contains supporting field descriptions that may be beneficial to Vendor.

Using the **Attachment A-3** repricing file referenced above, **Vendors are to provide the contracted allowed amount for each service in the file using their broad provider network**. Vendors are expected to reprice each claim line based on provider contracts in place, or near-future contract improvements bound by letters of intent, at the time of the repricing.

**Vendors are expected to reprice each claim line specific to the actual provider and the service being performed. The expectation is that the file will not include an average discount applied to multiple providers and multiple Services.**

**The goal of the repricing exercise is to obtain provider reimbursements that are consistent with specific provider contracts and allow the Plan to look at the data in great detail to assist the Plan in future incentive-based Plan Designs, value-based arrangements, etc. Vendors that do not provide claims repricing specific to the provider and Services performed will lower the confidence in the accuracy of the repricing and may result in disqualification.**

In addition to the contracted allowed amount for each claim line, **Vendors are to provide the amount Medicare would pay for that service based on the Medicare fee schedule effective on the claim date of service**. The Medicare allowed amount is expected for all claims with Medicare pricing.

In aggregate, the repriced claims and Medicare amounts provided by the Vendor should be consistent with the percentage of Medicare pricing guarantees proposed by the Vendor.

Five (5) fields must be populated:

- NetStatus (representing Vendor's proposed standard network) – Y / L / N
  - Y – Currently under contract
  - L – Letter of intent
  - N – Not under contract or Out-of-Network provider
- ContAmt – Repriced claim based on vendor contract amount (or Allowed Amount) for the proposed network
- ContType (contract type) – (A, B, C, D, F, O)
  - A – Ambulatory Payment Classification
  - B – Bundled payment
  - C - Capitated
  - D – Discount off eligible charges
  - F – Fee schedule

- O – Other contract arrangement
- MedicareAmount – Medicare allowed amount effective on the claim date of service
- MedicareFlag
  - Y – Medicare allowed amount provided
  - N – Medicare allowed amount not provided

The **Attachment A-3** file should be repriced for the provider network being proposed by Vendor.

Vendors must submit the complete **Attachment A-3** repriced file along with any requested supporting documentation. The supporting documentation includes, but is not limited to, completion of the repricing reconciliation table included in **Attachment A-5**. Failure to comply may cause Vendor's proposal to be rejected.

Vendors are also required to complete and submit summary results of the repricing exercise in the exact formats requested. The tabs have been pre-populated with the repricing source data and will require Vendors to supplement the fields identified. Vendors should complete the following for their proposed network:

- **Repricing by Service Category Summary – Attachment A-6:** Vendors should provide aggregate information on the contractual amount (aka, 'Allowed Amount') for each county and detailed service category, identified by the Service Category Codes in the repricing file.
- **Repricing by Provider Summary – Attachment A-7:** Vendors should provide aggregate allowed information for each provider listed.
- **Contract Effective Dates and overall Contract Improvements – Attachment A-8:** Vendors must list contract effective dates and rate increases for the Plan's highest dollar providers (based on billing provider Tax ID) listed in **Table A-8.1**. Also, Vendors should identify any known contract improvements by completing **Table A-8.2**.
- **Other Provider Payments – Attachment A-9:** Vendors must identify all payments that will be made to providers above and beyond typical claims payments. These payments include both performance or incentive based payments and non-performance or non-incentive based payments. Examples include, but are not limited to, capitations, pay-for-performance, and other value-based contracting.

It is imperative that Vendors return data in the exact formats prescribed. Failure to do so may cause Vendor's proposal to be rejected. Attachments A-6 and A-7 should be financially identical to the detail data submitted and will be utilized to cross-check results and submissions.

### 1.3 Administrative & Program Fees

The Plan seeks to contract with a Vendor that provides the most flexibility in the Services provided under the awarded contract. Throughout the contract period, the Plan will be investigating alternative approaches and strategies in providing the requested Services. The Plan expects that the awarded vendor will be committed to providing contract flexibility, including their willingness to both allow the Plan to carve-out Services from the contract and to adjust the administrative fees down as a result.

The proposed administrative fees must support all the Services requested in Section 5.0 Technical and Cost Proposal Requirements and Specifications of this RFP. **Tables A-10.1 through A-10.4 must include all costs except actual claim payments for covered Members.**

**Complete the administrative and program fees in the Tables included in Attachment A-10 assuming a January 1, 2028, effective date.** Per capita fees should be on a per Subscriber (contract) per month basis. Please provide answers only as applicable for quote. Fees must be provided in the format provided.

All fees to be included in monthly billing or invoiced through claim invoices are to be broken out in detail for each service proposed or provided (*i.e.*, specific for disease management; case management, utilization review, etc.). Additionally, provide detail on any service fees that may be charged on per claim basis (*i.e.*, subrogation, MRI review Services, etc.) including how they are invoiced to the Plan (*i.e.*, ASO Fee or Claims Based Fee).

**The Plan requires a transparent billing process where all fees are clearly identified on invoices.**

**Unspecified fees and expenses not included in the Vendor's proposal will not be paid by the Plan.**

**Administration Fee Withhold:** The Plan will pay 85% of the monthly administrative fees to the Vendor. The 15% withhold will be reconciled at the end of each contract year based on the Vendor's performance relative to the annual claims trend, percent of

Medicare, and clinical quality guarantees. Once year-end reviews of all guarantees are completed, amounts owed to the Vendor will be paid. The amount paid will reflect the 15% withhold due to the Vendor, plus any additional guarantee bonus payments earned by the Vendor, less any guarantee shortfall penalties owed to the Plan. If guarantee shortfall penalties owed to the Plan exceed the sum of the 15% withhold and bonus payments, the Vendor will pay the Plan the difference.

Vendor must provide the monthly administrative fees in the format and on the basis requested for each of the five (5) years in the contract period (including the two optional years). An exhibit with detailed instructions is included in **Attachment A-10**.

Administrative fee tables in Attachment A-10 are broken out by administrative service item. **Vendors are expected to provide fees separately for each service item and not provide one fee for all Services combined.**

Table A-10.1b also requests PSPM pricing for some additional, optional Services, if the Plan authorizes the TPA to perform those Services.

If there are additional one-time credits and fees, providers should list them in Table A-10.3. Table A-10.4 requests per participant pricing for specified biometric screenings.

#### 1.4 Trend and Network Pricing Guarantees

Vendor must provide network pricing guarantees not to exceed a percentage of Medicare fees and a trend guarantee. Trend and network pricing guarantee details are defined in **Attachment A-11**, and include annual amounts at risk/gain of \$25 million for the trend guarantee and \$40 million for the network pricing guarantee. The guarantees include risk sharing where the Vendor will be able to earn additional fees with overperformance. A detailed exhibit with instructions is provided in **Attachment A-11**. Vendors are required to provide complete responses to the requested guarantees.

#### 1.5 Self-Funded Claims Projection

This Section (**Attachment A-12**) allows Vendor to estimate the expected claim and administrative cost for the proposed provider network. Based on the claims experience provided in the repricing file, Vendor is asked to estimate the expected future costs under its Medical Management and pricing arrangements with providers. It is expected that Vendor will map the repricing data to the proposed network. This is to be Vendor's best estimate and should be performed as accurately as possible, in good faith.

The summary projection requires thoughtful inputs at a very high level, recognizing that a detailed projection would be performed differently for each Vendor. There are two (2) inputs required of Vendors:

- **Utilization Adjustment:** If Vendor feels that its Medical Management will alter current utilization, Vendor should enter the expected utilization adjustment percentage. An explanation of anticipated changes is required.
- **Allowed Adjustment:** The submitted/billed charge per service is included in the summary and requires Vendor to provide an adjustment to allowable charge per service. It is understood that this is not discounts alone and will represent movement between provider charges. The goal is to get to what Vendor believes to be its per-service cost in the proposed network.

This Section provides an opportunity for Vendor to demonstrate the strength of its network.

#### 1.6 Clinical Quality Guarantee

Vendors agree to place \$10 million at risk annually on clinical quality targets. The basis of this guarantee will be to distribute the annual amount at risk evenly over multiple clinical quality categories of importance to the Plan. The guarantee will include ultimate targets for each category to be achieved over the life of the contract term and incremental improvements will be set for each contract year. The expectation is that these quality targets may be updated as needed as mutually agreed between the Plan and the Vendor. Further details regarding the clinical quality guarantees will be developed and mutually agreed upon between the Plan and the Vendor during implementation and prior to the contract effective date.

#### 1.7 Data Certification

Vendors are required to submit a letter of actuarial certification of all information submitted, including but not limited to, data, guarantees, pricing worksheets, etc.

The Vendor's actuary should sign the certification, but signature by either Vendor's CFO or CEO will also be accepted.

## 1.8 Attachments for Attachment A: Cost Proposal

The following attachments taken together make up Attachment A: Cost Proposal.

- Attachment A-1: Census File Format
- Attachment A-2: Network Access for Non-Medicare Membership
- Attachment A-3: Completed Claims Repricing File
- Attachment A-4: Claims Repricing File Layout
- Attachment A-5: Claims Repricing Reconciliation and Explanation
- Attachment A-6: Repricing Summary - Service Category
- Attachment A-7: Repricing Summary - By Provider
- Attachment A-8: Contract Effective Dates and Improvements
- Attachment A-9: Other Provider Payments
- Attachment A-10: Administrative Fees
- Attachment A-11: Trend and Network Pricing Guarantees
- Attachment A-12: Self-Funded Claims Projection

**NOTE: Attachments A-1 through A-12 can be accessed by following the instructions below:**

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type "Third Party" or "2142322766" in the "Search" bar on the top right; and click the search magnifying glass.
3. Click on solicitation number "Doc2142322766."
4. Scroll down to "Attachments" to access the RFP and attachments in the zip file.

## **ATTACHMENT B: INSTRUCTIONS TO VENDORS**

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### **I. READ, REVIEW AND COMPLY**

It shall be the Vendor's responsibility to read this entire document; review all enclosures, attachments, and any Addenda; and comply with all requirements specified, whether appearing in these Instructions to the Vendors or elsewhere in the RFP document.

Any gender-specific pronouns used herein, whether masculine or feminine, shall be read and construed as gender neutral, and the singular of any word or phrase shall be read to include the plural and vice versa.

### **II. NATURE OF PROPOSALS**

The Vendors are cautioned that this is a Request For Proposals, not an offer or request to contract, and the Plan reserves the unqualified right to reject any and all bids at any time if such rejection is deemed to be in the best interest of the Plan.

By submitting your Bid or Proposal, you are offering to enter into a contract with the Plan.

If awarded, the Contract will include this RFP and other documents that represent the Vendor's and the Plan's entire agreement. See Section IV. "Interpretation of Terms and Phrases" of this Attachment and Section 4.14 "Contract Documents and Order of Precedence" of the RFP.

### **III. DUTY TO INQUIRE**

It is the Vendor's duty to read this RFP document in its entirety. The Vendor represents that it has read and understands the RFP and that its Offer is made in compliance with the RFP. The Vendors are expected to examine the RFP thoroughly and shall request an explanation for any ambiguities, discrepancies, errors, omissions, or conflicting statements identified by the Vendor in the RFP. Failure to do so waives the Vendor's right to contest any such issue at a later date. All ambiguities, discrepancies, errors, omissions, or conflicting statements in the RFP shall be interpreted to require the better quality or greater quantity of work and/or materials, unless otherwise directed by an Addendum. The Vendor assumes responsibility for any patent ambiguity in the RFP that the Vendor does not bring to the Plan's attention using the proposal question process detailed in Section 2.5 Proposal Questions of this RFP.

### **IV. INTERPRETATION OF TERMS AND PHRASES**

The RFP document serves two functions: (1) to advise potential Vendors of the parameters of the solution being sought by the Plan; and (2) to provide, together with other documents as specified in Section 4.14, the terms of the Contract resulting from this procurement. The use of phrases such as "shall," "must," and "requirements" are intended to create enforceable contract conditions. In determining whether bids should be evaluated or rejected, the Plan will take into consideration the degree to which the Vendors have proposed or failed to propose solutions that will satisfy the Plan's needs as described in the RFP. Except as specifically stated in the RFP, no one requirement shall automatically disqualify a Vendor from consideration. However, failure to comply with any single requirement may result in the Plan exercising its discretion to reject a Proposal in its entirety.

### **V. BID SUBMISSION**

1. **VENDOR'S REPRESENTATIVE:** Each Vendor shall submit with its bid the name, address, and telephone number of the person(s) with authority to bind the Vendor and answer questions or provide Clarification concerning the Vendor's bid.
2. **SIGNING YOUR PROPOSAL:** Every Proposal must be signed by an individual with actual authority to bind the Vendor.
  - a) If the Vendor is an individual, the Proposal must be signed by that individual. If the Vendor is an individual doing business as a firm, the Proposal must be submitted in the firm name, signed by the individual, and state that the individual is doing business as a firm.
  - b) If the Vendor is a partnership, the Proposal must be submitted in the partnership name, followed by the words "by its partner", and signed by a general partner.
  - c) If the Vendor is a corporation, the Proposal must be submitted in the corporate name, followed by the signature and title of the person authorized to sign.
  - d) A Proposal may be submitted by a joint venture involving any combination of individuals, partnerships, or corporations. If the Vendor is a joint venture, the Proposal must be submitted in the name of the Joint Venture and signed by every participant in the joint venture in the manner prescribed in paragraphs (a) through (c) above for each type of participant.

