

REQUEST FOR PROPOSALS FOR
MEDICARE MEDICAL ADVANTAGE PLANS WITH AND WITHOUT PRESCRIPTION
DRUG COVERAGE

ISSUING OFFICE
Pennsylvania Turnpike Commission
Office of Human Resources

RFP NUMBER
08-10380-3639

DATE OF ISSUANCE
August 11, 2008

**REQUEST FOR PROPOSALS FOR
MEDICARE ADVANTAGE BENEFIT PLANS
08-10380-3639**

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COPIES OF THE APPENDICES WILL BE PROVIDED BY WRITTEN REQUEST ONLY.

SEND REQUESTS FOR APPENDICES TO MARTHA BOYD, AS REFERENCED IN PART I-2, INCLUDING YOUR COMPANY NAME, CONTACT PERSON AND EMAIL ADDRESS.

PART I

GENERAL INFORMATION FOR PROPOSERS

I-1. Purpose. This request for proposals (RFP) provides interested Proposers with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) to satisfy a need for Medicare Medical Advantage Plans with and without Prescription Drug Coverage.

I-2. Issuing Office. This RFP is issued for the Commission by the **Office of Human Resources. The address is Post Office Box 67676, Harrisburg, PA 17106. (717)939-9551. Ms. Martha S. Boyd, Compensation and Benefits Supervisor in the Office of Human Resources** will be the contact person for this project. Ms. Boyd can be reached via US Mail at the above address. Ms Boyd's contact information is as follows:

Phone number: (717)939-9551, extension 4272

Fax number: (717)986-8760

Email address: mboyd@paturndpike.com

The Issuing Office is the sole point of contact in the Commission for this RFP.

I-3. Scope. This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

I-4. Problem Statement. Provide Medicare Medical Advantage Plans with and without Prescription Drug Coverage to retirees of the Pennsylvania Turnpike Commission within the guidelines of this RFP.

I-5. Type of Contract. It is proposed that if a contract is entered into as a result of this RFP, it will be a fully insured or self insured program. The Commission may in its sole discretion undertake negotiations with Proposers whose proposals as to price and other factors show them to be qualified, responsible, and capable of performing the work.

I-6. Rejection of Proposals. The Commission reserves the right to reject any and all proposals received as a result of this request, or to negotiate separately with competing Proposers.

I-7. Subcontracting. Any use of subcontractors by a Proposer must be identified in the proposal. During the contract period use of any subcontractors by the selected Proposer that were not previously identified in the proposal must be approved in advance in writing by the Commission.

I-8. Incurring Costs. The Commission is not liable for any costs the Proposer incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of contract.

I.9. Questions and Answers. Written questions may be submitted to clarify any points in the RFP which may not have been clearly understood. Written questions should be submitted to the Issuing Office at the address indicated above to be received no later than August 22, 2008 by 12:00 p.m. local time. All questions and written answers will be issued as an addendum to and become part of this RFP.

I-10. Addenda to the RFP. If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the Commission's website under the original RFP document. It is the responsibility of the Proposer to periodically check the website for any new information or addenda to the RFP.

The Commission may revise a published advertisement. If the Commission revises a published advertisement less than ten days before the RFP due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to ensure the submitted proposal complies with any changes in the published advertisement.

I-11. Response. To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: **Ms. Gail Reed**, on or before **September 10, 2008 at 12:00 p.m. local time**. The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Boulevard, Middletown, PA 17057 (Street address). Our mailing Address is P. O. Box 67676, Harrisburg, PA 17106.

Please note that use of U.S. Mail delivery does not guarantee delivery to this address by the above-listed time for submission. Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals. If the Commission office location to which proposals are to be delivered is closed on the proposal response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless the Proposers are otherwise notified by the Commission, the time for submission of proposals shall remain the same.

I-12. Proposals. To be considered, Proposers should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in eight (8) paper copies to the Contract Administration Department. Two copies provided via CD-Rom must be included as well. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference. Proposals must be signed by an official authorized to bind the Proposer to its provisions and include the Proposer's Federal Identification Number. For this RFP, the proposal must remain valid for at least **180** days. Moreover, the contents of the proposal of the selected Proposer will become contractual obligations if a contract is entered into.

