



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
INS12001

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF
**SHELLY MURRAY
 304-558-8801**

RFQ COPY
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

INSURANCE COMMISSION

**1124 SMITH STREET
 CHARLESTON, WV
 25305-0540 304-558-3707**

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
02/09/2012				

BID OPENING DATE: **03/21/2012** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
				REQUEST FOR PROPOSAL		
				THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE WEST VIRGINIA INSURANCE COMMISSION, IS SOLICITING PROPOSALS FOR PROFESSIONAL ACTUARIAL AND ECONOMIC MODELING SERVICES IN SUPPORT OF ALL ASPECTS OF PLANNING, IMPLEMENTATION AND DEVELOPMENT OF THE WEST VIRGINIA HEALTH BENEFIT EXCHANGES PER THE ATTACHED SPECIFICATIONS.		
				TECHNICAL QUESTIONS MUST BE SUBMITTED IN WRITING TO SHELLY MURRAY IN THE WEST VIRGINIA PURCHASING DIVISION VIA MAIL AT THE ADDRESS SHOWN IN THE BODY OF THIS RFP, VIA FAX AT 304-558-4115, OR VIA E-MAIL AT SHELLY.L.MURRAY@WV.GOV. DEADLINE FOR ALL TECHNICAL QUESTIONS IS 02/28/2012 AT THE CLOSE OF BUSINESS. ALL TECHNICAL QUESTIONS RECEIVED, IF ANY, WILL BE ADDRESSED BY ADDENDUM AFTER THE DEADLINE.		
0001	1	LS		946-12		
				ACTUARIAL AND ECONOMIC MODELING SERVICES		
				EXHIBIT 3		
				LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE UPON AWARD AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE		

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

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GENERAL TERMS & CONDITIONS
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
5. Payment may only be made after the delivery and acceptance of goods or services.
6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at www.state.wv.us/admin/purchase/vrc/hipaa.html and is hereby made part of the agreement provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).



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<p>ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.</p> <p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT BY THE STATE OF WEST VIRGINIA, ITS AGENCIES, OR POLITICAL SUBDIVISIONS, THE TERMS, CONDITIONS, AND PRICING SET FORTH HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p> <p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE</p>						

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<p>APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>ORDERING PROCEDURE: SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT WITHOUT FURTHER ORDER.</p> <p>THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.</p> <p>ANY INDIVIDUAL SIGNING THIS BID IS CERTIFYING THAT: (1) HE OR SHE IS AUTHORIZED BY THE BIDDER TO EXECUTE THE BID OR ANY DOCUMENTS RELATED THERETO ON BEHALF OF THE BIDDER, (2) THAT HE OR SHE IS AUTHORIZED TO BIND THE BIDDER IN A CONTRACTUAL RELATIONSHIP, AND (3) THAT THE BIDDER HAS PROPERLY REGISTERED WITH ANY STATE AGENCIES THAT MAY REQUIRE REGISTRATION.</p> <p>EXHIBIT 10</p>						

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REQUISITION NO.:						
ADDENDUM ACKNOWLEDGEMENT						
I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.						
ADDENDUM NO.'S:						
NO. 1						
NO. 2						
NO. 3						
NO. 4						
NO. 5						
I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.						
VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.						
..... SIGNATURE						
..... COMPANY						

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VENDOR ADDRESS

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<p>.....</p> <p>DATE</p> <p>NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.</p> <p>PURCHASING CARD ACCEPTANCE: THE STATE OF WEST VIRGINIA CURRENTLY UTILIZES A VISA PURCHASING CARD PROGRAM WHICH IS ISSUED THROUGH A BANK. THE SUCCESSFUL VENDOR MUST ACCEPT THE STATE OF WEST VIRGINIA VISA PURCHASING CARD FOR PAYMENT OF ALL ORDERS PLACED BY ANY STATE AGENCY AS A CONDITION OF AWARD.</p> <p>NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p>DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130</p> <p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:</p> <p>SEALED BID</p> <p>BUYER: SHELLY MURRAY</p>						

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				INS12001		
				BID OPENING DATE:		03/21/2012
				BID OPENING TIME:		1:30 PM
PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID:						

CONTACT PERSON (PLEASE PRINT CLEARLY):						

***** THIS IS THE END OF RFQ INS12001 ***** TOTAL: _____						

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REQUEST FOR PROPOSAL
West Virginia Offices of the Insurance Commissioner (WVOIC)
RFP # INS12001

TABLE OF CONTENTS

- Section 1: General Information**
- Section 2: Project Specifications**
- Section 3: Vendor Proposal**
- Section 4: Evaluation and Award**
- Section 5: Contract Terms and Conditions**

SECTION ONE: GENERAL INFORMATION

- 1.1 Purpose: The Purchasing Division, hereinafter referred to as the "State," is soliciting proposals pursuant to **West Virginia Code §5A-310b** for the West Virginia Offices of the Insurance Commissioner, hereinafter referred to as the "Agency," to provide professional actuarial and economic modeling services in support of all aspects of planning and feasibility of a West Virginia Health Benefit Exchange.
- 1.2 By signing and submitting its proposal, the successful Vendor agrees to be bound by all the terms contained in this RFP.