- e) If a Proposal is signed by an agent, other than as stated in subparagraphs (a) through (d) above, the Proposal must state that it has been signed by an Agent. Upon request, the Vendor must provide proof of the agent's authorization to bind the principal.
3. **EXECUTION:** Failure to sign the Execution Page (numbered page 1 of the RFP document) in the indicated space may render a Proposal nonresponsive, and it may be rejected.
  4. **STATE OFFICE CLOSINGS:** If an emergency or unanticipated event interrupts normal government processes so that Proposals cannot be received at the State office designated for receipt of bids by the exact time specified in the RFP, the time specified for receipt of Proposals will be deemed to be extended to the same time of day specified in the RFP on the first workday on which normal government processes resume. In lieu of an automatic extension, an Addendum may be issued to reschedule the bid opening, in which case the Addendum shall govern. If State offices are closed at the time a pre-bid or pre-proposal conference is scheduled, an Addendum will be issued to reschedule the conference.
  5. **BID IN ENGLISH and DOLLARS:** Proposals submitted in response to this RFP shall be in the English language and in US dollars, unless otherwise permitted by the RFP.
  6. **LATE BIDS:** Late bids, regardless of cause, will not be opened or considered, and will automatically be disqualified from further consideration. It shall be the Vendor's sole responsibility to ensure delivery at the designated office by the designated time.
    - a) The Vendor shall bear the risk for late submission due to unintended or unanticipated delay— whether submitted electronically, delivered by hand, courier, or other delivery service. It is the Vendor's sole responsibility to ensure that its bid has been received by the Plan by the specified time and date of opening. The date and time of submission will be marked on each bid when received, and any bid received after the bid submission deadline will be rejected.
    - b) The U.S. Postal Service does not deliver mail to a specified street address but to the State's Mail Service Center. Due to the likelihood of delay in delivery, the Vendors are not permitted to utilize the U.S. Postal Service to submit their Proposals. Instead, the Vendors must use a different parcel or package delivery service. Moreover, attempts to submit a proposal via facsimile (FAX) machine, telephone, or email in response to this RFP shall NOT be accepted.
  7. **DETERMINATION OF RESPONSIVENESS:** Any Proposal which fails to conform to the material requirements of the RFP may be rejected as nonresponsive. Proposals which impose conditions that modify material requirements of the RFP may be rejected. Any deficiency resulting from a minor informality may be cured or waived at the sole discretion of the Plan.
  8. **CONTENTS OF PROPOSAL:**
    - a) Proposals should be complete and carefully worded and should convey all of the information requested.
    - b) Proposals should be prepared simply and economically, providing a straightforward, concise description of the Vendor's capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.
    - c) If your Proposal includes any comment over and above the specific information requested in the RFP, you are to include this information as a separate appendix to your Proposal. Proposals which include either modifications to any of the RFP's contractual requirements or a Vendor's standard terms and conditions may be deemed non-responsive and not considered for award at the Plan's discretion.
  9. **MULTIPLE PROPOSALS.** If specifically stated in the RFP document, the Vendors may submit more than one Proposal, provided that each Proposal has significant differences other than price. Each separate Proposal must satisfy all RFP requirements.
  10. **CLARIFICATION:** The Plan may elect to communicate with you after bid opening for the purpose of clarifying either your Proposal or the requirements of the RFP. Such communications may be conducted only with the Vendors who have submitted a Proposal which conforms in all material aspects to the RFP. Clarification of a Proposal must be documented in writing and included with the Proposal. Clarifications may not be used to revise a Proposal or the RFP. Notwithstanding the foregoing, the Plan may allow a Vendor to rescind conflicting language within a Vendor's proposal.
  11. **ACCEPTANCE AND REJECTION:** The Plan reserves the right to reject any and all bids, to waive any informality in bids and, unless otherwise specified by the Vendor, to accept any item in the bid. If either a unit price or an extended price is obviously in error and the other is obviously correct, the incorrect price will be disregarded. Regardless of error or omission, a Vendor shall not be permitted to increase its pricing after the deadline for submitting bids.
  12. **BASIS FOR REJECTION:** The Plan reserves the right to reject any and all Proposals, in whole or in part, by deeming the Proposal unsatisfactory as to quality or quantity, delivery, price or service offered, non-compliance with the requirements

or intent of this RFP, lack of competitiveness, error(s) in specifications or indications that revision would be advantageous to the Plan, cancellation or other changes in the intended project or any other determination that the proposed requirement is no longer needed, limitation or lack of available funds, circumstances that prevent determination of the best offer, or any other determination that rejection would be in the best interest of the Plan.

13. **INFORMATION AND DESCRIPTIVE LITERATURE:** The Vendor shall furnish all information requested in the RFP document. Further, if required elsewhere in this bid, each Vendor shall submit with its bid any sketches, descriptive literature, and/or complete specifications covering the goods and Services offered. Reference to literature submitted with a previous bid or available elsewhere will not satisfy this provision. **Do not submit bid samples or descriptive literature unless expressly requested.** Unsolicited bid samples or descriptive literature will not be examined or tested, will not be used to determine responsiveness, and will not be deemed to vary any of the provisions of the RFP. Failure to comply with these requirements shall constitute sufficient cause to reject a bid without further consideration.
14. **WITHDRAWAL OF BID OR PROPOSAL:** Proposals submitted electronically may be withdrawn at any time prior to the date for bid opening identified on the cover page of this RFP document (or such later date included in an Addendum). Proposals that have been delivered by hand, U.S. Postal Service, courier, or other delivery service may be withdrawn **only** in writing and if receipt is acknowledged by the Plan prior to the time for opening identified on the cover page of the RFP document (or such later date included in an Addendum). Written withdrawal requests shall be submitted on the Vendor's letterhead and signed by an official of the Vendor authorized to make such request. Any withdrawal request made after bid opening shall be allowed only for good cause shown and in the sole discretion of the Plan.
15. **COST FOR BID OR PROPOSAL PREPARATION:** Any costs incurred by the Vendor in preparing or submitting Proposals are the Vendor's sole responsibility.
16. **INSPECTION AT VENDOR'S SITE:** The Plan reserves the right to inspect, at a reasonable time, the equipment, item, plant, or other facilities of a prospective Vendor prior to Contract award, and during the Contract term as necessary for the Plan's determination that such equipment, item, plant, or other facilities conform with the specifications/requirements and are adequate and suitable for the proper and effective performance of the Contract.
17. **CERTIFICATE TO TRANSACT BUSINESS IN NORTH CAROLINA:** As a condition of Contract award, each Vendor that is a corporation, limited-liability company, or limited-liability partnership shall have received, and shall maintain throughout the term of the Contract, a Certificate of Authority to Transact Business in North Carolina from the North Carolina Secretary of State, as required by North Carolina law.
18. **SUSTAINABILITY:** To support the sustainability efforts of the State of North Carolina we solicit your cooperation in this effort. Pursuant to Executive Order 156 (1999), it is desirable that all responses meet the following:
  - a) If paper copies are requested, all copies of the bid are printed double sided. All submittals and copies are printed on recycled paper with a minimum post-consumer content of 30%.
  - b) Unless absolutely necessary, all bids and copies should minimize or eliminate use of non- recyclable or non-reusable materials such as plastic report covers, plastic dividers, vinyl sleeves, and GBC binding. Three-ringed binders, glued materials, paper clips, and staples are acceptable.
19. Materials should be submitted in a format which allows for easy removal, filing and/or recycling of paper and binder materials. Use of oversized paper is strongly discouraged unless necessary for clarity or legibility.
20. **INELIGIBLE VENDORS:** As provided in G.S. 147-86.59 and G.S. 147-86.82, the following companies are ineligible to contract with the State of North Carolina or any political subdivision of the State:
  - a) any company identified as engaging in investment activities in Iran, as determined by appearing on the Final Divestment List created by the State Treasurer pursuant to G.S. 147-86.58, and
  - b) any company identified as engaged in a boycott of Israel as determined by appearing on the List of restricted companies created by the State Treasurer pursuant to G.S. 147-86.81.

A contract with the State or any of its political subdivisions by any company identified in a) or b) above shall be void *ab initio*.
21. **VALID TAXPAYER INFORMATION:** All persons or entities desiring to do business with the State must provide correct taxpayer information on North Carolina specified forms.
22. **VENDOR REGISTRATION AND SOLICITATION NOTIFICATION SYSTEM:** The North Carolina electronic Vendor Portal ("eVP") allows Vendors to electronically register free with the State to receive electronic

notification of current procurement opportunities available as well as notifications of status changes to those Solicitations. Online registration and other purchasing information is available at the following website: <https://evp.nc.gov>.

The status of a Vendor's E-Procurement Services account(s) shall be considered a relevant factor in determining whether to approve the award of a Contract resulting from this RFP document. Any Vendor with an E-Procurement Services account that is in arrears by 91 days or more at the time of bid opening may be suspended or deactivated, at the Plan's discretion, and may be disqualified from further evaluation or consideration.

23. **TABULATIONS:** Bid tabulations can be electronically retrieved at the eVP, <https://evp.nc.gov>. Tabulations will normally be available at this web site after the bid opening and prior to award, if applicable. Lengthy or complex tabulations may be summarized, with other details not made available on eVP. Requests for additional details or information concerning such tabulations cannot be honored.
24. **CONFIDENTIAL INFORMATION:** To the extent permitted by applicable statutes and rules, the Plan will maintain the confidentiality of trade secrets that are submitted as part of each Vendor's Proposal. However, the Plan is subject to the Public Records Act, N.C.G.S. § 132.1, *et seq.* Vendor information that cannot be shown to be, e.g., a trade secret, may be subject to public disclosure under the terms of the Public Records Act. Blanket assertions of confidentiality are not favored, but confidentiality of specific material meeting one or more exceptions in the Public Records Act will be honored.

As a condition to confidential treatment of any documents submitted during the term of this Contract, each page containing trade secret information shall be identified in boldface at the top and bottom as "CONFIDENTIAL" by Vendor, with specific trade secret information enclosed in boxes, marked in a distinctive color, or identified by similar indication. Cost information shall not be deemed confidential under any circumstances. Regardless of what a Vendor may label as a trade secret, the determination whether it is or is not entitled to protection will be made in accordance with N.C.G.S. § 132-1.2. Any material labeled confidential constitutes a representation by the Vendor that it has made a reasonable effort in good faith to determine that such material is, in fact, a trade secret under N.C.G.S. § 132-1.2. Vendors are urged to limit the marking of information as a trade secret or as confidential so far as is possible. If a legal action is brought to require the disclosure of any material so marked confidential, it is the Vendor's responsibility to defend the confidential status of its information; the Plan will notify the Vendor of such action and not oppose the Vendor's effort to defend its information. When redacting portions of the Proposal as permitted by other sections of this RFP, all redactions shall be made in **BLACK** so that the redactions are easily identifiable by the Plan.

25. **COMMUNICATIONS BY VENDORS:** In submitting its bid, the Vendor agrees not to discuss or otherwise reveal the contents of its bid to any source, government or private, outside of the Plan until after the award of the Contract or cancellation of this RFP. All Vendors are forbidden from having any communications with the Plan, or any other representative of the Plan concerning the RFP, during the evaluation of the bids (i.e., after the public opening of the bids and before the award of the Contract), unless the Plan directly contacts the Vendor(s) for purposes of seeking Clarification or another reason permitted by the RFP. A Vendor shall not: (a) transmit to the Plan any information commenting on the ability or qualifications of any other Vendor to provide the advertised good, equipment, or commodity; (b) identify defects, errors and/or omissions in any other Vendor's bid and/or prices at any time during the procurement process; and/or (c) engage in or attempt any other communication or conduct that could influence the evaluation or award of a Contract related to this RFP. Failure to comply with this requirement shall constitute sufficient justification to disqualify a Vendor from a Contract award. Only those communications with the Plan which authorized by this RFP are permitted.
26. **INFORMAL COMMENTS:** The Plan shall not be bound by informal explanations, instructions or information given at any time by anyone on behalf of the Plan during the competitive process or after award. The Plan is bound only by information provided in writing in this RFP document and in formal Addenda.
27. **PROTEST PROCEDURES:** To protest a contract award, the Vendor shall submit a written request for a protest meeting addressed to: Executive Administrator, North Carolina State Health Plan, 3200 Atlantic Avenue, Raleigh, NC 27604. The request must be received by the Plan within fifteen (15) days from the date of Contract award. The written request shall contain specific reasons for the protest, including a fulsome explanation of those reasons that permits the Plan to properly evaluate the request, and any documentation necessary to support the protest. If the request does not contain this information or if the Executive Administrator determines that a meeting would serve no purpose, then the Executive Administrator may, within thirty (30) State Business Days from the date of receipt of the request, respond in writing to the Vendor and deny the request for a protest meeting.