Each and every Proposer submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or telefax notice received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt. However, if the Proposer chooses to attempt to provide such written notice by telefax transmission, the Commission shall not be responsible or liable for errors in telefax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided its identity is made known and it signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt.

A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification which complies with the requirements of this RFP.

I-13. Economy of Preparation. Proposals should be prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP.

I-14. Discussions for Clarification. Proposers who submit proposals may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

I-15. Best and Final Offers. The Issuing Office reserves the right to conduct discussions with Proposers for the purpose of obtaining "best and final offers." To obtain best and final offers from Proposers, the Issuing Office may do one or more of the following: a) enter into pre-selection negotiations; b) schedule oral presentations; and c) request revised proposals. The Issuing Office will limit any discussions to responsible Proposers whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award.

I-16. Prime Proposer Responsibilities. The selected Proposer will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the Commission will consider the selected Proposer to be the sole point of contact with regard to contractual matters.

I-17. Proposal Contents. Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. If a contract is executed, however, the successful proposal submitted in response to this RFP shall be subject to disclosure. All material submitted with the proposal becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission's option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competing Proposers at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

I-18. Debriefing Conferences. Proposers whose proposals are not selected will be notified of the name of the selected Proposer and given the opportunity to be debriefed, at the Proposer's request. The Issuing Office will schedule the time and location of the debriefing. The Proposer will not be compared with other Proposers, other than the position of its proposal in relation to all other proposals.

I-19. News Releases. News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

I-20. Commission Participation. Unless specifically noted in this section, Proposers must provide all services to complete the identified work. Human Resources personnel will have responsibility for product oversight.

I-21. Cost Submittal. The cost submittal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal. **Failure to meet this requirement may result in disqualification of the proposal.**

I-22. Term of Contract. The term of the contract will commence on the Effective Date of January 1, 2009 and will end on December 31, 2009 with an option of up to four (4) one-year contract extensions. The Commission shall fix the Effective Date after the contract has been fully executed by the Contractor and by the Commission and all approvals required by Commission contracting procedures have been obtained.

I-23. Proposer's Representations and Authorizations. Each Proposer by submitting its proposal understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.
- b. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.
- c. Neither the price(s) nor the amount of the proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed on or before the proposal submission deadline specified in the cover letter to this RFP.
- d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the Proposer, the Proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Proposer in its proposal.
- g. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Proposer that is owed to the Commonwealth.

- h. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.
- i. The Proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.
- j. Each Proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

PART II

INFORMATION REQUIRED FROM PROPOSERS

Proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. Each proposal shall consist of two (2) separately sealed submittals. The submittals are as follows: (i) Technical Submittal, in response to Sections II-1 through II-7 hereof; (ii) Cost Submittal, in response to Section II-8 hereof.

The Commission reserves the right to request additional information which, in the Commission's opinion, is necessary to assure that the Proposer's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Commission may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the Commission that such Proposer is properly qualified to carry out the obligations of the agreement and to complete the work specified.

II-1. Statement of the Problem. State in succinct terms your understanding of the problem presented or the service required by this RFP.

II-2. Management Summary. Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

II-3. Work Plan. Describe in narrative form your technical plan for accomplishing the work as outlined in the Questionnaire section of this RFP Part VI. Please answer all the questions in detail to ensure that we have a full understanding of your capabilities.

II-4. Prior Experience. Include experience in **the management and administration of Medicare products**. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to should be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

II-5. Personnel. Include the number, and names where practicable, of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the work. Include through a resume or similar document education and experience in **the management and administration of Medicare products**. Indicate your firm's experience with Public Sector and Union groups. Indicate the responsibilities each will have in this project and how long each has been with your company. Identify subcontractors you intend to use and the services they will perform.