A Request for Proposal (RFP) is generally used for the procurement of services in situations where price is not the sole determining factor and the award will be based on a combination of cost and technical factors (Best Value). Through its proposal, the bidder offers a solution to the objectives, problem, or need specified in the RFP, and defines how it intends to meet (or exceed) the RFP requirements.

- 1.2.1 Compliance with Laws and Regulations: The Vendor shall procure all necessary permits and licenses to comply with all applicable Federal, State, or municipal laws, along with all regulations, and ordinances of any regulating body.

The Vendor shall pay any applicable sales, use or personal property taxes arising out of this contract and the transactions contemplated thereby. Any other taxes levied upon this contract shall be borne by the Vendor. It is clearly understood that the State of West Virginia is exempt from any taxes regarding performance of the scope of work of this contract.

- 1.3 Schedule of Events:

Vendor's Written Questions Submission Deadline	02/28/2012
Addendum Issued	TBD
Bid Opening Date.....	03/21/2012
Oral Presentation	TBD

- 1.4 **Mandatory Pre-bid Conference:** N/A

- 1.5 **Inquiries:** Inquiries regarding specifications of this RFP must be submitted in writing to the State Buyer with the exception of questions regarding the proposal submission which may be oral. The deadline for written inquiries is identified in the Schedule of Events, Section 1.3. All inquiries of specification clarification must be addressed to:

Shelly Murray, Buyer Supervisor
 Purchasing Division
 2019 Washington Street, East
 P.O. Box 50130
 Charleston, WV 25305-0130
 Fax: (304) 558-4115

No contact between the Vendor and the Agency is permitted without the express written consent of the State Buyer. Violation may result in rejection of the bid. The State Buyer named above is the sole contact for any and all inquiries after this RFP has been released.

- 1.6 **Verbal Communication:** Any verbal communication between the Vendor and any State personnel is **not** binding, including that made at the mandatory pre-bid conference. Only information issued in writing and added to the RFP specifications by an official written addendum by Purchasing is binding.
- 1.7 **Addenda:** If it becomes necessary to revise any part of this RFP, an official written addendum will be issued by the Purchasing Division.

SECTION TWO: PROJECT SPECIFICATIONS

2.1 LOCATION

Agency is located at 1124 Smith Street, Greenbrooke Building in Charleston, WV 25301

2.2 BACKGROUND AND CURRENT OPERATING PROJECT ENVIRONMENT

In March 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 were signed into law. The two laws are collectively referred to as the Affordable Care Act ("ACA"). The ACA provides grant funding to assist states with planning, development, and implementation of parts of the ACA.

The ACA requires each state (or the federal government acting on behalf of each state) to create an Exchange that performs a variety of functions, including offering residents of each state the means to compare information on available health benefit plans, enroll in plans, and receive subsidies if eligible. In addition, an Exchange (or an entity working on behalf of an Exchange) will certify "qualified health plans" to be offered on an Exchange, rate those plans based on quality, maintain a website and toll-free number, provide a calculator for consumers to determine the amount of their premium after subsidies have been calculated, coordinate with the State Medicaid Division regarding eligibility and enrollment into Medicaid and the Children's Health Insurance Program (CHIP), identify individuals exempt from the federal insurance mandate, require participating plans to justify rate increases, and contract for Navigators to provide public education and facilitate enrollment. Either as part of an Exchange for individuals or as a separate Exchange, small businesses will have the opportunity to assist their employees in enrolling in health plans offered on an Exchange. Exchanges must be operational by January 1, 2014.

- 2.3 **Qualifications and Experience:** Vendors will provide in **Attachment A: Vendor Response Sheet** information regarding their firm, such as staff qualifications and experience in completing similar projects; references; copies of any staff certifications or degrees applicable to this project; proposed staffing plan; descriptions of past projects completed entailing the location of the project, project manager name and contact information, type of project, and what the project goals and objectives were and how they were met.

2.4 PROJECT AND GOALS AND OBJECTIVES

The Scope of Work is divided into the sections below. Bidders must bid on all work included in this section, including all subsections. If a vendor intends to subcontract specific services, the vendor should identify the intent to subcontract and identify the subcontractor or possible

subcontractor's, including sufficient information to establish the subcontractor's expertise in the subject area. Evidence of the subcontractor's qualifications to perform subcontracted work should be included in the bid and must be provided within 24 hours of request.

The vendor should specify how they would work with the State to identify necessary data and, after the identification of such data, how the vendor will sample and analyze data elements. It is possible that additional data will not be collected for this analysis, and current available data will require further analysis.

2.4.1. **Background Research**

West Virginia must have a clear and comprehensive understanding of the current state of health insurance coverage. Identifying and analyzing the demographics and needs of the uninsured, underinsured and insured population and the existing health insurance marketplace shall assist Exchange design. The vendor should describe how they will conduct research and produce a subsequent report which should include an analysis of West Virginia's uninsured, underinsured and insured populations, an assessment of the affordability of coverage statewide and an overview of the State's private health insurance marketplace.

a. Study of the uninsured and underinsured in West Virginia.