If the request for a protest meeting is granted, the Executive Administrator will attempt to schedule the meeting within thirty (30) State Business Days after receipt of the Vendor's written request, or as soon as reasonably possible after receipt. Within ten (10) State Business Days from the date of the protest meeting, the Executive Administrator will respond to the

Vendor in writing with the Executive Administrator's decision regarding the Vendor's protest of the Contract award.

Inclusion of this protest procedure is not intended to, and does not, waive, the Plan's exemption from Article 3 of Chapter 143 of the North Carolina General Statutes or any rules promulgated thereunder.

28. **ORDER OF PRECEDENCE:** See Section 4.14 Contract Documents and Order of Precedence.
29. **ADDENDA:** Critical updated information may be included in Addenda to the RFP. It is important that all Vendors bidding on the RFP periodically check for any Addenda that may be issued prior to the bid opening date. All Vendors shall be deemed to have read and understood all information in the RFP document and all Addenda thereto. The Vendors are also responsible for obtaining and complying with all Addenda and other changes that may be issued concerning the RFP.
30. **ORAL EXPLANATIONS NON-BINDING:** Oral explanations or instructions will not be binding. Any information given to a prospective Vendor concerning an RFP will be furnished promptly to all other prospective Vendors as an Addendum to the RFP, if that information is necessary for submitting Proposals or if the lack of it would be prejudicial to other prospective Vendors. See clause herein entitled "Duty to Inquire." The Plan will not identify you in its answer to your question.
31. **MAXIMUM COMPETITION:** The Plan seeks to permit the maximum practicable competition. The Vendors are urged to advise the Plan, as soon as possible, regarding any aspect of this procurement, including any aspect of the RFP that unnecessarily or inappropriately limits full and open competition. If the Plan determines that any changes will be made resulting from the questions asked, then such decisions will be communicated in the form of an Addendum.
32. **FIRM PROPOSAL:** The Vendor's bid shall constitute a firm offer. By execution and delivery of a bid in response to a RFP, the Vendor agrees that any additional or modified terms and conditions, whether submitted purposefully or inadvertently, shall have no force or effect, and will be disregarded. Any bid that contains language that indicates the bid is non-binding or subject to further negotiation before a contractual document may be signed shall be rejected.

## ATTACHMENT C: GENERAL TERMS AND CONDITIONS

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### 1. ACCESS TO PERSONS AND RECORDS:

- (a) Pursuant to NCGS §§ 147-64.7 and 143-49(9), during the term of this Contract—and after such term until the expiration of any relevant period required for retention of records by State law—the State Auditor; the Plan’s internal auditors; the Joint Legislative Commission on Governmental Operations (“Gov Ops Commission”); and any legislative employees whose primary responsibility is to provide professional or administrative services to the Commission in furtherance of its purposes, shall have access to persons and records related to the Contract to verify accounts and data affecting fees or performance under the Contract. However, if any audit, litigation or other action arising out of or related in any way to this project is commenced before the end of such retention of records period, the records shall be retained for one (1) year after all issues arising out of the action are finally resolved or until the end of the record retentions period, whichever is later.
- (b) The Joint Legislative Commission on Governmental Operations has the authority to:
1. Study the efficiency, economy and effectiveness of any non-state entity receiving money from either the Plan or another State Entity in connection with this Contract.
  2. Evaluate the implementation of public policies, as articulated by enacted law, administrative rule, executive order, policy, or local ordinance, by any non-state entity money from either the Plan or another State Entity in connection with this Contract.
  3. Investigate possible instances of misfeasance, malfeasance, nonfeasance, mismanagement, waste, abuse, or illegal conduct by officers and employees of a non-state entity receiving, directly or indirectly, money from the Plan or from a State Entity in connection with this Contract, as it relates to the officer’s or employee’s responsibilities regarding the receipt of money from either the Plan or another State Entity in connection with this Contract.
  4. Receive reports as required by law or as requested by the Commission.
  5. Access and review
    - a. Any documents or records related to any contract awarded by a state agency, including the documents and records of the contractor, that the Commission determines will assist in verifying accounts or will contain data affecting fees or performance; and
    - b. Any records related to any subcontract of a contract awarded by a state agency that is utilized to fulfill the contract, including, but not limited to (i) records related to the drafting and approval of the subcontract, and (ii) documents and records of the contractor or Subcontractor that the Commission determines will assist in verifying accounts or will contain data affecting fees or performance.
- (c) The Joint Legislative Commission on Governmental Operations has the power to:
1. Compel access to any document or system of records held by a non-state entity receiving, directly or indirectly, money from either the Plan or another State Entity in connection with this Contract, to the extent the documents relate to the receipt, purpose or implementation of a program or service paid for with money from either the Plan or another State Entity in connection with this Contract.
  2. Compel attendance of any officer or employee of any non-state entity receiving money from either the Plan or another State Entity in connection with this Contract, provided the officer or employee is responsible for implementing a program or providing a service paid for with money from either the Plan or another State Entity in connection with this Contract.

- (d) Unless prohibited by federal law, the Commission and Commission staff in the discharge of their duties under this Article shall be provided access to any building or facility owned or leased by a non-state entity receiving money from either the Plan or another State Entity in connection with this Contract provided (i) the building or facility is used to implement a program or provide a service paid for with funds originating from public sources and (ii) the access is reasonably related to the receipt, purpose, or implementation of a program or service paid for with money from either the Plan or another State Entity in connection with this Contract.
  - (e) Any confidential information obtained by the Commission shall remain confidential and is not a public record as defined in G.S. 132-1.
  - (f) Any document or information obtained or produced by Commission staff in furtherance of staff's duties to the Commission is confidential and is not a public record as defined in G.S. 132-1.
  - (g) A person who conceals, falsifies, or refuses to provide to the Commission any document, information, or access to any building or facility as required by this Article with the intent to mislead, impede, or interfere with the Commission's discharge of its duties under this Article shall be guilty of a Class 2 misdemeanor.
2. **ADVERTISING:** The Vendor agrees not to use the existence of the Contract, the name of the State of North Carolina, or the name of the Plan as part of any commercial advertising or marketing of Products or Services except as provided in 01 NCAC 05B.1516. A Vendor may inquire whether the Plan is willing to be included on a listing of its existing customers.
3. **AMENDMENTS:** This Contract may be amended only by a written amendment duly executed by the Plan and the Vendor. Notwithstanding this requirement, (1) if needed or applicable, the addition of BRDs or Implementation Plans or ADMs not modifying any part of the Cost Proposal may be developed or modified in writing and signed by the Vendor's Contract Administrator for day-to-day activities or other individual authorized to bind the Vendor, and the Plan's Contract Administrator for day-to-day activities or other designee approved by the Plan's Executive Administrator; and (2) due dates referenced in the technical requirements and specifications as "to be determined by the Plan" will be established in writing by the Plan's Contract Administrator for day-to-day activities through either the Implementation Plan, a BRD, or an ADM. Such documents are incorporated into the Contract when signed and are given the precedence as set forth in Section 4.14 Contract Documents.
4. **ASSIGNMENT OR DELEGATION OF DUTIES:** No assignment of the Vendor's obligations nor the Vendor's right to receive payment hereunder shall be permitted. However, upon written request approved by the Plan and solely as a convenience to the Vendor, the Plan may:
- (a) Forward the Vendor's payment check directly to any person or entity designated by the Vendor; and
  - (b) Include any person or entity designated by the Vendor as a joint payee on the Vendor's payment check.
- In no event shall such approval and action obligate the Plan to anyone other than the Vendor and the Vendor shall remain responsible for fulfillment of all Contract obligations. Upon advance written request, the Plan may, in its unfettered discretion, approve an assignment to the surviving entity of a merger, acquisition or corporate reorganization, if made as part of the transfer of all or substantially all of the Vendor's assets. Any purported assignment made in violation of this provision shall be void and a material breach of the Contract.
5. **AVAILABILITY OF FUNDS:** The Vendor agrees that funding for each applicable fiscal year of the Agreement shall be subject to the General Assembly allocating the necessary funds to the Plan. In the event that the Plan does not receive funding for any subsequent fiscal year, the Plan has the right to terminate the Agreement but shall not be entitled to a refund for any prepaid funds.
6. **CARE OF STATE DATA AND PROPERTY:** Any State property, information, data, instruments, documents, studies or reports given to or prepared or assembled by or provided to the Vendor under the Contract shall be kept as confidential, used only for the purpose(s) required to perform the Contract and not divulged or made available to any individual or organization without the prior written approval of the State.

The State's data and property in Vendor's possession and/or control shall be protected from unauthorized disclosure, loss, damage, destruction by a natural event or another eventuality. The Vendor agrees to reimburse the State for loss or damage of State property while in the Vendor's custody. Such State Data shall be returned to the State in a form acceptable to the State upon the termination or expiration of this Agreement, as provided by the Business Associate Agreement executed along with this Contract or Attachment L: Minimum Information Security Requirements, for PHI and State Data, respectively.

**Notice** is hereby given to the Vendor that the NC Department of Information Technology (DIT) has requirements relating to the security of the State network, and rules relating to the use of the State network, IT software and equipment, that the Vendor must comply with, as applicable. See, e.g., N.C.G.S. § 143B-1376.

7. **CHANGE IN CORPORATE STRUCTURE:** In cases where Vendor is involved in corporate consolidations, acquisitions, or mergers, the parties in those actions may negotiate agreements for the transfer of contractual obligations and the continuance of contracts within the framework of the new corporate structure, subject to Plan approval and the terms of this Contract.
8. **COMPLIANCE WITH LAWS:**
  - (a) Vendor shall comply with all federal and State laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business and performance in accordance with this Contract.
  - (b) Vendor shall comply with all provisions of Article 3B of Chapter 135 of the North Carolina General Statutes that are applicable to the conduct of its business and performance in accordance with this Contract.
  - (c) Vendor is responsible for ensuring its Subcontractors comply with all laws, rules, regulations, and licensing requirements applicable to Vendor's performance under this Contract and those laws, rules, or regulations of federal and State agencies having jurisdiction over the subject matter of this Contract, whether in effect when this Contract is signed, or becoming effective during the term of this Contract.
9. **CONFIDENTIAL INFORMATION AND HIPAA REQUIREMENTS:**
  - (a) Vendor, its agents, and its Subcontractors shall maintain the privacy, security and confidentiality of all data, information, working papers, instruments, studies, reports, and other documents related to the Contract in accordance with the standards of the Plan privacy and security policies, State regulations, and federal regulations including: N.C. Gen. Stat. § 135-48.10(a), the Privacy Rule at 45 C.F.R. Parts 160 and 164, subparts A and E, the Security Standards at 45 C.F.R. Parts 160, 162 and 164, subparts A and C ("the Security Rule"), Breach Notification Rule at 45 CFR Part 164.400-414, Minimum Necessary Standard ("The Minimum Necessary Rule") at 45 CFR 164.502(b), 164.514(d), as required by HIPAA, and the applicable provisions of the Health Information Technology for Economic and Clinical Health Act (HITECH).
  - (b) Vendor shall treat all information obtained through its performance under the Contract as confidential information and shall not use such information except as provided under this Contract. Vendor shall implement necessary privacy and security measures to safeguard the receipt, storage, and processing of confidential information arising under this Contract, including the use of strong encryption algorithms meeting NIST criteria and HIPAA security standards to encrypt all confidential information including Protected Health Information (PHI) and personally identifiable information (PII) while in transit and at rest. Any use, sale, disclosure, or offer of Plan confidential information to any individual or organization except as contemplated under the Contract or approved in writing by the Plan shall be a violation of the Contract. Any such violation will be considered a material breach of the Contract.
  - (c) Vendor warrants that all its employees and Subcontractors, and any approved third-party vendors shall hold all information received during performance of the Contract in the strictest confidence and shall not disclose the same to any third party except as contemplated under the Contract or approved in writing by the Plan. Vendor warrants that its employees, Subcontractors, and any approved third-party vendors are subject to a non-disclosure, confidentiality or similar agreement that is enforceable in North Carolina and sufficient in breadth to include and protect confidential information related to the Contract. Vendor shall, upon request by the Plan, verify and produce true copies of any such policies and procedures or agreements. Production of such agreements by Vendor may be made subject to applicable confidentiality, non-disclosure, or privacy laws, provided that Vendor produces satisfactory evidence supporting exclusion of such agreements from disclosure under the North Carolina Public Records laws in N.C. Gen. Stat. § 132-1 et. seq. The

Plan may, in its sole discretion, provide a non-disclosure and confidentiality agreement satisfactory to the Plan for Vendor's execution. The Plan may exercise its rights under this paragraph as necessary or proper, in its discretion, to comply with applicable security regulations or statutes, including but not limited to 26 U.S.C. 6103, SSA, and IRS Publication 1075 (Tax Information Security Guidelines for Federal, State, and Local Agencies and Entities), HIPAA, and implementing regulation in the Code of Federal Regulations and any future regulations imposed upon the North Carolina Department of Information Technology Services or the North Carolina Department of Revenue pursuant to future statutory or regulatory requirements.