II-6. Training. If appropriate, indicate recommended training of Commission personnel. Include the personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

II-7. M/W/DBE Participation. The Turnpike Commission is committed to the inclusion of disadvantaged, minority, and woman firms in contracting opportunities. Responding firms shall clearly identify DBE/MBE/WBE firms, expected to participate in this contract, in their Proposal. **If further information is desired concerning DBE/MBE/WBE participation,** direct inquiries to the Pennsylvania Turnpike Commission's Contract Administration Department by calling (717) 939-9551 Ext. 4241.
DBE/MBE/WBE Information.

II-8. Cost Submittal. The information requested in this section shall constitute your cost submittal. **The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separate from the technical submittal. Failure to meet this requirement may result in disqualification of the proposal.**

If the service is not included in the Per Member Per Month (PMPM) cost, please provide a breakout. Proposers must clearly identify the fees/costs for:

- a. Monthly Premium (please be sure to separate the costs for any riders)
- b. Administration
- c. Network Access
- d. Utilization Management
- e. Case Management
- f. Hard Copy Directories
- g. Retiree Communication Materials
- h. Implementation
- i. Special Billing Charges
- j. On-line Services
- k. Reporting and any Special Reporting
- l. Run-out and the Length of Time for the Run-out
- m. HIPAA Certificates
- n. Creditable Coverage Notices
- o. Broker/Consultant
- p. Services other than what is listed above

Proposers should **not** include any assumptions in their cost submittals. If the proposer includes assumptions in its cost submittal, the Issuing Office may reject the proposal.

Any costs not provided in the cost proposal will be assumed as no charge to the Commission.

The selected Proposer shall only perform work on this contract after the Effective Date is affixed and the fully-executed contract sent to the selected Proposer. The Commission shall issue a written Notice to Proceed to the selected Proposer authorizing the work to begin on a date which is on or after the Effective Date. The selected Proposer shall not start the performance of any work prior to the date set forth in the Notice of Proceed and the Commission shall not be liable to pay the selected Proposer for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No Commission employee has the authority to verbally direct the commencement of any work under this Contract.

PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, a proposal should be (a) timely received from a Proposer; (b) properly signed by the Proposer; and (c) formatted such that all cost data is kept separate from and not included in the Technical Submittal.

III-2. Proposals will be reviewed and evaluated by a committee of qualified personnel selected by the Commission. This committee will recommend for selection the proposal that most closely meets the requirements of the RFP and satisfies Commission needs. Award will only be made to a Proposer determined to be responsive and responsible in accordance with Commonwealth Procurement Code.

III-3. The following criteria will be used, in order of relative importance from the highest to the lowest, in evaluating each proposal:

a. Understanding the Problem. This refers to the Proposer's understanding of the Commission needs that generated the RFP, of the Commission's objectives in asking for the services or undertaking the study, and of the nature and scope of the work involved.

b. Proposer Qualifications. This refers to the ability of the Proposer to meet the terms of the RFP, especially the time constraint and the quality, relevancy, and recency of studies and projects completed by the Proposer. This also includes the Proposer's financial ability to undertake a project of this size.

c. Personnel Qualifications. This refers to the competence of professional personnel who would be assigned to the job by the Proposer. Qualifications of professional personnel will be measured by experience and education, with particular reference to experience on studies/services similar to that described in the RFP. Particular emphasis is placed on the qualifications of the project manager.

d. Soundness of Approach. Emphasis here is on the techniques for collecting and analyzing data, sequence and relationships of major steps, and methods for managing the service/project. Of equal importance is whether the technical approach is completely responsive to all written specifications and requirements contained in the RFP and if it appears to meet Commission objectives.

e. Cost. While this area may be weighted heavily, it will not normally be the deciding factor in the selection process. The Commission reserves the right to select a proposal based upon all the factors listed above, and will not necessarily choose the firm offering the best price. The Commission will select the firm with the proposal that best meets its needs, at the sole discretion of the Commission.