- i. Descriptive analysis of the uninsured. The vendor should describe how they will provide a quantitative analysis of uninsured individuals in West Virginia. To the extent possible, this analysis should provide descriptive and inferential statistics of the uninsured population stratified by the following criteria:
 - a) Household income
 - b) Household size
 - c) Geographic location
 - d) Age and Gender
 - e) Race and Ethnicity
 - f) Employment status
 - 1). If employed, the employer size and the type of coverage offered (fully-insured, self-insured, collectively bargained, etc.)
 - g) Eligibility and utilization for public programs, including Medicaid, Children's Health Insurance Programs, and other state-based public health care programs (such as: PCIP, Access WV, Tri-Care, Small Business Plan).
 - h) Marital Status
 - i) Education Background
- ii. Descriptive analysis of the underinsured. The vendor should describe how they will provide a quantitative analysis of underinsured individuals in West Virginia (those individuals who are currently covered by policies that are not comprehensive, but may be limited in duration, scope or renewability). To the extent possible, this analysis should provide descriptive and inferential statistics of the underinsured population stratified by the following criteria:
 - a) Household income
 - b) Household size
 - c) Geographic location
 - d) Age and Gender
 - e) Race and Ethnicity
 - f) Employment status
 - 1). If employed, the employer size and the type of coverage offered (fully-insured, self-insured, collectively bargained, etc.)

- g) Eligibility for public programs, including Medicaid, Children's Health Insurance Program (CHIP), and other state-based public health care programs (such as: PCIP, Access WV, Tri-Care, Small Business Plan).
 - h) Personal preferences for health insurance coverage
- iii. Future Projections for the Uninsured in West Virginia. The vendor should describe how they will project the number of uninsured in West Virginia through December 31, 2015, at a minimum and, to the extent possible, the next ten (10) years. The vendor should describe how they will identify and explain the assumptions behind projected estimates.

b. Study of the insured population in West Virginia.

- i. Descriptive analysis of the insured population. The vendor should describe how they will provide a quantitative analysis of the number of insured individuals in West Virginia. To the extent possible, this analysis should provide descriptive and inferential statistics of the insured population stratified by the following criteria:
 - a) Household income
 - b) Eligibility for public programs, including Medicaid, Children's Health Insurance Program, and other state-based public health care programs (such as: PCIP, Access WV, Tri-Care, Small Business Plan)
 - c) Household size
 - d) Geographic location
 - e) Age and Gender
 - f) Race and Ethnicity
 - g) Employment status
 - 1). If employed, the employer size and the type of coverage offered (fully-insured, self-insured, collectively bargained, etc.)
 - h) Insurance market
 - 1). Individual market
 - 2). Fully-insured group coverage
 - 3). Self-insured plans
 - 4). Municipal, state and federal health plans (PEIA, etc.)
 - 5). Medicaid
 - 6). Children's Health Insurance Program (CHIP)
 - 7). Medicare (including those dually eligible for Medicare and Medicaid)
 - 8). Military health care coverage
 - 9). Stand-alone dental coverage
 - 10). Policies that are not comprehensive, but may be limited in duration, scope or renewability
 - 11). Coverage with service or pre-existing condition exclusions.
 - i) Immigration status (to the extent possible the vendor should describe how they will provide an estimate of the number of insured individuals that are not lawfully present in West Virginia.
- ii. **Coverage trends. The vendor should describe how they will analyze trends in coverage for the past (10 years) and provide projections for the future (10 years), to the extent possible stratified by:**
 - a) Insurance market (Health and Dental)
 - b) Geographic locations
 - c) Household income
- iii. Impact of Public Program Expansion. The vendor should describe how they will project the number of individuals to be insured in public health care programs and

any resulting issues, such as Medicaid, as a result of ACA-mandated eligibility expansions. This projection should take into account most recent and existing data from studies that have already been conducted by other West Virginia state agencies such as the Department of Health and Human Resources.

c. Study of the Small Business Health Options Program (SHOP)

- i. Analysis of the small group population. The vendor should describe how they will provide a quantitative analysis of the number of small groups in West Virginia. To the extent possible, this analysis should provide descriptive and inferential statistics of the population stratified by the following criteria:
- ii. Estimates for each year 2014 – 2016 assuming the State implements the Exchange for the small group (single risk pool and separate risk pool):
 - a) 1 to 25 employee markets;
 - b) 26 to 50 employee markets;
 - c) 51 to 100 employee markets;
 - d) 101 + employee markets.
 - 1) Household income
 - 2) Household size
 - 3) Geographic location
 - 4) Age and Gender
 - 5) Race and Ethnicity
 - 6) Eligibility for public programs, including Medicaid, Children's Health Insurance Program, and other state-based public health care programs (such as: PCIP, Access WV, Tri-Care, Small Business Plan)
- iii. Analysis of the number of WV residents who work across state lines and the number of non-WV residents who work within the state of WV. Provide data and description regarding the employer, the type of health insurance plans offered with participation rates by specific providers.
 - a) Descriptive analysis of the impact of pooling risk with surrounding states.
- iv. Analysis of the number of small business groups that are eligible for tax credits and at what level.
 - a) Provide an assessment of current and projected take-up of employer tax credits.
 - b) Provide an assessment of employee take-up of health insurance in each group size
 - c) Provide an assessment of employee per month health insurance cost to the employer and the employee of each group size
- v. Project the number of employers that may opt to not participate in the SHOP and the impact it will have on the individual market.
- vi. Analysis of federal and State efforts over previous ten years to provide assistance to small employers in providing affordable health insurance coverage to their employees.

d. Assessment of Coverage Affordability in West Virginia.