- (d) The Plan and its auditors shall have access to either Party's confidential information in accordance with the requirements of State and federal laws and regulations. No other person or entity shall be granted access to confidential information unless State law, federal law, or State or federal regulations allow such access. Use or disclosure of confidential information shall be limited to purposes directly connected with the administration of the Contract.
- (e) Vendor warrants that without prior written approval of the Plan, Vendor shall not incorporate confidential or proprietary information of any person or entity not a party to the Contract into any materials furnished to the Plan, nor without such approval shall Vendor disclose to the Plan or induce the Plan to use any confidential or proprietary information of any person or entity not a party to the Contract.
- (f) The foregoing confidential information provisions do not prevent Vendor from disclosing information that (a) at the time of disclosure by the Plan is already known by Vendor without an obligation of confidentiality other than under this Contract, (b) is publicly known or becomes publicly known through no act of Vendor other than an act that is authorized by the Plan, (c) is rightfully received by Vendor from a third party and Vendor has no reason to believe that the third party's disclosure was in violation of an obligation of confidence to the Plan, (d) is independently developed by Vendor without use of the Department's confidential information, (e) is disclosed without similar restrictions to a third party by the Plan, or (f) is required to be disclosed pursuant to a requirement of law or a governmental authority, so long as Vendor, to the extent possible provides the Plan with timely prior notice of such requirement and coordinates with the State in an effort to limit the nature and scope of such required disclosure.
- (g) The Department has declared itself to be a hybrid entity under HIPAA with the Plan being a covered health care component. As such, this Contract and related activities are subject to HIPAA and Health Information Technology for Economic and Clinical Health Act (HITECH). Vendor shall comply with all HIPAA and HITECH requirements and regulations, as amended, including:
  - i. Compliance with the Privacy Rule, Security Rule, and Notification Rule;
  - ii. The development of and adherence to applicable Privacy and Security Safeguards and Policies;
  - iii. Reviewing Plan HIPAA policies within thirty (30) days of execution of the Contract. Policies can be accessed here: [https://www.shpnc.gov/policies-and-procedures/HIPAA Privacy Manual.pdf](https://www.shpnc.gov/policies-and-procedures/HIPAA%20Privacy%20Manual.pdf)
  - iv. Timely reporting of violations regarding the access, use, and disclosure of Protected Health Information (PHI); and
  - v. Timely reporting of privacy and/or security incidents to:

The North Carolina State Health Plan for Teachers and State Employees  
 Attention: HIPAA Privacy Officer  
 3200 Atlantic Avenue, Raleigh, NC 27604  
 919-814-4400  
 And electronically to:  
 SHPPrivacySecurity@nctreasurer.com

- (h) Vendor shall be performing functions on behalf of the Plan that make Vendor a business associate for purposes of HIPAA regulations. Vendor and this Contract are subject to the terms and conditions of the Business Associate Agreement (BAA) attached to this Contract.
- (i) Vendor shall cooperate and coordinate with the Plan and its privacy officials and other compliance officers as mandated by HIPAA and HITECH and accompanying regulations, or as requested by the Plan, during performance of the Contract so that both Parties are in compliance with HIPAA and HITECH.

- (j) In addition to federal law and regulation, Vendor shall comply with State rules and regulation regarding protected information and Plan and State policies including State IT Security Policy and standards. These policies may be revised periodically and Vendor shall comply with all such revisions.
- (k) **North Carolina Identity Theft Protection Act and Other Protections:** Certain data and information received, generated, maintained or used by Vendor may be classified as “identifying information” within the meaning of NCGS 14-113.20(b) or “personal information” within the meaning of NCGS 75-61(10). Vendor is subject to the North Carolina Identity Theft Protection Act requirements, NCGS 132-1.10 and NCGS 75-65 and must protect such identifying information and personal information as required by law, Plan and State policy, and the terms of this Contract. Vendor shall report security incidents and breaches of all protected information, whether PHI, identifying information, or personal information as required in these Confidentiality, Privacy, and Security Provisions.
- (l) This Paragraph 9: Confidential Information and HIPAA Requirements shall survive termination or expiration of the Contract for any reason.

#### 10. **DEFAULT AND TERMINATION:**

- (a) In the event of default by the Vendor, the Plan may, as provided by NC law, procure goods and Services necessary to complete performance hereunder from other sources and hold the Vendor responsible for any excess cost occasioned thereby. See N.C.G.S. 25-2-712. In addition, and in the event of default by the Vendor under the Contract, or upon the Vendor filing a petition for bankruptcy or the entering of a judgment of bankruptcy by or against the Vendor, the Plan may immediately cease doing business with the Vendor, terminate the Contract for cause, and take action to recover relevant damages, and seek to have the Vendor debarred by the Department of Administration from doing future business with the State. See 01 NCAC 05B.1520.

If, through any cause, the Vendor shall fail to fulfill in a timely and proper manner the obligations under the Contract, including, without limitation, in these General Terms and Conditions, the Plan shall have the right to terminate the Contract by giving thirty days written notice to the Vendor and specifying the effective date thereof. In that event, any or all finished or unfinished Deliverables that are prepared by the Vendor under the Contract shall, at the option of the Plan, become the property of the Plan (and under any applicable Vendor license to the extent necessary for the Plan to use such property), and the Vendor shall be entitled to receive just and equitable compensation for any acceptable Deliverable completed (or partially completed at the Plan’s option) as to which such option is exercised. Notwithstanding, the Vendor shall not be relieved of liability to the Plan for damages sustained by the Plan by virtue of any breach of the Contract, and the Plan may withhold any payment due the Vendor for the purpose of setoff until such time as the exact amount of damages due the Plan from such breach can be determined. The Plan, if insecure as to receiving proper performance or provision of goods Deliverables, or if documented Vendor Services performance issues exist, under this Contract, may require at any time a performance bond or other alternative Performance Guarantees from a Vendor without expense to the Plan as provided by applicable law.

- (b) If this Contract contemplates deliveries or performance over a period of time, the Plan may terminate this Contract for convenience at any time by providing 60 days’ notice in writing from the Plan to the Vendor. In that event, any or all finished or unfinished Deliverables prepared by the Vendor under this Contract shall, at the option of the Plan, become its property, and under any applicable Vendor license to the extent necessary for the Plan to use such property. If the Contract is terminated by the Plan for convenience, the Plan shall pay for those items or Services for which such option is exercised, less any payment or compensation previously made.

#### 11. **DISPUTE RESOLUTION**

During the performance of the Contract, the Parties agree that it is in their mutual interest to resolve disputes informally. Any claims by the Vendor shall be submitted in writing to the Plan’s Contract Administrator regarding day-to-day activities for resolution. Any claims by the Plan shall be submitted in writing to the Vendor’s Account Manager for resolution. The Parties shall agree to negotiate in good faith and use all reasonable efforts to resolve such dispute(s). During the time the Parties are attempting to resolve any dispute, each shall proceed diligently to perform their respective duties and responsibilities under this Contract. The Parties will agree on a reasonable amount of time to resolve a dispute. If a dispute cannot be resolved

between the Parties within the agreed upon period, either Party may elect to exercise any other remedies available under the Contract, or at law. This provision, when agreed in the Contract, shall not constitute an agreement by either Party to mediate or arbitrate any dispute.

12. **ELECTRONIC PROCUREMENT: (G.S. 143-48.3)**

(a) GENERALLY APPLICABLE TO GOODS AND SERVICES PURCHASES:

1. Purchasing shall be conducted through the Statewide E-Procurement Service. The State's third-party agent shall serve as the Supplier Manager for this E-Procurement Service. The Vendor shall register for the Statewide E-Procurement Service within two (2) State Business Days of notification of award in order to receive an electronic purchase order resulting from award of this Contract.
  2. The Supplier Manager will capture an order from a State approved user, including the shipping and payment information, and submit the order in accordance with E-Procurement Service procedures. Subsequently, the Supplier Manager will send those orders to the appropriate Vendor on State Contract. The State or State-approved user, not the Supplier Manager, shall be responsible for the solicitation, bids received, evaluation of bids received, award of Contract, and the payment for goods delivered.
  3. The Vendor Shall at all times maintain the confidentiality of its username and password for the Statewide E-Procurement Services. The Vendor shall be responsible for all activity and all charges by its agents or employees. The Vendor agrees not to permit a third party to use its E-Procurement Services account. If there is a breach of security through the Vendor's account, the Vendor shall immediately change its password and notify the Supplier Manager of the Security Breach by email. The Vendor shall cooperate with the State and the Supplier Manager to mitigate and correct any Security Breach.
13. **ELECTRONIC RECORDS**: The State will digitize all Vendor responses to the relevant solicitation, if not received electronically, as well as any awarded Contract together with associated procurement-related documents. These electronic copies shall constitute a preservation record and shall serve as the official record of this procurement with the same force and effect as the original written documents comprising such record. Any official electronic copy, printout, or other output readable by sight shown to reflect such record accurately shall constitute an "original."
14. **ENTIRE AGREEMENT**: The Contract (including any documents mutually incorporated specifically therein) resulting from this RFP represents the entire agreement between the Parties and supersedes all prior oral or written statements or agreements. All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the Contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable federal or State law.
15. **FALSE CLAIMS ACT**: As an agency of the State, Vendors who receive payment from the Plan are subject to the North Carolina False Claims Act, N.C.G.S. § 1-607, et seq. Vendors who knowingly submit false claims or intentionally misrepresent information in order to receive funds from the Plan may be liable under the North Carolina False Claims Act. If it comes to the Plan's attention that a Vendor may have violated the North Carolina False Claims Act to obtain funds from the Plan, the Plan will refer the matter to the North Carolina Department of Justice for investigation and appropriate resolution, including prosecution if necessary to recover any funds wrongly received. The Vendor agrees that by entering this Agreement and receiving payment from the Plan, it is subject to and will comply with the North Carolina False Claims Act. The Vendor also agrees that it will comply with any Civil Investigative Demands properly issued by the Attorney General under N.C.G.S. § 1-614 to investigate any potential violations of the North Carolina False Claims Act.
16. **FORCE MAJEURE**: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations as a result of events beyond its reasonable control, including, without limitation, fire, power failures, any act of war, hostile foreign action, nuclear explosion, riot, strikes or failures or refusals to perform under subcontracts, civil insurrection, earthquake, hurricane, tornado, other catastrophic epidemic or pandemic, natural event or Act of God.

17. **GENERAL INDEMNITY:**

- (a) The Vendor shall indemnify, defend and hold and save the State, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses accruing or resulting to any other person, firm, or corporation furnishing or supplying work, Services, materials, or supplies in connection with the performance of the Contract, and also from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the Vendor in the performance of the Contract that are attributable to the negligence or intentionally tortious acts of the Vendor, provided that the Vendor is notified in writing within 30 days from the date that the State has knowledge of such claims.
- (b) The Vendor, at its own expense, shall defend any action brought against the State under this section. The State shall have the option to participate in such action at its own expense.
- (c) The Vendor represents and warrants that it shall make no claim of any kind or nature against the State’s agents who are involved in the delivery or processing of the Vendor’s Deliverables or Services as part of this Contract with the State.
- (d) As part of this provision for General indemnity, if federal funds are involved in this procurement, the Vendor warrants that it will comply with all relevant and applicable federal requirements and laws, and will indemnify, defend, and hold and save the State harmless from any claims or losses resulting to the State from the Vendor’s noncompliance with such federal requirements or law in the performance of this Contract. The representations and warranties in the preceding two sentences shall survive the termination or expiration of the Contract.
- (e) The State is precluded from indemnifying the Vendor due to constitutional restrictions. The State is also precluded from participating in arbitration, which effectively and unacceptably waives jury trial. See N.C.G.S. 22B-3, -10.

18. **GOVERNMENTAL RESTRICTIONS:** In the event any Governmental restrictions are imposed which necessitate alteration of the goods, material, quality, workmanship, or performance of the Services offered, prior to acceptance, it shall be the responsibility of the Vendor to notify the State Contract Lead or Administrator indicated in the Contract at once, in writing, indicating the specific regulation which requires such alterations. The Plan reserves the right to accept any such alterations, including any price adjustments occasioned thereby, or to cancel the Contract.

19. **INSURANCE:**

- (a) **COVERAGE** – During the term of the Contract, the Vendor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the Contract. As a minimum, the Vendor shall provide and maintain the following coverage and limits:
  - 1. **Worker’s Compensation** – The Vendor shall provide and maintain Worker’s Compensation Insurance, as required by the laws of North Carolina, as well as employer’s liability coverage with minimum limits of \$500,000.00, covering all of the Vendor’s employees who are engaged in any work under the Contract in North Carolina. If any work is sub-contracted, the Vendor shall require the Subcontractor to provide the same coverage for any of its employees engaged in any work under the Contract within the State.
  - 2. **Commercial General Liability** – General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$1,000,000.00 Combined Single Limit. Defense cost shall be in excess of the limit of liability.
  - 3. **Automobile** – Automobile Liability Insurance, to include liability coverage, covering all owned, hired, and non-owned vehicles, used within North Carolina in connection with the Contract. The minimum combined single limit shall be \$500,000.00 bodily injury and property damage; \$500,000.00 uninsured/under insured motorist; and \$5,000.00 medical payment.

4. **Cybersecurity** - Vendor shall obtain and maintain Cybersecurity Insurance with limits of at least \$5,000,000 per claim and aggregate and including without limitation coverage for sending breach notifications to, and providing credit monitoring for, affected individuals; investigating a breach; and paying any fines related to a breach.