PART IV

WORK STATEMENT

IV-1. Objectives.

a. General. The Pennsylvania Turnpike Commission is soliciting proposals from qualified Medicare Benefit Plan carriers to manage and administer Medicare products for the 2009 Plan Year, with the option of up to four (4) one-year renewable terms.

b. Specific. The Pennsylvania Turnpike Commission is soliciting proposals from qualified Medicare Benefit Plan carriers that are competitively priced and offer the retirees comprehensive coverage with value added services. The carrier must provide the Office of Human Resources staff with effective and efficient service.

IV-2. Nature and Scope of the Project.

Background: The Pennsylvania Turnpike Commission is an independent agency of the Commonwealth of Pennsylvania. As a government agency, the Commission is not governed by the rules, regulations or legislative requirements of ERISA.

The Pennsylvania Turnpike Commission is a key transportation route within the Commonwealth of Pennsylvania and a vital link in the network of the eastern United States. The Pennsylvania Turnpike is 536 miles in length with 60 fare collection facilities, 20 service plazas and 2 welcome centers, 21 maintenance buildings, 8 police barracks and 5 tunnels. For more information go to www.paturnpike.com.

Currently there are over 2,200 active employees of the Commission who work in over 110 locations including three administrative offices: the Central Administration Office in Middletown, PA, the Eastern Regional Office in King of Prussia, PA and the Western Regional Office in New Stanton, PA.

There are currently over 900 retirees and spouses age 65 or over who are covered under our plans. Please note that not all retirees reside in Pennsylvania. You will need to refer to the census for the actual location in which they reside. The average number of new retirees in each of the last three years was 63 new Union retirees, 17 new Management retirees.

Scope of Project: Please provide a Medicare Medical Advantage Plan with and without Prescription Drug Coverage that closely matches the existing plans. The Pennsylvania Turnpike Commission is also requesting a plan design that matches the plan titled "Highmark PPO Blue", which is the current under age 65 retiree coverage. We would like to also review other plan options that you have available in your Medicare Advantage portfolio. Alternative Medicare Supplemental programs will not be considered. Plan Designs are available upon written request.

Claims data is not available.

IV-3. Requirements.

The proposed Medicare Medical Advantage Plans with and without Prescription Drug coverage must be filed and approved by CMS, follow all Federal, State, Commonwealth and Attorney General requirements. Proof thereof must be included in your response. **You must submit a plan with and without prescription coverage.**

Retirees can change carriers at the beginning of each month as requested, in accordance with Medicare rules.

Retiree communications that must be mailed to all eligible participants include but are not limited to; directories, benefits summaries, enrollment material, value added services, claims forms, etc. **Retirees must receive plan information by December 1st of each year.**

We expect 120 day notice for renewal rates. Please indicate your willingness to provide same.

Copies of the benefit summaries are available upon written request. Please indicate any deviations very clearly.

Carriers should properly process claims within a timely manner and allow reasonable access to Customer Service Representatives via telephone and internet.

The network should allow for significant access to quality medical providers in various states for the retiree population. Census data with geographic information is available upon written request.

The Pennsylvania Turnpike Commission expects the full RFP responses to be reviewed and accepted via signature agreement by an Executive Officer of your company. Signature document is included and must be submitted as part of your RFP. Failure to properly execute and return the document with your proposal may result in rejection of your proposal.

Acceptance of Requirements

Insurer or Plan Administrator agrees to the provisions of the specifications:

_____ Without exception

_____ With exceptions described below

Proposals must be signed by an official authorized to bind the Proposer to its provisions and include the Proposer's Federal Identification Number.

_____ Without exception

_____ With exceptions described below

Exceptions:

Insurer or Plan Administrator: _____

Location: _____

Officer's Signature _____

Officer's Printed Name: _____

Title: _____

Date: _____

IV-4. Tasks.

Your proposal must also include reference to your abilities to provide superior service to Human Resources and covered members. It is expected the carrier will efficiently manage implementation transition in order to mitigate disruption to our population. ID cards should be mailed to enrollees' homes within two weeks of the enrollment date. Carrier must diligently manage data within HIPAA guidelines and provide communication access in a secure environment.