The vendor should describe how they will provide a qualitative and quantitative assessment of the affordability of health insurance coverage in the current individual, and to the extent possible, small and large group marketplace. This should include:

- i. Analysis of the number of underinsured. The vendor should describe how they will provide an estimate of insured individuals whose total out-of-pocket spending costs consume more than ten percent of the policyholder's income (or five percent if the policyholder is low-income). The vendor should describe how they will extrapolate from existing survey findings, secondary data or to the extent possible provide primary data to estimate the number of insured who have problems paying medical bills and those who have delayed or avoided seeking medical care due to the cost of services.
- ii. Estimate of the average premium as percentage of income. The vendor should describe how they will estimate the average premium within the individual and small and large group insurance markets as a percentage of income and to the extent possible stratify the estimate by household income level, geographic location, age, and race.
- iii. Using a measure of price elasticity; determine how the market will respond to price changes within and out of the Exchange taking into consideration the share of the health premium as part of household income and the amount of public subsidy.
- iv. Beginning in 2011 provide an analysis of transition of current and future consumers of the Exchange; apply this same analysis yearly to 2013 then after 2014.
- v. Assessment of CHIP subsidy verses Exchange premium tax subsidies. The vendor should describe how they will provide a side-by-side analysis of CHIP subsidy verses Exchange premium tax subsidies. Compare, contrast and justify features and benefits of each taking into consideration case mix and possible CHIP expansion.
- vi. Descriptive analysis of individuals and families in the following income thresholds:
 - 1) Below 139% of the Federal Poverty Level (FPL).
 - 2) 140% to 200% of the FPL.
 - 3) 201% to 300% of the FPL.
 - 4) 301% to 400% of the FPL.
 - 5) 401% or more of the FPL.

e. Health Insurance Marketplace in West Virginia.

The vendor should describe how they will provide qualitative and quantitative analysis of the current health insurance marketplace in West Virginia. Include an analysis of the impact and/or a recommendation as to whether state law shall require that all comprehensive health insurers participate in the Exchange. This should provide a detailed summary of the following market characteristics:

- i. Descriptive analysis and survey of the West Virginia insurance market. The vendor should describe how they will report for each carrier and producer in West Virginia, the following information:
 - a) Number of products in each market, and the range of premiums charged for these products;
 - b) Number of policyholders insured in each product;
 - c) Common benefit design and associated cost-sharing among commercial health insurance products;

- 1). The vendor should describe how they will identify common quality-improvement activities incorporated into the benefit design.
 - d) Relationships between benefit design and premiums charged; and
 - e) Regional variation in provider networks and network adequacy among commercial health insurance products, including geo-access reporting.
 - f) Agent commission structure, the vendor shall identify trend utilization of commission structure(s) using various blocks or lines of business.
 - g) Provide an analysis of price points for producer services.
- ii. Producers. The vendor should describe how they will coordinate with the Agency to provide an estimate of the number of insurance brokers and agents licensed in West Virginia who sell, market or distribute health insurance to groups (large and small) and individuals in West Virginia, including a summary of the following:
 - a) Geographic distribution of target markets
 - b) Commission structure and compensation ranges, and;
 - c) Using a 20 year time span (10 years back and 10 years forward) define the per producer/per carrier sales relationship broken down into blocks or lines of business.
- iii. Estimate the range of commission that has historically been paid to producers by insurers in the individual and small group health insurance markets. Include a separate range for commissions that have been paid in other creative purchasing arrangements or pools (public and/or private).
- iv. Analyze and provide various pro and con scenarios of flat fee and time based compensation to producers versus percent of premium. Provide some judgment and analysis as to the additional (or lessened) work expected for producers under the reforms given the probable increase or decrease in business from the utilization of navigators, individual mandate, government subsidies and the new information, comparability, online eligibility and functionality associated with the Exchange.

f. Economic Modeling and Fiscal Analysis

The vendor should describe how they will provide a quantitative analysis of the financial impact of implementing an Exchange in West Virginia. This analysis should provide descriptive statistics of the financial impact stratified by the following criteria:

- i. Exchange's impact on individual and group insurance premium rates.
- ii. Analysis of Producer Exchange fees providing models for incentive and sustainability.
- iii. Analysis for Insurance Company fees for Exchange participation.
- iv. The present breadth and anticipated future of the limited medical benefit plan market.
- v. Analysis of cost shift between public, private - currently insured and uninsured - and with anticipated coverage expenses in 2014-2020.
- vi. Analysis of adverse selection risks inside and outside of the Exchange; between carriers and risks. Provide an analysis of the issues of adverse selection in the health insurance markets under the rules established for the Exchanges in the Act. Provide recommendation on how to reduce or eliminate adverse selection against participation in the Exchanges when various Exchange structures are established. Provide pros and cons of each approach including the impact on insurer participation, consumer choice, and the ability of the Exchanges to influence the quality and delivery of health care in West Virginia.
- vii. Analyze adverse selection among benefit tiers within the Exchange. Provide recommendations for how to monitor and adjust plan pricing to offset any anticipated biased selection among benefit tiers.
- viii. Review and assess open enrollment strategies modeling the impact that such strategies could have on the insurance market, in and outside of an Exchange.