(b) **REQUIREMENTS** – Providing and maintaining adequate insurance coverage is a material obligation of the Vendor and is of the essence of the Contract. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The Vendor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or the Contract. The limits of coverage under each insurance policy maintained by the Vendor shall not be interpreted as limiting the Vendor’s liability and obligations under the Contract.

20. **INTELLECTUAL PROPERTY WARRANTY AND INDEMNITY:** The Vendor shall hold and save the Plan, its officers, agents and Employees, harmless from liability of any kind, including costs and expenses, resulting from infringement of the rights of any third party in any Services or copyrighted material, patented or patent-pending invention, article, device or appliance delivered in connection with the Contract.

(a) The Vendor warrants to the best of its knowledge that:

1. Performance under the Contract does not infringe upon any intellectual property rights of any third party; and
2. There are no actual or threatened actions arising from, or alleged under, any intellectual property rights of any third party.

(b) Should any Deliverables supplied by the Vendor become the subject of a claim of infringement of a patent, copyright, trademark or a trade secret in the United States, the Vendor, shall at its option and expense, either procure for the Plan the right to continue using the Deliverables, or replace or modify the same to become non-infringing. If neither of these options can reasonably be taken in the Vendor’s judgment, or if further use shall be prevented by injunction, the Vendor agrees to cease provision of any affected Deliverables and refund any sums the Plan has paid the Vendor for such Deliverables and make every reasonable effort to assist the Plan in procuring substitute Deliverables. If, in the sole opinion of the Plan, the cessation of use by the Plan of any such Deliverables due to infringement issues makes the retention of other items acquired from the Vendor under this Agreement impractical, the Plan shall then have the option of terminating the Agreement, or applicable portions thereof, without penalty or termination charge; and the Vendor agrees to refund any sums the Plan paid for unused Services or other Deliverables.

(c) The Vendor, at its own expense, shall defend any action brought against the Plan to the extent that such action is based upon a claim that the Deliverables supplied by the Vendor, their use or operation, infringe on a patent, copyright, trademark or violate a trade secret in the United States. The Vendor shall pay those costs and damages finally awarded or agreed in a settlement against the Plan in any such action. Such defense and payment shall be conditioned on the following:

1. That the Vendor shall be notified within a reasonable time in writing by the Plan of any such claim; and
2. That the Vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise provided, however, that the Plan shall have the option to participate in such action at its own expense.

(d) The Vendor will not be required to defend or indemnify the Plan to the extent any claim by a third party against the Plan for infringement or misappropriation results solely from the Plan’s material alteration of any Vendor-branded Deliverables or Services, or from the continued use of the Services or other Deliverables after receiving written notice from the Vendor of the claimed infringement.

- 21. **NON-DISCRIMINATION COMPLIANCE:** The Vendor will take necessary action to comply with all federal and state requirements concerning fair employment and employment of people with disabilities and concerning the treatment of all employees without regard to discrimination on the basis of any prohibited grounds as defined by federal and State law.
- 22. **NOTICES:** Any notices permitted or required under the Contract must be delivered to the Contract Administrator for each Party. Unless otherwise specified in the Contract, notices shall be in writing and **delivered by email to the appropriate Contract Administrator(s)**. In addition, notices may be delivered by first class U.S. Mail, commercial courier (e.g., FedEx, UPS, DHL), or personally delivered provided the notice is also emailed to the Contract Administrator at approximately the same time. All Notices required under this Contract including, but not limited to legal matters, contract termination, allegations of breach, and audits shall be delivered in accordance with this section of the Contract. Email is considered received when it successfully reaches the recipient’s email server. If it reaches the recipient’s email server outside of business hours of 8am – 5pm ET, the email is considered received at the next earliest business hour.
- 23. **NO WAIVER:** Notwithstanding any other language or provision in the Contract or in any Vendor-supplied material, nothing herein is intended nor shall be interpreted as a waiver of any right or remedy otherwise available to the Plan under applicable law. The waiver by the Plan of any right or remedy on any one occasion or instance shall not constitute or be interpreted as a waiver of that or any other right or remedy on any other occasion or instance.
- 24. **OUTSOURCING:** If, after award of a Contract, and consistent with any applicable NC DIT security provisions, the Contractor wishes to relocate or outsource any portion of performance to a location outside the United States, or to contract with a Subcontractor for any such performance, which Subcontractor and nature of the work has not previously been disclosed to the Plan in writing, prior written approval must be obtained from the Plan. The Vendor shall give notice to the Plan of any relocation of the Vendor, employees of the Vendor, Subcontractors of the Vendor, or other persons providing performance under a State Contract to a location outside of the United States.
- 25. **PAYMENT TERMS:** Payment terms are net not later than 30 days after receipt of a correct invoice or acceptance of goods, whichever is later. The Plan is responsible for all payments to the Vendor under the Contract. Payment may be made by procurement card, if the Vendor accepts that card (Visa, MasterCard, etc.) from other customers, and it shall be accepted by the Vendor for payment under the same terms and conditions as any other method of payment accepted by the Vendor.

The Plan does not agree in advance, in contract, pursuant to Constitutional limitations, to pay costs such as interest, late fees, penalties or attorney’s fees. This Contract will not be construed as an agreement by the State to pay such costs and will be paid only as ordered by a court of competent jurisdiction.

- 26. **PERFORMANCE:**
  - (a) It is anticipated that the Tasks and duties undertaken by the Vendor under the Contract which results from the solicitation in this matter shall include Services as Deliverables.
  - (b) The Plan is authorized to access State Data provided by the Plan and any Vendor-provided data as specified herein and to transmit revisions, updates, deletions, enhancements, or modifications to the State Data.
  - (c) The Plan’s right to access the Services and its associated services neither transfers, vests, nor confers any title or other ownership right in any intellectual property rights of the Vendor or any third party, nor does this right of access transfer, vest, or confer any title or other ownership right in any intellectual property associated with the Services unless otherwise agreed to by the Parties. The provisions of this paragraph will not be construed as a sale of any ownership rights in the Services. Any Services or technical and business information owned by the Vendor, or its suppliers or licensors made accessible or furnished to the Plan shall be and remain the property of the Vendor or such other party, respectively. The Vendor has a limited, non-exclusive license to access and use any State Data as provided to the Vendor, but solely for performing its obligations under this Agreement and in confidence as provided herein.
  - (d) Except as provided herein, and unless otherwise mutually agreed in writing prior to award, any Deliverables not subject to an agreed Vendor license and provided by the Vendor in performance of this Contract shall be and remain property of the Plan. During performance, the Vendor may provide proprietary components as part of the Deliverables that are identified in this Contract. The Vendor grants the Plan a personal, permanent, non-transferable license to use such proprietary components of the Deliverables and other functionalities, as provided under this Contract. Any technical and business information owned by the Vendor, or its suppliers or licensors made accessible or furnished to the State shall be

and remain the property of the Vendor or such other party, respectively. The Vendor agrees to perform under the Contract in at least the same or similar manner provided to comparable users and customers. The State shall notify the Vendor of any defects or deficiencies in performance or failure of Deliverables to conform to the standards and specifications provided in this Contract. The Vendor agrees to timely remedy defective performance or any nonconforming Deliverables on its own or upon such notice provided by the State.

(e) The Vendor has a limited, non-exclusive license to access and use State Data provided to the Vendor, but solely for performing its obligations under and during this Agreement and in confidence as further provided for herein or by law.

27. **RECORD RETENTION:** The Vendor shall retain all records for a minimum of six years following completion or termination of the Contract; however, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has begun before expiration of the six year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular six year period described above, whichever is later. Certain records, such as those subject to HIPAA, may have longer retention periods or require destruction sooner; therefore, any such records shall be maintained, destroyed, or disposed of in accordance with applicable law or regulation.

28. **SEVERABILITY:** It is the intent of the Parties that the provisions of this Contract shall be enforced to the fullest extent permitted by applicable law. To the extent that the terms set forth in this Contract or any word, phrase, clause, or sentence is found to be illegal or unenforceable for any reason, such word, phrase, clause or sentence shall be modified, deleted, or interpreted in such a manner so as to afford the Party for whose benefit it was intended the fullest benefit commensurate with making this Contract, as modified, enforceable, and the balance of this Contract shall not be affected thereby, the balance being construed as severable and independent from the illegal or unenforceable provision.

29. **SITUS AND GOVERNING LAWS:**

(a) This Agreement is made under and shall be governed and construed in accordance with the laws of the State of North Carolina. The place of this Agreement, situs, and forum shall be Wake County, North Carolina, where all matters, whether sounding in contract or in tort, relating to its validity, construction, interpretation, or enforcement shall be determined by courts of the State of North Carolina. Contractor agrees and submits, solely for matters relating to this Agreement, to the jurisdiction of the courts of the State of North Carolina and stipulates that Wake County shall be the proper venue for all matters. The Plan does not consent to be sued in federal courts concerning the Agreement or matters arising therefrom and does not intend to waive its sovereign immunity by any language contained in this Agreement. At the sole discretion of the Plan, the Plan may initiate legal or equitable proceedings in any court that has subject matter jurisdiction over the matter in controversy.

(b) The Vendor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business and its performance in accordance with the Contract, including those of federal, state, and local agencies having jurisdiction and/or authority, and including, without limitation, the applicable requirements in the Federal Funds Provisions, below.

(c) Non-resident Vendor corporations not formed under NC law must be domesticated in the Office of the NC Secretary of State in order to contract with the State of North Carolina. G.S. 55A-15-01.

30. **SOVEREIGN IMMUNITY:** Notwithstanding any other term or provision in the Contract, nothing herein is intended nor shall be interpreted as waiving any claim or defense based on the principle of sovereign immunity or other State or federal constitutional provision or principle that otherwise would be available to the State under applicable law. The Plan does not consent to being sued in federal court.

31. **SUBCONTRACTORS:**

(a) Unless otherwise notified by the Plan, acceptance of Vendor's proposal includes approval to use any Subcontractor(s) specified therein.

(b) Work performed under this Contract by the Vendor or its employees shall not be subcontracted without prior written approval of the Plan. Vendor must submit a written request for approval in accordance with Paragraph 22. **NOTICES** of

Attachment C: General Terms and Conditions of the Contract at least thirty (30) days prior to the anticipated start of Services by the Subcontractor. Any request for Subcontractor approval shall include a completed Attachment P. Subcontractor Identification Form.

- (c) Upon request, the Vendor shall provide the Plan with complete copies of any contracts made by and between the Vendor and all Subcontractors. The selected Vendor remains solely responsible for the performance of its Subcontractors. Subcontractors, if any, shall adhere to the same standards required of the selected Vendor and this Contract. Any contracts made by the Vendor with a Subcontractor shall include an affirmative statement that the Plan is an intended third-party beneficiary of the contract; that the contract with the Subcontractor does not create a contract between the Plan and Subcontractor; and that the Plan shall be indemnified by the Vendor for any claim presented by the Subcontractor. Notwithstanding any other term herein, Vendor shall timely exercise its contractual remedies against any non-performing Subcontractor and, when deemed appropriate by the Plan, substitute another Subcontractor.
- (d) Vendor shall neither participate with nor enter into any agreement with any individual or entity that is currently debarred, suspended or in any way excluded from bidding on or participating in state or federal contract procurements as reported to the System for Award Management ("SAM") or appear as an excluded provider on the Office of Inspector General ("OIG") List of Excluded Individuals/Entities ("LEIE").
- (e) Vendor shall notify the Plan, in writing, within fifteen (15) days if Subcontractors or Subcontractors' principals become debarred, suspended or in any way excluded from state or federal procurements as reported to the SAM or appears as an excluded provider on the OIG LEIE.
- (f) A false certification or the failure to provide notice as required in Paragraph 22. **NOTICES** of Attachment C: General Terms and Conditions of the Contract shall be grounds for immediate removal of the Subcontractor from any Services being provided to the Plan.
- (g) Any contract(s) between the Vendor and Subcontractor(s) require:
  - 1. The Subcontractor to agree that, pursuant to NCGS §§ 147-64.7 and 143-49(9), the Plan, the North Carolina State Auditor, appropriate State or federal officials, and their respective authorized employees or agents shall have access to persons and premises, or such other locations where duties under the Contract are being performed, and are authorized to audit, inspect, monitor, or otherwise evaluate all books, records, data, information, and accounts ("Records") or copies of all Records, electronic systems of the Subcontractor(s), other persons directed by Vendor, or Vendor's parent or affiliated companies as far as they relate to transactions under the Contract, performance of the Contract, or costs charged to the Contract.
  - 2. The Subcontractor to agree that the right to audit by the Plan, North Carolina State Auditor, appropriate State or Federal officials, and their respective authorized employees, will exist through ten (10) years from the final date of the contract period or from the date of completion of any audit, whichever is later; and
  - 3. That if the Plan, the North Carolina State Auditor, appropriate State or Federal officials determine that there is a reasonable possibility of fraud or similar risk, the Plan, the North Carolina State Auditor, appropriate State or federal officials may inspect, evaluate, and audit the Subcontractor at any time.
- (h) Any contract(s) or written agreements between the Vendor and Subcontractor(s) shall include:
  - 1. The activities, obligations, and related reporting responsibilities, and
  - 2. Provision for revocation of the delegation of activities or obligations or specify other remedies in instances where the Plan or the Vendor determines that the Subcontractor has not performed satisfactorily.