IV-5. Reports and Project Control. It is expected the carrier will provide periodic reports as follows: Division specific monthly enrollment/billing, enrollment reports, rating methodology report, end of year activity, in addition to the following implementation activities:

a. Task Plan. A work plan for each task that identifies the work elements of each task, the resources assigned to the task, and the time allotted to each element and the deliverable items to be produced.

b. Status Report. A periodic progress report covering activities, problems, and recommendations; the report should be keyed to the work plan developed by the Proposer in its proposal, as amended or approved by the Commission.

c. Problem Identification Report. An "as required" report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include Proposer recommendations with supporting rationale.

d. Final Report. A report detailing all implementation activities and final enrollment in its completion.

IV- 6. Timeline

RFP available for Issuance	August 11, 2008
Questions due to Pennsylvania Turnpike Commission	August 22, 2008 by 12:00 p.m. local time
Proposals due to Pennsylvania Turnpike Commission	September 10, 2008 by 12:00 p.m. local time
Vendor Award/Approval	November 2008
Plan Effective Date	January 1, 2009

Any changes to the above prior to the proposal due date will be at the discretion of the Pennsylvania Turnpike Commission and will be posted on the website. It is the responsibility of the Proposer to check the website for updates.

PART V
INSTRUCTIONS

The current Medicare products and carriers inforce are:

- Highmark Blue Shield Freedom Blue PPO
- Highmark Signature 65 Supplemental Plan
- Aetna Medicare Open Plan

Highmark was recently awarded a three-year contract for the Signature 65 Supplemental Plan effective March 1, 2008. Therefore, we are not accepting bid proposals for a Medicare Supplemental Plan.

You must submit a plan with and without Prescription Drug Coverage. The plan must also include coverage for the “prescription gap”. A minimum generic copay will be acceptable.

Please make sure your rates reflect the costs for any additional riders such as vision, dental, chiropractic, etc. separately, if applicable.

Please note this may not be a total replacement. More than one vendor may be awarded a contract.

Documents

Please note any cost associated with the below documents in your cost proposal in section II-8. If no additional costs apply, please indicate same.

Please provide the following documents as part of your submission:

- Most recent Certificate of Authority
- Contract
- HIPAA 834 Report
- HEDIS Report
- Sample Financial and Analytical Reports
- Billing Statement
- Geo Access Report
- Directory
- Enrollment Forms
- Newsletters
- New Enrollee Communications
- ID card sample
- HIPAA Certificate
- Creditable Coverage Notice
- Benefit Booklets/Summary of Benefits
- Explanation of Benefits (EOB)

Financial

Plans should be quoted on a fully insured and self insured basis. Please include a retrospective refund arrangement if available.

All fully insured rates should be provided as National and State by Region and/or blended/mutualized rating structures and effective for a 12 month period, not qualified on enrollment deviations.

Self insured plans should provide ASO rates and any applicable fees charged to the Pennsylvania Turnpike Commission for network access, utilization management, etc. Please indicate your runout administration fees, runout policies and the length of time for the run-out in Part II-8.

Eligibility

There are approximately 544 retirees age 65 or over and 303 who are under the age of 65. Please note that there are 747 dependents of retirees with benefits (spouses and eligible children). Of the 747 dependents, 414 are age 65 or over and 333 are under age 65. Surviving dependents are counted in the dependent category.

We require the carriers to separate enrollment by coverage category as noted on the census.

Eligibility for retiree health benefit coverage is determined by Pennsylvania Turnpike Commission. Health coverage is available to the retiree, spouse and any eligible dependent.

All retirees who are age 65 or older and are eligible for health benefits may elect these plans. Open enrollment is conducted at the end of each year.

No employee is to experience a loss of coverage as a result of a change of carriers. Evidence of Insurability will not be required of any individual on this plan.

Retirees that are eligible for health benefits are currently comprised of these groups: Union, Management/Local 30S and Survivors. For retirees age 65 or over, the Commission contributes a flat amount to the retirees' monthly premium(s) or pays the premiums(s) in full, based on the retirement date and the group.