- ix. Analyze risk adjustment methodologies and recommending best approaches to comply with state and federal goals.
- x. Assess reinsurance and risk adjustment options.
- xi. Analyze various reforms and the impact such reforms, potential and actual, will likely have on premiums in different markets.
- xii. Model the impact of merging small and non-group markets.
- xiii. Model likely behavior in individual, small group, and large group market in response to specified market changes and policy decisions.
- xiv. Model the impact of the self-insured market on an Exchange and recommend various approaches to mitigate adverse impact.
- xv. Assess the adverse selection impacts of various legislative and policy decision scenarios.
- xvi. Develop methodologies to measure the cost of state-mandated benefits on a per member per month basis (PMPM), of each of the mandated benefits for coverage sold through the Exchange.
- xvii. Analyze regional rating factors, tobacco usage and age bands.

2.4.2. Exchange Design Options

The vendor should describe how they will develop several financial models depicting an Exchange on a sliding scale of involvement; from market organizer to active purchaser of plan products in an Exchange.

It is anticipated that such modeling should also include an analysis of important questions necessarily implicated in the creation of an Exchange. Anticipated questions to be addressed in the modeling and recommendations include but are not limited to the following:

- a. How will changes to the rating and underwriting requirements in the individual and group markets affect premiums for people currently covered?
- b. What might the cost of policies be within each benefit tier offered through an Exchange (Platinum, Gold, Silver, Bronze, and Catastrophic)?
- c. Using minimum, median and maximum projections, how many people will receive coverage through an Exchange and what will be their demographic profile?
- d. How many people are susceptible to switching (crowd-out) their source of coverage? (e.g. from employer sponsored insurance to an individual product offered in an Exchange or to other publicly subsidized coverage?)
- e. If the individual and small markets are merged, what might be the impact on coverage and premiums in each market?
- f. Provide an analysis and discussion of whether the Exchange shall expand the small group definition to include 1-100 by 2014 or by 2016
- g. Will the inclusion of groups of 51-100 employees in 2016 have a positive or negative effect on the risk pool, and how the premiums will be affected?
- h. Provide an analysis of the impact of permitting large groups in the Exchange in 2014 or by 2016.

The vendor needs to develop economic models for different approaches on program sustainability for Exchange functions particularly in 2015, including thorough assessments on insurers; in order to comply with the PPACA statute. Furthermore, the WVOIC requires information on the impact on individual and group premiums through a SHOP and individual Exchange merger, and the financial impact of such a decision on the state. Provide policy model options and recommendations with cost and price points at what level of utilization will sustainability occur.

2.4.3. Exchange Organizational and Impact Assessment

The goal of this component is to help the State understand the financial and structural impact of the reforms associated with implementing an Exchange in West Virginia, including accompanying consumer protections. The vendor should describe how they will do the following: The outputs of this project should provide the analysis and information needed to make informed decisions on Exchange development, including structure and policy. The final product of this procurement should also provide important background regarding the policy options that will impact an Exchange. This information and analysis should also serve as the basis for future planning and development of an Exchange in West Virginia.

There are four (4) general tasks associated with the broad organizational issues:

1. Organizational and Business Issues: Evaluate the implications of the organizational and business issues that the State must address in the development of Exchanges;
2. Impact of the Existing Marketplace: Outline the major impacts on the insurance market associated with implementation of an Exchange;
3. Finance: Define and develop options for financing an Exchange independent of federal funding after 2014, analysis of all financial/budgetary aspects of efficiently implementing and maintaining an Exchange, identify and plan for accounting structure, secure systems for confidential data and safeguarding transactions
4. Impact on Existing State Programs: Assess the cost impact of an Exchange on other State programs, and

a. Evaluate the Implications of Organizational and Business Issues

The vendor should describe how they will evaluate the costs, infrastructure adjustments, and other mandatory activities associated with the implementation of an Exchange in West Virginia. The costs should be described in a comprehensive budget narrative, including the rationale and/or formulae for developing the price points provided. It is important to highlight for the State exactly the level of expertise and productivity of work and staffing these costs will secure for an Exchange.

Provide the State with the estimated start-up and on-going operating costs associated with an Exchange.

The vendor should describe how they will provide estimates that would focus primarily on mandatory functions required under federal law and be necessary to adequately maintain the entity, as described in the ACA and accompanying regulations or guidance. Estimates should also leverage, integrate, and consider existing state resources to the greatest extent possible. Estimates should be based on actuarial and economic modeling to ensure the State clearly understands the assumptions and true impact of an Exchange on its existing revenues and state budget, market rules, and current market structure.

- i. Staffing and Business Operations. At a minimum, the vendor should describe how they will provide estimates and assumptions used to determine the costs of each of the following items for an Exchange:
 - a) Partnerships and contracting needs to support an Exchange, including the costs associated with an external toll-free consumer hotline and Navigator program;
 - b) Applicable federal and state taxes, if any;
 - c) Financial, accounting, federal and state reporting, and legal services (including the cost of reconciling tax credits and cost-sharing subsidies for employers and individuals in partnership with the federal government);

- d) Any other fundamental operating expenses associated with carrying out the mandatory functions of an Exchange, as described in the ACA.
- ii. Exchange Operation. Project the cost to run an Exchange for the first three (3) years beginning January 1, 2014, using the projections for enrollment and participation produced in this report. Base assumptions for activities, functions and expenses for the Exchange upon the activities, functions and expenses of currently functioning Exchanges. The analysis should include suggested staffing needs and capabilities, as well as proposed methodologies for generating funds to support operation of the Exchanges and its related services as provided by the Act.
- iii. Analysis of how different United States Supreme Court rulings related to the Patient Protection and Affordable Care Act, including the pending case related to the Federal mandate and expansion of Medicaid, may impact implementation of the health benefit exchange, including but not limited to, the implications on the Exchange consumer take up rate if the federal mandate is deemed unconstitutional.

b. Assess Potential Impacts of Substantive Options on the Insurance Market.