32. **TAXES:** Any applicable taxes shall be invoiced as a separate item.

- (a) The Plan is exempt from federal Taxes, such as excise and transportation taxes. Exemption forms submitted by the Vendor will be executed and returned by the Plan.
- (b) Prices offered are not to include any personal property taxes, nor any sales or use tax (or fees) unless required by the North Carolina Department of Revenue.

## **ATTACHMENT D: CUSTOMER REFERENCE TEMPLATE**

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ATTACHMENT D: CUSTOMER REFERENCE TEMPLATE can be accessed for completion by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## **ATTACHMENT E: LOCATION OF WORKERS UTILIZED BY VENDOR**

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ATTACHMENT E: LOCATION OF WORKERS UTILIZED BY VENDOR can be accessed for completion by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type "**Third Party**" or "**2142322766**" in the "Search" bar on the top right; and click the search magnifying glass.
3. Click on solicitation number "**Doc2142322766.**"
4. Scroll down to "Attachments" to access the RFP and attachments in the zip file.

## ATTACHMENT F: CERTIFICATION OF FINANCIAL CONDITION

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ATTACHMENT F: CERTIFICATION OF FINANCIAL CONDITION can be accessed for completion by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type "**Third Party**" or "**2142322766**" in the "Search" bar on the top right; and click the search magnifying glass.
3. Click on solicitation number "**Doc2142322766.**"
4. Scroll down to "Attachments" to access the RFP and attachments in the zip file.

## ATTACHMENT G: PROPOSAL SUBMISSION INFORMATION

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ATTACHMENT G: PROPOSAL SUBMISSION INFORMATION form can be accessed for completion by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type "**Third Party**" or "**2142322766**" in the "Search" bar on the top right; and click the search magnifying glass.
3. Click on solicitation number "**Doc2142322766.**"
4. Scroll down to "Attachments" to access the RFP and attachments in the zip file.

## **ATTACHMENT H: HIPAA COMPLIANCE QUESTIONNAIRE**

ATTACHMENT H: HIPAA COMPLIANCE QUESTIONNAIRE can be accessed for completion by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type "**Third Party**" or "**2142322766**" in the "Search" bar on the top right; and click the search magnifying glass.
3. Click on solicitation number "**Doc2142322766.**"
4. Scroll down to "Attachments" to access the RFP and attachments in the zip file.

## **ATTACHMENT I: BUSINESS ASSOCIATE AGREEMENT**

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ATTACHMENT I: BUSINESS ASSOCIATE AGREEMENT can be accessed for completion by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type "**Third Party**" or "**2142322766**" in the "Search" bar on the top right; and click the search magnifying glass.
3. Click on solicitation number "**Doc2142322766.**"
4. Scroll down to "Attachments" to access the RFP and attachments in the zip file.

## **ATTACHMENT J: ADMINISTRATORS FOR THE CONTRACT, HIPAA COMPLIANCE OFFICER, AND INFORMATION SECURITY OFFICER**

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ATTACHMENT J: ADMINISTRATORS FOR THE CONTRACT, HIPAA COMPLIANCE OFFICER, AND INFORMATION SECURITY OFFICER can be accessed for completion by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type "**Third Party**" or "**2142322766**" in the "Search" bar on the top right; and click the search magnifying glass.
3. Click on solicitation number "**Doc2142322766.**"
4. Scroll down to "Attachments" to access the RFP and attachments in the zip file.

## **ATTACHMENT K: DATA USE AGREEMENT (DUA)**

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ATTACHMENT K: DATA USE AGREEMENT (DUA) can be accessed for completion by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## ATTACHMENT L: MINIMUM INFORMATION SECURITY REQUIREMENTS

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### 1. Definitions.

The following definitions apply to this attachment.

- a) “Data Policy” means the Statewide Data Classification and Handling Policy located at <https://it.nc.gov/document/statewide-data-classification-and-handling-policy>.
- b) “Agreement” means the executed contract for goods or services between the State of North Carolina and Vendor, including all exhibits, attachments, schedules, statements of work, service level agreements, amendments, and documents or policies incorporated by reference, that collectively govern the rights, obligations, and responsibilities of the parties.
- c) “Generative Artificial Intelligence (“GenAI”): any machine learning, deep learning, neural network, large language model, diffusion model, transformer-based model, or other artificial intelligence system that is trained on data to autonomously or semi-autonomously generate, synthesize, predict, modify, or transform text, images, audio, video, software code, data, analyses, or other content in response to prompts, inputs, queries, or other stimuli, including systems that continuously learn or are fine-tuned using additional data.
- d) “Information Technology Services” (“IT Services” or “Vendor’s Systems”) refers to any systems, applications or platforms operated, managed, or utilized by Vendor, its agents, or Subcontractors, that access, process, store, transmit, or otherwise handle State Data, including, without limitation, any cloud-based or on-premises Solutions associated with the provision of their services.
- e) “Physical Security” means physical security at any site or other location housing systems maintained by Vendor or its agents or subcontractors associated with their services.
- f) “Processing” means any operation or set of operations performed upon the State Data, whether by automatic means such as creating, collecting, procuring, obtaining, accessing, recording, organizing, storing, adapting, altering, retrieving, consulting, using, disclosing or destroying.
- g) “Security Breach” under the North Carolina Identity Theft Protection Act (N.C.G.S. § 75-60 et seq.), means:
  - i. Any circumstance pursuant to which applicable Law requires notification of such breach to be provided to affected parties or requires other activity in response to such circumstance (including, without limitation, N.C.G.S. § 75-65); **or**
  - ii. Any actual, attempted, suspected, threatened, or reasonably foreseeable circumstance that compromises, or could reasonably be expected to compromise, either Physical Security or Vendor’s Systems Security in a manner that does or could reasonably be expected to permit the unauthorized Processing, use, disclosure, acquisition of, or access to any of the State’s Data or Restricted State Data or Information.
- h) “Security Incident” means any actual or suspected event that:
  - i. Compromises, or disrupts access to or the use of, the State’s Data or Vendor’s Systems;
  - ii. Involves fraudulent activity related to or affecting the State’s Data or Vendor’s Systems;
  - iii. Results in the introduction of malware, viruses, or disabling devices into the State’s Data or Vendor’s Systems; **or**
  - iv. Results in the loss, corruption, unauthorized disclosure of, or unauthorized access to, the State’s Data or Vendor’s Systems.

### **Exclusions**

The following events shall not, by themselves, constitute a Security Incident under this agreement, provided that such events do not result in an actual compromise of security and remain within normal operational thresholds:

- i. Unsuccessful attempts to log into a system or database using invalid credentials;
- ii. Denial-of-service attempts that do not materially degrade, disrupt, or interrupt service or result in a system being taken offline;
- iii. Routine network activity, including firewall pings;
- iv. Port scans; and
- v. Worms, viruses, and other malware.

- i) **“Restricted State Data”** means any non-public data that is classified by the State of North Carolina, now or in the future, as restricted or highly restricted under the Statewide Data Classification and Handling Policy (Data Policy) or applicable law, including personally identifiable information and any other data that requires enhanced safeguards to protect its confidentiality, integrity, or availability.
- j) **“Security of ‘IT Services’ or ‘Vendor’s Systems’”** means the security, integrity, and protection of any computer, electronic, or telecommunications systems of any kind, including, without limitation, applications, databases, hardware, software, storage, and networking components (including switching and interconnection devices and mechanisms), together with any networks of which such systems are a part or with which they communicate, that are used directly or indirectly by Vendor or its agents or subcontractors associated with their services.
- k) **“State Data”** means all information created, received, stored, processed, or transmitted by or on behalf of a state agency as part of official State business — regardless of format, system, or who ultimately holds it
- l) The **“State”** means the State of North Carolina acting through the North Carolina State Health Plan for Teachers and State Employees ("Plan") or, as determined by the Plan, the North Carolina Department of Information Technology or other State Agency.
- m) **“Vendor”** means any entity contracted by the State to provide goods or services under a formal, executed Agreement, **including, without limitation, legal Firms and other professional service providers**. This term includes not only the primary contracting party, but also any of its agents, representatives, or subcontractors who, in the course of fulfilling the Agreement, may access, process, store, transmit, or otherwise handle the State’s Data.

## 2. **Conflict of Terms.**

In the case of a conflict between specific provisions of Attachment L and the Parties’ Business Associate Agreement (BAA) regarding any State data that is not PHI, Attachment L shall control to the extent of a conflict. In the case of a conflict between specific provisions of Attachment L and the Business Associate Agreement regarding State Data that is PHI, or any other information that is PHI, the Business Associate Agreement shall control to the extent of the conflict and allow for compliance with HIPAA and HITECH.

## 3. **Protection of the State’s Restricted Data.**

Vendor acknowledges its responsibility to secure all Restricted State Data, as defined by the Data Policy located at <https://it.nc.gov/document/statewide-data-classification-and-handling-policy>.

Vendor warrants, at its sole cost and expense, that it shall:

- a) Implement appropriate processes and controls to maintain the security of Restricted State Data;
- b) Exercise reasonable care and diligence to detect any fraudulent activity involving such data; and
- c) Promptly notify the State of any confirmed Security Breach as soon as practicable, but no later than twenty-four (24) hours after confirmation, or within such shorter timeframe as may be required by N.C.G.S. § 143B-1379.

## 4. **Storing State Data outside of the United States.**

Vendor shall not store or transfer Restricted State Data outside of the United States. This includes backup data and Disaster Recovery locations.

## 5. **State Data and Service Safeguards.**

Vendor shall implement all appropriate administrative, physical, technical, and procedural safeguards at all times during the term of this Agreement to secure State Data from Data Breach, and protect it and all IT Services associated with the provision of their services from loss, corruption, unauthorized disclosure, and the introduction of viruses, disabling devices, malware and other forms of malicious or inadvertent acts that can disrupt the State’s access to its data and their services.

**6. Encryption of Restricted State Data.**

Vendor shall encrypt all Restricted State Data while in transit, regardless of the transmission method or transport mechanism used. Additionally, vendors storing Restricted State Data shall ensure that such data is encrypted at rest. All encryption mechanisms used by Vendor must employ cryptographic modules validated in accordance with the National Institute of Standards and Technology (NIST) Federal Information Processing Standard (FIPS) 140-2, *Security Requirements for Cryptographic Modules*.

**7. Breach Notification.**

- a) In the event Vendor becomes aware of any Security Breach caused by an external unauthorized individual or group, or acts or omissions of Vendor other than in accordance with the terms of the Agreement, Vendor shall, at its own expense:
- i. Immediately notify the State's Contract Administrator of such Security Breach and perform a root cause analysis thereon;
  - ii. Investigate such Security Breach;
  - iii. Provide a remediation state, acceptable to the State, to address the Security Breach and prevent any further incidents;
  - iv. Conduct a forensic investigation to determine what systems, data and information have been affected by such events;
  - v. Cooperate with the State, and any law enforcement or regulatory officials, credit reporting companies, and credit card associations investigating such Security Breach.
- b) The State shall make the final decision on notifying the impacted people, entities, employees, service providers and/or the public of such Security Breach, and the implementation of the remediation state.
- c) If a notification to a customer is required under any Law or pursuant to any of the State's privacy or security policies, then notifications to all people and entities who are affected by the same event (as reasonably determined by the State) shall be considered legally required;
- d) The State retains primary authority over Incident Response, and Vendor bears associated costs caused by Vendor's acts or omissions;
- e) Vendor shall indemnify and hold harmless the State for claims arising from Security Incidents or noncompliance.

**8. Security Logging and Availability.**

Vendor shall maintain security logs sufficient to support audit, forensic investigation, and incident response activities related to the State's Data and their services. Such logs shall be retained for a minimum of twelve (12) months, unless otherwise required by law or agreed in writing by the State. Vendor shall make relevant security logs available to the State upon request, in a reasonable and usable format, solely for the purpose of security review, audit, or incident investigation. Nothing in this provision shall be construed to require Vendor to provide continuous or direct system access to the State.

**9. Notification Related Costs.**

Vendor shall reimburse the State for all Notification Related Costs incurred by the State arising out of or associated with any Security Breach due to acts or omissions of Vendor other than in accordance with the terms of this Agreement resulting in a requirement for legally required notifications. "Notification Related Costs" shall include the State's internal and external costs associated with addressing and responding to the Security Breach including, but not limited to

- a) Preparation and mailing or other transmission of legally required notifications;
- b) Preparation and mailing or other transmission of such other communications to customers, agents or others as the State deems reasonably appropriate;
- c) Establishment of a call center or other communications procedures in response to such Security Breach (e.g., customer service FAQs, talking points and training);
- d) Public relations and other similar crisis management services;
- e) Legal and accounting fees and expenses associated with the State's investigation of and response to such events; and

- f) Costs for credit reporting services that are associated with legally required notifications or are advisable, in the State's opinion, under the circumstances.