The Commission participates in the Drug Subsidy program with Medicare D for specified groups of retirees.

The Commission requires all age 65 and over retirees to be enrolled in Medicare Parts A and B.

PART VI
QUESTIONNAIRE

A. COMPANY BACKGROUND

Please include specific information regarding your company, such as:

Years in Group Medicare Business
Number of total Medicare Groups
Number of total Medicare Membership
Company financial information and ratings
Explain your future plans for Medicare Administration
Explain what differentiates you from your competitor

B. NETWORK

Describe your national network service area
Describe how you recruit new providers and facilities
Describe provider criteria such as they must be Board Certified
Describe last three years turnover rate for providers and facilities
Describe provider fee schedule methodology
Describe network facility contractual arrangements
If providing a Private Fee-for-Service Plan indicate the number of providers that are in the service areas listed on the census
List any exceptions or restrictions
Please explain how emergencies are paid for an out-of-network provider and if there will be any balance bill to the participant
Regarding an emergency service for an out-of-network provider, once the participant is stabilized please explain the continuation of care process

C. CUSTOMER SERVICE

Include information regarding location, days, hours of operation
Describe employee experience and training requirements
Provide background on key personnel
Provide statistical data with regard to:
 Time to Answer
 Abandonment Rate
 Customer Satisfaction Rate
Describe ability to provide dedicated toll-free phone line
Please include a copy of your appeals process
Explain your policy if a retiree is in active continuous treatment (transition of treatment)
Please provide Performance Guarantees (Time to Answer Calls, Abandonment Rate, Customer Satisfaction Rate, etc.) and indicate in the cost section Part II-8

D. CLAIMS PROCESSING

On what system are claims processed?

Describe system capabilities

Are network, customer service notes and utilization management information integrated with claims system?

Provide statistical data relative to turnaround time and accuracy

How many Medicare claims were processed in 2007?

What dollar amount of Medicare claims were processed in 2007?

Advise if there will be any major system changes and how you will ensure minimal disruption to the participant

Please provide Performance Guarantees (Timeliness, Accuracy, etc.) and indicate in the cost section Part II-8

E. HEALTH MANAGEMENT

Explain your case management, utilization management and disease management programs and indicate in section II-8 if there are any additional costs

Describe any wellness initiatives built in to your plan design

F. ACCOUNT MANAGEMENT

Provide background and location of Account Management Team

Provide biographies on all individuals responsible for Account Management

Will one point of contact be available?

Please provide contacts for:

- Implementation Services

- Daily Account (high-level) Management

- Claims and Billing Resolution

G. IMPLEMENTATION

Describe your implementation process and include a timeline of action items for the employer as well as the carrier

Indicate each team member's role in the implementation process

Will your staff attend onsite meetings?

Will there be a minimum number of retirees that need to be enrolled in each plan?

H. BILLING

Confirm electronic billing is available

Confirm electronic enrollment is available

Describe billing process

How far back does your company accept terminations and additions?

Advise if you can administer retiree billing (for the retiree portion of their contribution, if applicable) and reflect the costs in section II-8. Please include your administration process.

Advise if you can administer a split billing (for The Commission's portion and the retiree's portion) and reflect the costs in section II-8. Please include your administration process.

I. REPORTING

Explain in detail how your system handles edits

Provide a detailed description of your audit process

Explain what standard reports are available

Provide costs in section II-8 of your cost per hour for custom reporting

J. WEBSITE FEATURES

Describe your website features and available online services for the employer such as enrolls/terms/changes capabilities. Please include your future plans and timeline.

Describe your website features and available online services for the employee such as ordering a new ID card and directories. Please include your future plans and timeline.

Describe network search procedures

Describe availability for online claims access for both employer and employee, and the ability to print Explanations of Benefits.

K. MEDICARE D PENALTY

A retiree who is on a plan without prescription coverage can switch to a plan that includes prescription coverage and pay the additional premium. If the retiree had a lapse in coverage over 63 days what is your policy on administering the 1% penalty?