The vendor should describe how they will develop a list of the major policy decisions that will be addressed as part of establishing an Exchange, either because the decisions are required by the ACA or because an Exchange may require these decisions. The vendor should describe how they will be prepared to advise the State on the qualitative and quantitative impact of various options around these major policy decisions, providing best and worst cast scenarios with phasing recommendations. At a minimum, this should include:

- i. The likely impact of mandatory reforms and an Exchange on insurance market prices and market stability;
- ii. The likely impact of mandatory reforms and an Exchange on enrollment of individuals in private health insurance in a single market system (where all private insurance is sold only through an Exchange in West Virginia) as well as a dual market system (where private insurance can be sold both inside and outside an Exchange);
- iii. The likely impact of an incremental phase-in of the market reforms, such as rating bands in the individual market, on premiums for plans sold in an Exchange;
- iv. The likely impact on premiums in an Exchange of merging the risk pools of the individual and small group market;
- v. The likely impact on competition if an Exchange were to function as an active purchaser;
- vi. The likely impact on competition if an Exchange were to function as a market organizer;
- vii. The likely impact of employee take-up rate of employer sponsored insurance by size of employer.
- viii. The likely impact of the manner by which individuals obtain coverage (i.e. directly from carriers, through a broker, using an intermediary).
- ix. The likely impact on an Exchange due to large employers dropping their own Healthcare group plans for an Exchange.
- x. The likely impact of pooling risk with surrounding states.
- xi. The likely impact of insurers' pooling practices to maximize the benefits of shared risk, including positive impacts for consumers on rates.
- xii. The likely impact of requiring Health Homes or advanced medical home; and,
- xiii. Any other applicable impacts agreed upon between the State and the vendor.

c. Finance

The vendor should describe how they will assess possible sources of sustainable funding for an Exchange, including an assessment of likely market impacts from various approaches, an analysis of all financial/budgetary aspects of efficiently implementing and maintaining an Exchange, identify and plan for accounting structure, secure systems for confidential data and safeguarding transactions.

d. Evaluate Impact on Other State Programs

The vendor should describe how they will provide an estimate of costs to the State due to both mandatory and optional reforms, including:

- i. Impacts of developing a "basic health program" as defined in Section 1331 of the ACA as a way of enhancing continuity of care among low income populations;
- ii. Cost analysis of "basic health program" where by West Virginia could provide this plan to individuals with family incomes between 139% and 200% FPL in lieu of subsidized coverage through the Exchange. Include an estimate of the aggregate and per capita amount of federal funding that could be redirected to this program. Include analysis of having a fourth benefit plan in the Medicaid realm (Medicaid, CHIP, the basic health plan and the Exchange);
- iii. Impacts of ACA implementation on State-run health insurance programs for current and retired employees, teachers, and others; and
- iv. Costs associated with early implementation of consumer protections or Medicaid expansion in 2013.
- v. Impact of PEIA eligible consumers (current and early retiree) moving into the Exchange market.
- vi. Impact of income eligible Medicaid recipients moving into Exchange market.
- vii. Impact if Medicare were moved into the Exchange market.
- viii. Estimated cost allocation between Medicaid, CHIP and the Exchange based on federal guidelines and anticipated utilization.
- ix. Evaluate and discuss the potential solutions for the financial burden of obtaining coverage, specifically how will federal subsidies and cost sharing impact Medicaid, CHIP and other government program eligible and enrollees.

2.4.4 Ad Hoc Services in Support of Continued Exchange Planning

Ad hoc and other general budgetary assistance based on other scopes of work to revisit key assumptions for recalibration and modeling based on the reality of the ACA and the WV Health Benefit Exchange implementation for actuarial services to model and analyze the impact of various legal and policy decisions concerning insurance rates and markets as an Exchange is in the planning stages and if appropriate, as it becomes operational:

- a. Update economic components of these initial projections for year(s) specified as requested;
- b. Update economic analysis of actual exchange premiums, benefits, enrollment and risk adjustment as it emerges in comparison to original projection for year(s) specified as requested;
- c. Update actuarial projections using original data sources for year(s) specified as requested;
- d. Analyze and refine available health status information for modeling and inform other components of projections for year(s) specified as requested;
- e. Model Impact of risk adjustment to inform health plans for rating purposed for year(s) specified as requested;
- f. Provide actuarial value support, with possible modeling for determination of tiered benefit plans;

- g. Provide actuarial analysis of actual exchange premiums, benefits enrollment and risk adjustment as market emerges providing actuarial opinions on producer/carrier performance guarantee calculations for year(s) specified as requested;
- h. Assist Exchange Management and resulting Board in responding to various information requests from the judicial, legislative or executive leadership bodies or others to respond to questions of an actuarial nature or to give reports.
- i. Per request of agency or Exchange Board, full actuarial analysis and economic modeling implications of the essential health benefits and additional benefits under consideration by state or Exchange Board.