If Vendor becomes aware of any Security Breach which is not due to acts or omissions of Vendor other than in accordance with the terms of this Agreement, Vendor shall immediately notify the State of such Security Breach and the parties shall reasonably cooperate regarding which of the foregoing or other activities may be appropriate under the circumstances, including any applicable charges for the same.

#### **10. Notice of Data Movement.**

During normal operations, Vendor may need to copy or move State Data to another storage location within Vendor's Systems and delete the State Data from its original location. In any such event, Vendor shall preserve the content, integrity, and confidentiality of the State Data during and after such transfer.

Except as required for routine operational processes, Vendor shall not materially alter, relocate, or delete State Data without providing prior written notice to, and obtaining prior written approval from, the State.

#### **11. Accessing State Data from Outside United States.**

Remote access to State Data from outside the continental United States including, without limitation, remote access to State Data by authorized services support staff in identified support centers, is prohibited unless approved in advance by the State or designee of the State in writing.

#### **12. Vendor's Systems Loss and Restoration.**

In the event of temporary loss of access to services, Vendor shall promptly restore continuity of services, restore State Data in accordance with this Agreement and as may be set forth in a Service Level Agreement (SLA), restore accessibility of State Data and their services to meet the performance requirements stated herein or in an SLA. As a result, service level remedies will become available to the State as provided herein, in the SLA, or other agreed and relevant documents. Failure to promptly remedy any such temporary loss of access may result in the State exercising its options for assessing damages under this Agreement.

#### **13. Disaster or Catastrophic Failure.**

In the event of disaster or catastrophic failure that results in significant State Data loss or extended loss of access to State Data or IT Services, Vendor shall notify the State by the fastest means available and in writing, with additional notification provided to the State or designee of the State. Vendor shall provide such notification within twenty-four (24) hours after Vendor reasonably believes there has been such a disaster or catastrophic failure. In the notification, Vendor shall inform the State of:

- a) The scale and quantity of the State Data loss;
- b) What Vendor has done or will do to recover the State Data from backups and mitigate any adverse effect of the State Data and services loss; and
- c) What corrective action Vendor has taken or will take to prevent future State Data and services loss;
- d) If Vendor fails to respond immediately to remedy the failure, the State may exercise its options for assessing damages or other remedies under this Agreement;
- e) Vendor shall investigate the disaster or catastrophic failure and shall share the report of the investigation with the State. The State and/or its authorized agents shall have the right to lead (if required by law) or participate in the investigation.

**14. Return of State Data.**

In the event of termination of this Agreement, cessation of business by Vendor, or other event preventing Vendor from continuing to provide their services, Vendor shall not withhold the State Data or any other State confidential information or refuse for any reason, and shall promptly return to the State the State Data and any other State confidential information (including copies thereof) if requested to do so and on such media as reasonably requested by the State, even if the State is then or is alleged to be in breach of the Agreement. Vendor shall also provide the State with any data maps, documentation, software, or other materials necessary including, without limitation, handwritten notes, materials, working papers or documentation, for the State to use, translate, interpret, extract and convert the State Data.

**15. Secure Data Disposal.**

When requested by the State, Vendor shall destroy all requested State Data in all its forms (e.g., disk, digital tapes, CD/DVD, and paper). State Data shall be permanently deleted and shall not be recoverable according to National Institute of Standards and Technology (NIST), approved methods and certificates of destruction shall be provided to the State. Upon the expiration or termination of this Agreement, or upon written request by the State, Vendor shall return State Data and certify secure destruction within 30 days in a State-approved format and securely destroy all remaining copies, including backups, in accordance with NIST-approved destruction methods.

**16. Security Risk and Compliance Assessment.**

North Carolina's Statewide Information Security Policies provide the framework for safeguarding information technology assets across the state. These policies establish the security standards mandated by N.C.G.S. §143B-1376, which assigns the State Chief Information Officer responsibility for creating statewide IT Security standards to enhance the functionality, security, and interoperability of the State's assets. These policies apply to all assets, i.e., State Data and Vendor's Systems, whether managed directly by the State or by contractors and other organizations acting on its behalf. Authorization to use systems that store, process, or transmit State restricted information is strictly controlled to ensure that only approved systems are utilized.

To support compliance with the State security standards and enable the State's assessment of IT Services and State Data related to risk and compliance, all vendors are required to provide the State with a complete inventory of the IT Services associated with the provision of their services. This requirement ensures that all IT services, whether new, existing, or being renewed, are fully and accurately documented and evaluated for security risk and compliance. Accordingly, Vendors must ensure that all information related to IT services is accurate and up to date.

**a) Vendor Compliance:**

- i. Vendor shall submit all requested security documentation. The submitted materials will be reviewed by the State to determine whether the system meets applicable State security requirements prior to award.
- ii. Compliance with the requirements set forth in this Agreement is a material condition of the Agreement. Any failure by Vendor to comply with the security, privacy, data protection, or system control obligations identified in this Agreement shall constitute a material breach of the Agreement.
- iii. Upon identification of noncompliance, the State reserves the right, in its sole discretion, to take appropriate enforcement actions, which may include requiring corrective action plans; temporarily suspending access to systems, data, or services; withholding payment; or terminating this Agreement in whole or in part. Such actions may be taken without limiting any other rights or remedies available under the Agreement, at law, or in equity.
- iv. Termination or suspension under this provision may occur immediately when the noncompliance poses a risk to the confidentiality, integrity, or availability of systems or State Data, or where Vendor fails to timely remediate identified deficiencies. Vendor shall remain responsible for all obligations that, by their nature, survive termination, including but not limited to data protection, confidentiality, audit cooperation, and incident response obligations.

- v. Vendor shall ensure that all subcontractors, agents, affiliates, or third parties engaged to perform any portion of their services are contractually bound to security and data protection obligations no less stringent than those set forth in this Agreement.
- vi. Vendor remains fully responsible and liable for the acts, omissions, and compliance of its subcontractors as if such acts or omissions were those of the Vendor itself. The use of subcontractors shall not relieve Vendor of any obligations under this Agreement, including compliance with applicable security standards, audit requirements, incident notification timelines, or data handling restrictions.
- vii. Vendor shall not engage any subcontractor that materially impacts system security or data processing without prior disclosure, and as required by this RFP, prior written approval. Upon request, Vendor shall provide documentation demonstrating that subcontractors are subject to appropriate contractual security controls, including but not limited to security addenda, flow-down clauses, or equivalent written assurances.
- viii. The State understands that security assessment reports and security information provided to the Plan for the purpose of this Agreement may contain confidential information and/or trade secrets.

**b) Vendor's IT Services Security Assessment Material:**

Vendor shall provide the North Carolina State Health Plan (Plan) the following Information Technology security materials :

- i. Identify all systems, applications or platforms (whether cloud-based or on-premises) to be used by the Vendor, its agents, or subcontractors to provide the services under this RFP that access, collect, store, process, transmit, or otherwise handle State Restricted Data. For each system, Vendor shall provide the following:
    - 1) Service name;
    - 2) Service provider;
    - 3) Service administrator;
    - 4) Service hosting organization;
    - 5) Internet address (if applicable);
    - 6) Primary function of the Service;
    - 7) Whether the service utilizes Generative AI (Yes/No);
    - 8) Whether data resides exclusively within the United States (Yes/No);
    - 9) Type of third-party security attestation (e.g., SOC 2, GovRamp, HITRUST); and
    - 10) An un-Redacted copy of the corresponding third-party assessment report.
  - ii. Vendor shall provide a valid and favorable independent third-party assessment report on all related security controls that are consistent with, and can be cross walked to, the data classification level and security controls appropriate for moderate information system(s) per the National Institute of Standards and Technology ("NIST") SP 800-53 Rev. 5 or the most recent revision. To satisfy this requirement, such reports must have been issued within twelve (12) months prior to the anticipated Contract award date or be supplemented by bridge letters covering no more than three months after the report expiration date. Vendor hereby agrees that the Plan has the right to independently evaluate, audit, and verify such requirements as part of its continuous assessment and during the life of the Contract. The Plan will verify any such third-party security opinions or attestations yearly during the life of the Contract, and Vendor will be required to timely provide an updated report or bridge letter verifying that there have been no material changes in the Scope of the Examination reported since the issuance of the last report.
- c) Additional Security Documentation: Prior to Contract award, the Plan may in its discretion require Vendor to provide additional security documentation, including but not limited to vulnerability assessment reports and penetration test reports. The awarded Vendor shall provide additional security documentation upon request by the Plan during the term of the Contract.
- d) The Plan understands that security assessment reports and security information provided to the Plan for the purpose of this RFP may contain confidential information and/or trade secrets. Refer to Section V, Paragraph 24

“Confidential Information” of Attachment B: Instructions to Vendors for information regarding the treatment of Confidential Information.

**17. Use and Disclosure of GenAI During the Term of the Agreement.**

- a) During the term of the Agreement, Vendor must promptly notify the State in writing if Vendor’s Services or any work under this Agreement includes, or makes available, any previously unreported GenAI technology, including GenAI from third parties or subcontractors.
- b) Vendor shall not activate such GenAI technology without the State’s written consent and approval.
- c) The State may, in its sole discretion, require Vendor to provide additional information for Vendor’s GENAI technology related to privacy, security, and architecture.
- d) Failure to disclose GenAI use to the State may be considered a breach of the Contract by the State at its sole discretion. The State may consider such failure to disclose GenAI or any failure to provide requested information related to privacy, security, or architecture, as grounds for the immediate termination of the Agreement. The State is entitled to seek any and all relief it may be entitled to as a result of Vendor’s failure to disclose GENAI.
- e) The State reserves the right to incorporate GenAI Special Provisions into this Agreement at the State’s sole discretion and/or terminate any Agreement that presents an unacceptable level of risk to the State.

**18. Information Security Program.**

Vendor shall maintain Information Security Program that addresses, and during the term of this Agreement shall address, the following areas: (i) Access Control, (ii) Awareness and Training; (iii) Audit and Accountability; (iv) Assessment, Authorization, and Monitoring; (v) Configuration Management; (vi) Contingency Planning; (vii) Identification and Authentication; (ix) Incident Response; (x) Maintenance; (xi) Media Protection; (xii) Physical and Environmental Protection; (xiii) Planning; (Program Management: (xiv) Personnel Security; (xv) Risk Assessment; (xvi) System and Services; (xviii) Acquisition; (xix) System and Communications Protection; (xx) System and Information Integrity; (xxi) Supply Chain Risk Management; (xxii) Personally Identifiable Information Processing and Transparency.

**19. Compliance with Laws and Standards.**

Vendor certifies that it shall treat the State’s property and State Data in compliance with legal requirements and applicable industry standards with respect to privacy and State Data security, including without limitation any requirements implemented by the State under N.C.G.S. §§ 143B-1376 and -1377; Privacy provisions of the Federal Privacy Act of 1974;The North Carolina Identity Theft Protection Act, N.C.G.S. Chapter 75, Article 2A (e.g., N.C.G.S. § 75-65 and -66); The North Carolina Public Records Act, N.C.G.S. Chapter 132; and Applicable Federal, State and industry standards and guidelines including, but not limited to, relevant security provisions of the Payment Card Industry (PCI) Data Security Standard (PCIDSS) including the PCIDSS Cloud Computing Guidelines, Criminal Justice Information, The Family Educational Rights and Privacy Act (FERPA), Health Insurance Portability and Accountability Act (HIPAA);Any requirements implemented by the State under N.C.G.S. §§ 143B-1376 and -1377.

**20. Survival.**

The provisions of this exhibit shall survive the termination or expiration of this Agreement for as long as Vendor or its Subcontractor has possession of or access to the State’s materials.

Proposal Number: 270-20260421TPAS

Vendor: \_\_\_\_\_

**ATTACHMENT M: RESERVED**

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## **ATTACHMENT N: MINIMUM REQUIREMENTS RESPONSE**

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ATTACHMENT N: MINIMUM REQUIREMENTS RESPONSE can be accessed for completion by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type "Third Party" or "**2142322766**" in the "Search" bar on the top right; and click the search magnifying glass.
3. Click on solicitation number "**Doc2142322766.**"
4. Scroll down to "Attachments" to access the RFP and attachments in the zip file.

## **ATTACHMENT O: TECHNICAL REQUIREMENTS RESPONSE**

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ATTACHMENT O: TECHNICAL REQUIREMENTS RESPONSE can be accessed for completion by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## **ATTACHMENT P: SUBCONTRACTOR IDENTIFICATION FORM**

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ATTACHMENT P: SUBCONTRACTOR IDENTIFICATION FORM can be accessed for completion by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type "**Third Party**" or "**2142322766**" in the "Search" bar on the top right; and click the search magnifying glass.
3. Click on solicitation number "**Doc2142322766.**"
4. Scroll down to "Attachments" to access the RFP and attachments in the zip file.

## ATTACHMENT Q: EVALUATION METHODOLOGY

Vendor’s responses will be evaluated using the applicable evaluation methodologies described in this Attachment Q: Evaluation Methodology and the process described in Section 3 .0 Method of Award and Proposal Evaluation Process.

I. Minimum Requirements Rating

The Evaluation Committee will review the Vendor’s responses to the questions in Attachment N: Minimum Requirements Response based on the requirements described in the RFP. Based on this review, the Evaluation Committee will record a rating for each question using the Minimum Requirements Rating Scale.