L. MISCELLANEOUS

Describe your experience with System, Applications and Products in Data Processing (SAP) system and confirm your ability to interface with SAP

Please provide details regarding Value Added Services such as wellness discounts, vision and dental benefits and include the costs in section II-8

Please advise if there are any restrictions regarding the employer contributions

Please list and explain in detail any pre-existing condition clauses that apply

Advise how you handle new legislative changes

Explain your audit process in detail and advise if you have been found to be Medicare noncompliant

Explain what corrective action was taken for being Medicare noncompliant, if applicable

Advise on your willingness to attend Commission sponsored open enrollments or pre-retirement seminars

M. REFERENCES

Provide three references of current employer groups of similar size and scope

Provide three references of former employer groups of similar size and scope

Addendum No. 1
RFP # 08-10380-3639

**MEDICARE MEDICAL ADVANTAGE PLANS WITH AND WITHOUT
PRESCRIPTION DRUG COVERAGE**

Following are the answers to questions submitted in response to the above referenced RFP as of Friday, August 22, 2008 at 12:00PM. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

1. In the RFP, it indicates that claims data is not available. However, [Insurance Company] requires claims experience in order to underwrite and customize plan designs for a group of this size. For each current Medicare product offering, please provide the following data requirements:

- Claims experience
 - A minimum of 12 months (by month) of paid claims. If available, please provide for Medicare Paid, Plan and Member Paid. This claims experience will need to be provided for both medical and Rx benefits.
 - Historical membership counts for the same period (by plan coverage).
 - If available, please provide detailed claims-level information that includes diagnosis information.

Response: Please refer to the Request for Proposal, page 11, Part IV Work Statement, section IV-2 Nature and Scope of Project, "Claims data is not available" (for the lines of coverage for which we are seeking proposals).

2. We require a census of each member that includes:

Identifier, date of birth, gender, plan selection, and 5-digit zip code

Response: This information is in Appendix A and available upon written request.

3. Can you please provide a plan design summary of the current benefit plan offerings for the pre- and post-65 retirees?

Response: The plan designs up for consideration are in Appendix B and available upon written request.

4. Please provide a full plan design summary of the Rx benefits currently offered to both the pre- and post-65 retirees.

- RX drug benefit – any mail order benefit in current or proposed?

Response: The plan designs up for consideration are in Appendix B and available upon written request.

5. How is the current pre- and post-65 retiree plans currently funded?

Response: The plans being requested are Fully Insured.

6. Is it mandatory that a proposal for the pre-65 retirees be included with the post-65 MA PFFS proposal?

Response: No, we are not seeking bids for Pre-65 retirees at this time. Please refer to page 11 of the Request for Proposal, Part IV Work Statement, Section IV-2, Nature and Scope of Project.

7. If so, will more favorable consideration be provided to carriers who also quote the post-65 retirees?

Response: Equal consideration will be given to all carriers.

8. Since the PA Turnpike Commission recently renewed a three-year contract with Highmark for the Signature 65 Supplemental Plan effective 3/1/08, what is the rationale in seeking additional plan offerings at this time?

Response: The Commission wants to provide additional plan choices for its retiree population.

9. When was the current Highmark Blue Shield Freedom Blue PPO plan offered to the PA Turnpike retirees?

Response: January, 2006

10. Upon the offering of a Medicare Advantage Private Fee-For-Service plan to the post-65 retirees, will the Commission continue to offer the current Highmark Blue Shield Freedom Blue PPO and Aetna Medicare Open Plan?

Response: As indicated in the Request for Proposal, page 15, Part V, Instructions, more than one carrier may be awarded the contract.

11. Can you clarify what is meant by the notation that more than one vendor may be awarded a contract? Does this imply the Commission may select and offer more than one carrier's MA PFFS plan? If so, please explain.

Response: The Commission may contract with more than one carrier.

12. Will the Commission permit open enrollment meetings to present a new MA PFFS offering?

Response: Yes, but the opportunity for open enrollment meetings for this plan year may not be available based on time constraints.