2.4.5. Vendor Experience

The vendor is to have extensive knowledge of the private health insurance marketplace, West Virginia-specific insurance regulation, and applicable Federal statutes, rules and regulations as they relate to both insurance coverage and the provisions of the Affordable Care Act. The vendor should also have a demonstrated ability to execute primary research and data analysis as well as extensive knowledge of the appropriate usage of secondary data.

- a. Comprehensive knowledge of the ACA; including all applicable federal statutes, rules and regulations as they relate to both insurance coverage and the provisions of the Affordable Care Act, and particularly as it relates to an Exchange provisions included in Sections 1311, 1312, 1313, 1321, 1324, 1331, 1332, 1333, 1334, and any other applicable section of the ACA, related regulations or guidance;
- b. Comprehensive understanding of the health insurance marketplace;
- c. Comprehensive knowledge of the ACA mandated enrollment provisions and the approaches to implementation of these requirements as being taken by the relevant Federal entities;
- d. Deep understanding of eligibility, verification and enrollment processing for public program benefits including, but not limited to, Medicaid, CHIP and Medicare Program. This includes knowledge of current practice technology and processes;
- e. Expertise in actuarial and economic modeling;
- f. Previous experience and expertise in development of similar assessments;
- g. Relevant examples of successful projects in the past (and references);
- h. Experience working on these issues specifically with state governments, and understanding of the structure of the West Virginia state government;
- i. Familiarity with approaches being taken by other states to the extent those are available; and familiarity with West Virginia health insurance marketplace.

2.5 Mandatory Requirements

The following mandatory requirements must be met by the Vendor as a part of the submitted proposal. Failure on the part of the Vendor to meet any of the mandatory specifications shall result in the disqualification of the proposal. The terms "must", "will", "shall", "minimum", "maximum", or "is/are required" identify a mandatory item or factor. Decisions regarding compliance with any mandatory requirements shall be at the sole discretion of the State.

A simple "yes" or "no" response to these sections is not adequate (**Attachment B**). Failure to meet mandatory items shall result in disqualification of the potential vendor's proposal and the evaluation process terminated for that bidder.

Decisions regarding compliance with the intent of any mandatory specification shall be at the sole discretion of the Agency.

- One or more members assigned to this contract must be a fellow of the Society of Actuaries (FSA) and/or a member of the American Academy of Actuaries (MAAA);

- Members assigned this contract must have at least 5 years of experience with health insurance products;
- Members assigned this contract must be knowledgeable to Actuarial Standard Practice No. 8, 23, and 25;
- The firm shall have no conflict of interest with regard to any carrier that is actively writing individual or group health products in the West Virginia market.
- This scope of work includes those tasks associated with overall planning and feasibility analysis supporting the State, and as appropriate, in the development, design, creation of an implementation plan for an Exchange in West Virginia. The following tasks are preliminarily identified as necessary for such planning and implementation, but it is expected that selected vendor will be assisting the State with identifying key questions, analysis, and decision points required for the analysis, and as appropriate, successful implementation of the Exchange. The state will require the successful vendor to describe how they will approach each requested outcome with the State retaining authority to modify approach as deemed necessary.
- The successful vendor must provide the WVOIC with data and trend analysis of health insurance coverage and the private health insurance marketplace as described below. The successful vendor must coordinate with the WVOIC to secure data necessary for the analysis detailed in this section. To the extent possible, the successful vendor must identify and collect primary data to fill the gaps in existing primary and secondary data sources. Any primary data collected in completion of the services identified in this section must be made available to the WVOIC for future use. The successful vendor must present findings in oral presentations and provide a written report with appropriate graphs and charts. The potential vendor shall provide a work plan for completion of this project.

2.6 **Oral Presentations:** State agencies have the option of requiring oral presentations of all Vendors participating in the RFP process. If this option is exercised, it would be listed in the Schedule of Events (Section 1.3) of this RFP. During oral presentations, Vendors may not alter or add to their submitted proposal, but only clarify information. A description of the materials and information to be presented is provided below:

2.6.1 **Materials and Information Required at Oral Presentation:**
See **Attachment D: Oral Presentation**

SECTION THREE: VENDOR PROPOSAL

- 3.1 **Economy of Preparation:** Proposals shall be prepared simply and economically providing a straightforward, concise description of the potential vendor's abilities to satisfy the requirements of the RFP. Emphasis shall be placed on completeness and clarity of the content.
- 3.2 **Incurring Cost:** Neither the State nor any of its employees or officers shall be held liable for any expenses incurred by any potential vendor responding to this RFP, including but not limited to preparation, delivery, or travel.
- 3.3 **Proposal Format:** Vendors should provide responses in the format listed below:

Title Page: State the RFP subject, number, potential vendor's name, business address, telephone number, fax number, name of contact person, e-mail address, and potential vendor signature and date.

**Executive
Summary:**

Provide a condensed version of the proposal highlighting the contents of the bidder's proposal.

Table of Contents: Clearly identify the material by section and page number.