Table I.1: Minimum Requirements Rating Scale	
Meets	The Proposal meets the stated requirements, and Vendor provided any required confirmation and Vendor provided any required documents
Does Not Meet	The Proposal does not meet the stated requirements, or Vendor failed to provide confirmation, or Vendor failed to provide required documents.

II. Technical Requirements Rating

For each question in Attachment O: Technical Requirements Response, the Evaluation Committee will review Vendor’s response and evaluate the response at the question level, considering and documenting any strengths and weaknesses, risks, confidence level, or advantages in the response based on the requirements described in the RFP. A rating table is identified for each technical response question as set forth below. Based upon this review, the Evaluation Committee will describe the Vendor’s response to the Evaluation Question using the categories in the appropriate rating table as set forth below. A rationale will be documented for any rating other than acceptable. No rationale will be provided for a determination of acceptable.

The following Technical Response questions will be evaluated against the rating scale set forth in Table II.-1 – Strengths and Weaknesses Rating Scale:

Questions: 6 – 23, 45-49, 53, 54, 62, 89-91, 198-203

Table II.-1 - Strengths and Weaknesses Rating Scale	
Rating	Definition
Significant Strength	The response meets the requirements of the Plan; and Information disclosed, described, or provided greatly enhances the potential for successful contract performance and/or appreciably exceeds specified performance or capability requirements in a way that will be advantageous to the Plan.
Strength	The response meets the requirements of the Plan; and Information disclosed, described, or provided enhances the potential for successful contract performance and/or that exceeds specified performance or capability requirements in a way that will be advantageous to the Plan.
Acceptable	The response meets the requirements of the Plan; and Information disclosed, described or provided is responsive to the question and does not raise concerns that the Vendor will not be able to meet the RFP requirements.
Weakness	The response meets some of the requirements of the Plan; and Information disclosed, described, or provided does not meet all requirements and/or is incomplete and/or deficient in a way that creates a risk for unsuccessful contract performance.

Significant Weakness	The response meets either some or none of the requirements of the Plan; and Information disclosed, described, or provided does not meet all requirements and/or is incomplete and/or deficient in a way that creates a significant risk for unsuccessful contract performance; or The response contained insufficient information to evaluate.
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The following Technical Response questions will be evaluated against the rating scale set forth in Table II.-2 – Risks Rating Scale:

Questions: 4, 5, 24-44, 50-52, 55-61, 63-88, 92-197, 214-216

In addition, responses to Attachment R: Validation of HIPAA and Security Requirements, including responses to Attachment H: HIPAA Questionnaire, will be evaluated against the rating scale set forth in Table II.-2 – Risks Rating Scale. For more information see Attachment R: Validation of HIPAA and Security Requirements.

Table II.-2. - Risks Rating Scale	
Rating	Definition
Acceptable	The Vendor confirmed it will meet the requirements of the Plan with no limitations identified or the Vendor confirmed it will meet the requirements of the Plan and information disclosed, described or provided does not create a risk of unsuccessful performance.
Low Risk	The Vendor confirmed it will meet the requirements of the Plan with some limitations that create a low risk of unsuccessful contract performance, or the Vendor confirmed it will meet the requirements of the Plan and information disclosed, described or provided creates a low risk of unsuccessful contract performance.
Risk	The Vendor confirmed it will meet the requirements of the Plan with some limitations that create a risk of unsuccessful contract performance, or the Vendor confirmed it will meet the requirements of the Plan and the information disclosed, described, or provided creates a risk of unsuccessful contract performance.
Significant Risk	The Vendor confirmed it will meet the requirements of the Plan with limitations that create a significant risk of unsuccessful contract performance, or the Vendor did not confirm that it would meet the requirements of the Plan. And/or the information disclosed, described, or provided creates a significant risk of unsuccessful contract performance.

The following Technical Response questions will be evaluated against the rating scale set forth in Table II.-3 – Experience and Performance Rating Scale:

Questions: 1-3

Table II.-3. - Experience and Performance Rating Scale	
Rating	Definition
Strength	The response meets the requirements of the Plan; and Information disclosed, described, or provided related to the experience of the entity/individuals enhances the potential for successful contract performance and/or exceeds specified performance or capability requirements in a way that will be advantageous to the Plan.
Acceptable	The response meets the requirements of the Plan; and Information disclosed, described, or provided related to the experience of the entity/individuals is responsive to the question and does not raise concerns that the Vendor will be unable to meet the RFP requirements.

Weakness	The Response does not meet some of the requirements; or, the information disclosed, described, or provided related to the experience of the entity/individuals raises or creates a risk of unsuccessful contract performance.
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III. Criterion Level Rating

After the Evaluation Committee has reviewed and evaluated each of the Vendor’s responses at the question level, the Evaluation Committee will evaluate the Vendor’s overall response at the criterion level (see Section 3.4) and determine a consensus rating for each criterion identified in Section 3.4 using the Criterion Level Rating Scale. The Evaluation Committee will evaluate the Vendor’s overall response at the criterion level and determine a consensus rating for each criteria using Table III.-1 - Criterion Level Rating Scale. The Evaluation Committee will determine a criterion level rating based upon the Committee’s overall impression of a Vendor’s response to the questions within the criterion. Any strengths, weaknesses, risks, confidence ratings, or advantages recorded by the Committee during the question level evaluation are not dispositive and do not necessarily result in any specific criterion level rating being assigned. Vendor Technical Proposals will be ranked from most advantageous to least advantageous by the Evaluation Committee based on the consensus ratings for the evaluation factors stated in this RFP at Section 3.4 and their relative importance.

Table III.-1. - Criterion Level Rating Scale

Rating	Definition
Exceeds Requirements	The responses demonstrate that the Vendor: <ul style="list-style-type: none"> <li>➤ Understands the requirements of the RFP; and</li> <li>➤ Has proposed an approach that meets and, in some areas, exceeds requirements in a way that adds value to the Plan; and</li> <li>➤ Demonstrates Vendor has the capacity, capability, and/or experience to implement or operationalize the approach; and/or</li> <li>➤ The information disclosed described or provided is responsive and increases Plan’s confidence that Vendor will be able to meet and, in some areas, exceed, the requirements of the RFP.</li> </ul>
Meets Requirements	The responses demonstrate that the Vendor: <ul style="list-style-type: none"> <li>➤ Understands the requirements of the RFP and has proposed an approach that meets the requirements; and</li> <li>➤ Demonstrates the Vendor’s capacity, capability, and/or experience needed to implement or operationalize the approach; and/or</li> <li>➤ The information disclosed, described, or provided is responsive and does not raise concerns that the Vendor will not be able to meet the requirements of the RFP.</li> </ul>
Partially Meets Requirements	The responses demonstrate the Vendor: <ul style="list-style-type: none"> <li>➤ Has a fair understanding of the requirements of the RFP; and</li> <li>➤ Proposed an approach for which there is limited capacity, capability, and/or experience to implement or operationalize the requirements; and/or</li> <li>➤ The information disclosed, described, or provided raises concerns that Vendor will be able to meet the requirements of the RFP and may have performance issues.</li> </ul>
Does Not Meet Requirements	No response provided or the responses provided: <ul style="list-style-type: none"> <li>➤ Demonstrate Vendor has an insufficient understanding of the requirements; or</li> <li>➤ Demonstrate a proposed approach that does not meet requirements; or</li> <li>➤ Does not demonstrate sufficient capacity, capability, and/or experience to meet the requirements; and/or</li> <li>➤ The information disclosed, described, or provided raises substantial concerns that the Vendor will not be able to meet the requirements of the RFP and may have performance issues.</li> </ul>

IV. Cost Proposal

Vendor's proposed cost is an evaluation factor in the selection process. Cost is evaluated with the relative importance as identified in Section 3.4. The Plan will evaluate Cost Proposals submitted for the Total Cost to the Plan based on projected claims costs developed using responses to the network administrative fees and programmatic cost in the formatted cost tables provided in the RFP. The overall evaluation methodology for the cost proposal is further described below. See Attachment A: Cost Proposal for additional information. Vendor cost proposals will be ranked according to total cost from lowest to highest.

The overall financial standing of a proposal will be established using the information provided in Vendor's Cost Proposal for the three-year period from January 1, 2028, to December 31, 2030.

Cost from administrative fees will be estimated from the fees listed in Table A-10.1, Table A-10.2, and Tables A-10.3 and A-10.4, net of applicable credits, allowances, and discounts. Vendors must clearly identify the unit basis for each fee in their Cost Proposal.

Programmatic costs will be calculated based on the information provided in Attachment A-3: Completed Claims Repricing File; Attachment A-5: Claims Repricing Reconciliation and Explanation; Attachment A-11: Trend and Network Pricing Guarantees; Attachment A-9: Other Provider Payments; Attachment A-8: Contract Effective Dates and Improvements; Attachment A-6: Repricing Summary - Service Category; Attachment A-7: Repricing Summary - By Provider; and A-12: Self-Funded Claims Projection.

The Plan reserves the right to adjust calculations to reflect differences in scope, service design, or other proposal-specific factors that materially affect projections, as determined by the Plan.

#### V. Final Ranking

The Evaluation Committee will conduct a Best Value analysis of the Vendor's proposals, comparing the ratings of each response and the total price provided in the Vendor's Cost Proposal to determine which response provides the best trade-off between price and performance. Vendors that do not achieve a satisfactory rating for their response to Attachment R: Validation of HIPAA and Security Requirements as described in Attachment R: Validation of HIPAA and Security Requirements will not be eligible for Contract award. The Evaluation Committee will rank the Vendors from most advantageous to least advantageous based on this comparative analysis, using the evaluation factors in this RFP at Section 3.4 and their relative importance. A narrative of relative strengths and weaknesses will be documented to support this ranking. The overall ranking of any offer may be adjusted up or down during the Best Value process and may differ from the preliminary ranking given under either the Technical Proposal evaluation and/or Cost Proposal evaluation. If Vendors have any questions regarding the evaluation criteria or evaluation process or if any portion of the evaluation criteria or evaluation process are not clear to Vendor, they are advised to submit a formal written question(s) (See Section 2.5 Proposal Questions).

#### VI. Recommendation for Award

Based on the final ranking, the Evaluation Committee will make a recommendation for award to the Executive Administrator.

## **ATTACHMENT R: VALIDATION OF HIPAA AND SECURITY REQUIREMENTS**

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ATTACHMENT R: VALIDATION OF HIPAA AND SECURITY REQUIREMENTS can be accessed for completion by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## **EXHIBIT 1: STATE HEALTH PLAN PREFERRED PROVIDER NETWORK**

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Exhibit 1: State Health Plan Preferred Provider Network can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## **EXHIBIT 2: CURRENT PCP COPAY INCENTIVE SCENARIOS**

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Exhibit 2: Current PCP Copay Incentive Scenarios can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## **EXHIBIT 3: DEPOSITS AND DISBURSEMENT PROCESS**

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Exhibit 3: Deposits and Disbursement Process can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## EXHIBIT 4: ID CARD FRONT

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Exhibit 4: ID Card Front can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## EXHIBIT 5: ID CARD BACK

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Exhibit 5: ID Card Back can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## EXHIBIT 6: EOB SAMPLE PAGES

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Exhibit 6: EOB Sample Pages can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## EXHIBIT 7: EOB SAMPLE PAGES

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Exhibit 7: EOB Sample Pages can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## EXHIBIT 8: EOB SAMPLE PAGES

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Exhibit 8: EOB Sample Pages can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## EXHIBIT 9: EOB SAMPLE PAGES

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Exhibit 9: EOB Sample Pages can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## EXHIBIT 10: GROUP STRUCTURE

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Exhibit 10: Group Structure can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## EXHIBIT 11: VENDOR DATA FEEDS

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Exhibit 11: Vendor Data Feeds can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## EXHIBIT 12: AUDIT & RECONCILIATION

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Exhibit 12: Audit & Reconciliation can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## EXHIBIT 13: SAMPLE AUDIT SCHEDULE

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Exhibit 13: Sample Audit Schedule can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## **EXHIBIT 14: PCP SELECTION TOOL AND MAINTENANCE**

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Exhibit 14: PCP Selection Tool and Maintenance can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## **EXHIBIT 15: CLAIMS PROCESSING PHANTOM PLAN – MEDICARE PART B**

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Exhibit 15: Claims Processing Phantom Plan – Medicare Part B can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## **EXHIBIT 16: STATE HEALTH PLAN RECOVERY WORKFLOWS**

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Exhibit 16: State Health Plan Recovery Workflows can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## EXHIBIT 17: STANDARD REPORTS

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Exhibit 17: Standard Reports can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.

## EXHIBIT 18: MEMBER NAVIGATION

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Exhibit 18: Member Navigation can be accessed for review by following the instructions below:

1. Click on the link: <https://evp.nc.gov/solicitations/>
2. Type “**Third Party**” or “**2142322766**” in the “Search” bar on the top right; and click the search magnifying glass.
3. Click on solicitation number “**Doc2142322766.**”
4. Scroll down to “Attachments” to access the RFP and attachments in the zip file.