13. Related to the MA PFFS product offering, how do you suggest that we annotate questions not relevant to the PFFS model, such as network, provider directories, GeoAccess reports, and utilization management components?

Response: Please refer to The Request for Proposal, page 17, Part VI Questionnaire, Question 6B. Please provide us with as much information as possible regarding your networks to assist in our decision, but if there is any section of the RFP that is not relevant to your particular product, please indicate same.

14. Can you please provide the RFP Questionnaire section in Microsoft Word format?

Response: No.

15. What are the average employee contributions toward their elected plan offerings?

Response: Active employee benefits are not a consideration in this RFP.

16. Are Retirees required to contribute to the cost of the plans? If yes, what are the amounts?

Response: Please refer to the Request for Proposal, page 16, Part V Instructions, Eligibility.

17. How does the PTC plan to communicate changes to the Retiree population? Do you plan to hold Retiree meetings / seminars / health fairs etc...?

Response: Plan information will be communicated to all Retirees via Commission-approved mass mailings.

18. Is there an opportunity to access the Retiree population through a direct outreach (phones calls, home mailers, etc) with the appropriate oversight and approval of the PTC?

Response: Yes, carriers are asked to provide information directly to our Retiree population via Commission-approved mailings.

19. Are the 2009 Rates for Highmark's Supplemental Plan available?

Response: No.

20. We offer our Medicare Advantage plans on fully insured, full risk basis only. The RFP requested a self insured Medicare Advantage plan. Will that eliminate us from consideration?

Response: No.

21. We are interpreting the request as a Medicare post 65 Retiree only RFP and is not intended to cover the pre 65 retirees-please confirm. Should this not be the case, we would need claims experience for the under 65 population to provide a proposal for that population.

Response: Confirmed.

22. It is our understanding, the RFP is asking us to provide the following plans (please confirm)

- Provide current Aetna PFFS plans with and without RX
- Match Highmark Freedom Plan with and without Rx
- Provide a MA PPO plan that closely matches the Highmark Under 65 plan

Response: Please refer to the Request for Proposal, Page 11, Part IV Work Statement, Section IV-2, Nature and Scope of Project.

23. Can please clarify how RFP updates will be communicated to the respondents?

Response: As indicated in the Request for Proposal, page 3, Part I General Information For Proposers, Section 1-10 "If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the Commission's website under the original RFP document. It is the responsibility of the Proposer to periodically check the website for any new information or addenda to the RFP."

24. What is the employer subsidy for the Medical and PDP plans?

Response: Please refer to the Request for Proposal, page 16, Part V Instructions, Eligibility.

25. Is the Commission looking for reduced offerings?

Response: No.

26. Can carriers bid only on the PPO, or is every bidder required to bid all products?

Response: Carriers should provide a proposal according to their benefit availability.

27. Is the Commission looking for a statewide plan? If so, would this automatically exclude carriers that offer coverage only in specific counties within PA?

Response: Please refer to the Request for Proposal, page 10, Part III Criteria For Selection. The Commission will select the carrier that meets the Criteria for Selection and will meet the needs of our Retiree population.

28. The RFP states plans should submit fully insured and ASO plans. Does the Commission require that a plan submit both? Would a plan be automatically excluded if not able to provide ASO bids?

Response: Carriers may submit either fully insured, ASO, or both.

29. When will the answers to these questions be answered? How will plans access the answers? Will they be on the website link, or will they be provided via email as were the appendices?

Response: All questions and written answers will be issued as an addendum to and become part of this RFP. The questions submitted and their responses will be posted as an addendum to this RFP no later than ten days prior to the response deadline.

30. Is there a deadline to inform the Commission whether or not a plan is intending to bid?

Response: There is no deadline to inform the Commission whether or not a plan is intending to be proposed. Please note final proposals are due by Wednesday, September 10, 2008, 12:00PM local time.

All other terms, conditions and requirements of the original RFP dated August 11, 2008 remain unchanged unless modified by this Addendum.