State of Delaware

SEBC Meeting – Health Insurance RFP Discussion

July 11, 2016
Agenda

- Health Insurance RFP Update
- Health Insurance RFP Scoring
- Next Steps
Health Insurance RFP Update
Health insurance RFP update

- Willis Towers Watson is working in conjunction with the Statewide Benefits Office (SBO) on developing the Health Insurance Request-for-Proposal (RFP)
  - Third draft of document in process of development
- As a reminder, the structure of the RFP is as follows:
  - RFP Introduction
  - RFP Background
  - Minimum Requirements
  - Detailed Questionnaire, consisting of five sub-sections
    - Bidder Profile
    - Medical Plan Administration
    - Health Care Delivery
    - Member Support, Tools and Resources
    - Health Management
  - Network Adequacy
  - Financial Proposal
- The RFP is being utilized as a tactic to address the State of Delaware’s broader strategic framework (mission and goals) and will be developed over the coming months
  - As the RFP is broad in nature, covering both the State of Delaware’s current plan options as well as potential modifications to maximize efficiency in cost, access and quality, it will support the future goals and mission within the State’s broader strategic framework
As noted on the previous page, the RFP is segmented into several different sections.

The RFP aims to gather details on what the market can offer through many areas, including both traditional aspects of plan administration, as well as emerging models aimed at maximizing plan efficiency.

Below are examples of information that will be sought through this RFP process from bidders in review of both traditional models and emerging models.

<table>
<thead>
<tr>
<th>Various Payment Models</th>
<th>Consumer Awareness</th>
<th>Disease Management Options</th>
<th>Other Potential Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Traditional Fee-for-Service (including % of billed charges, DRGS &amp; APCs)</td>
<td>- Provider data transparency</td>
<td>- Health Management programs (Disease Management, Care Management)</td>
<td>- Coordination with On-site Health Centers</td>
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<td>- Accountable Care Organizations (ACOs)</td>
<td>- Member self-service: technology and portals</td>
<td>- Care coordination</td>
<td>- Telemedicine</td>
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<td>- Patient-Centered Medical Homes (PCMHs)</td>
<td>- Decision support tools</td>
<td>- Gaps in care technology</td>
<td>- Additional options such as Health Savings Accounts (HSAs) and Medicare Advantage Plans</td>
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<tr>
<td>- Centers of Excellence (COEs)</td>
<td>- Additional programs that can aid in providing awareness and education to members</td>
<td>- Alternative Health</td>
<td>- Coordination with Statewide Initiatives (such as the all claims payer database)</td>
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<td>- High Performing Networks</td>
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Willis Towers Watson has developed a four-quarter process for the effective delivery of health and welfare plan management services. Using this process, we can customize our services to best meet your needs consistent with your culture and work style.

### Health insurance RFP timeline

<table>
<thead>
<tr>
<th>Activity</th>
<th>2016</th>
<th>2017</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Jun</td>
<td>Jul</td>
</tr>
<tr>
<td>Develop review and finalize RFP</td>
<td></td>
<td></td>
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<tr>
<td>RFP Posted</td>
<td></td>
<td></td>
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<tr>
<td>Vendors Complete RFP</td>
<td></td>
<td></td>
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<tr>
<td>• Intent to bid</td>
<td></td>
<td></td>
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<tr>
<td>• Pre-mandatory conference call</td>
<td></td>
<td></td>
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<tr>
<td>• Questions from vendors</td>
<td></td>
<td></td>
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<tr>
<td>• Responses to vendors</td>
<td></td>
<td></td>
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<tr>
<td>• Bids deadline</td>
<td></td>
<td></td>
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<tr>
<td>Analysis Process</td>
<td></td>
<td></td>
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<tr>
<td>SBO Scores to Determine Finalists*</td>
<td></td>
<td></td>
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<tr>
<td>• Notification of finalists</td>
<td></td>
<td></td>
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<tr>
<td>Prep Presentation to PRC**</td>
<td></td>
<td></td>
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<tr>
<td>• Finalists interviews and scoring</td>
<td></td>
<td></td>
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<tr>
<td>Contract Award</td>
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<tr>
<td>Contract Effective Date</td>
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* Regular Monday meeting
** SBO will review drafts during Monday meeting before interviews

**Key Milestone Dates:**
- **RFP Posted:** 8/15
- **Bid Deadline:** 9/26
- **Finalists Interviews:** 10/31 & 11/1
- **Contract Award:** 11/14
- **Contract Effective Date:** 7/1/2017
Health Insurance RFP Scoring
Health insurance RFP scorecard draft

- Willis Towers Watson is working in conjunction with the Statewide Benefits Office (SBO) on developing scoring for the Health Insurance Request-for-Proposal
- Below is a high-level scorecard with sections and weightings for consideration—additional handout provided with detailed breakdown of sections

<table>
<thead>
<tr>
<th>Category</th>
<th>Non-Medicare Plans</th>
<th>Medicare Plan Only**</th>
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</thead>
<tbody>
<tr>
<td>Plan Administration</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>Plan Design Capabilities and Services</td>
<td>13%</td>
<td>18%</td>
</tr>
<tr>
<td>Adequate Network Access**</td>
<td>20%</td>
<td>n/a</td>
</tr>
<tr>
<td>Financial Terms</td>
<td>30%</td>
<td>35%</td>
</tr>
<tr>
<td>Experience and References</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Tools &amp; Technology</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Integration</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>**TOTAL</td>
<td>100%</td>
<td>100%</td>
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*Scoring will be expanded for all plans so that each vendor will be evaluated on each type of plan included in their proposal (i.e., both current plans such as the HMO, PPO, First State Basic, Consumer-Driven Plan, Medicare Supplement, and future plans not in place today, such as a value-based care network or a Medicare Advantage plan).

**For the Medicare Supplemental plan, the 20% weighting reflected under Adequate Network Access will be redistributed in 5% increments to Plan Administration, Plan Design Capabilities and Services, Financial Terms and Experience and References.
Next steps

- RFP finalization and posting for public response on August 15, 2016
- Strategy development roadmap to be reviewed and discussed at next SEBC meeting (July 25, 2016)
  - Willis Towers Watson will provide overview of mission and goal setting process with the aim of helping to develop a short- and long-term sustainable benefits strategy
  - The Health Insurance RFP will be used as a tactic to move the strategic framework forward