Work Plan:

Provide a detailed, task-oriented breakdown for each activity/task in the Scope of Services and Project Deliverables. Include all conceptual alternatives briefly describing any alternative methods for the development of models that have been used in other states. Proposers wishing to add activities/tasks to those specified in the Scope of Services should show the additions as separately numbered activities/tasks.

Attachment A:

Within the attached response sheet (**Attachment A: Vendor Response Sheet**), provide the following: firm and staff qualifications and experience in completing similar projects; references; copies of any staff certifications or degrees applicable to this project; proposed staffing plan; descriptions of past projects completed entailing the location of the project, project manager name and contact information, type of project, and what the project goals and objectives were and how they were met.

Also, describe the approach and methodology proposed for this project. This should include how each of the goals and objectives listed is to be met.

Methodologies.

Provide an overview of how bidder will collaborate with the State while designing and analyzing the various components of this project. Identify data sources and baseline information that will be used in each of the research sections. Include sample size and analysis, survey tools, and what reporting outputs will be produced. Describe how each activity/task will be accomplished, providing a detailed explanation of the procedures or processes that will be used to attain the expected outcomes.

Deliverables.

List and describe the form and content of each project deliverable. Include a communications plan that identifies how the collaboration and reporting processes will be managed in the context of the overall project between the State and the bidder. Specifically, include a description of the approach, content and format to the delivery and communication of the interim and final reporting. **Specific deliverables are listed in Attachment E.**

Schedule.

Due to strict federal deadlines for Exchange planning and development activity, time is of the essence in acquiring the requested research and data outlined in the Scope of Services. To that end, provide a work schedule, organized by deliverable, with anticipated completion dates identified for each activity/task. Identify reporting milestones and timeframes over the projects duration. The final report is due.

Staffing Plan.

Identify the personnel resources that will be assigned to each activity/task delineated in the work plan above. State the proportion of time that personnel will allocate to each activity/task of the project. Include a job description for each title assigned to the personnel identified.

Key Personnel.

Identify the key personnel that will be assigned to this project. Attach resumes reflecting their qualifications and work experience in the subject area.

[Note: The State must be notified in writing and in advance regarding the departure of any key personnel from the project.]

Attachment B: Complete **Attachment B: Mandatory Specification Checklist**. By signing and dating this attachment, the Vendor acknowledges that they meet or exceed each of these specifications as outlined in 2.5 of Section Two: Project Specifications. The State reserves the right to require documentation detailing how each is met at its discretion.

Attachment C: Complete **Attachment C: Cost Sheet** included in this RFP and submit in a separate sealed envelope. Cost should be clearly marked.

Attachment D: **Oral Presentations:** All potential vendors participating in this RFP will be required to provide an oral presentation, based on the criteria set in Section 2.6 and 2.6.1 and **Attachment D**. During oral presentations, potential vendors may not alter or add to their submitted proposal, but only to clarify information.

Attachment E: Specific deliverables as outlined.

3.4 **Proposal Submission:** Proposals must be received in **two distinct parts**: technical and cost.

- **Technical proposals** must not contain any cost information relating to the project.
- **Cost proposal** shall be sealed in a separate envelope and will not be opened initially.

All proposals must be submitted to the Purchasing Division **prior** to the date and time stipulated in the RFP as the opening date. All bids will be dated and time stamped to verify official time and date of receipt.

3.4.1 Vendors should allow sufficient time for delivery. In accordance with **West Virginia Code §5A-3-11**, the Purchasing Division cannot waive or excuse late receipt of a proposal, which is delayed or late for any reason. Any proposal received after the bid opening date and time will be immediately disqualified in accordance with State law.

Potential Vendors responding to this RFP shall submit:

One original technical and cost proposal plus 5 (five) convenience copies to:

Purchasing Division
2019 Washington Street, East
P.O. Box 50130
Charleston, WV 25305-0130

The outside of the envelope or package(s) for both the technical and the cost should be clearly marked:

Vendor: _____
 Buyer: _____
 Req #: _____
 Opening Date: _____
 Opening Time: 1:30 p.m.

- 3.5 **Purchasing Affidavit:** *West Virginia Code* §5A-3-10a requires that all bidders submit an affidavit regarding any debt owed to the State. The affidavit must be signed and submitted prior to award. It is preferred that the affidavit be submitted with the proposal.
- 3.6 **Resident Vendor Preference:** In accordance with *West Virginia Code* §5A-3-37, Vendors may make application for Resident Vendor Preference. Said application must be made on the attached Resident Vendor Certification form at the time of proposal submission.
- 3.7 **Technical Bid Opening:** The Purchasing Division will open and announce only the technical proposals received prior to the date and time specified in the Request for Proposal. The technical proposals shall then be provided to the Agency evaluation committee.
- 3.8 **Cost Bid Opening:** The Purchasing Division shall schedule a date and time to publicly open and announce cost proposals when the Purchasing Division has approved the technical recommendation of the evaluation committee. All cost bids for qualifying proposals will be opened. Cost bids for non-qualifying proposals will not be opened. A proposal may be deemed non-qualifying for a number of reasons including, but not limited to, the bidder's technical proposal failing to meet the minimum acceptable score and the bidder's technical proposal failing to meet a mandatory requirement of the contract. Certain information, such as technical scores and reasons for disqualification, will not be available until after the contract award, pursuant to *West Virginia Code* §5A-3-11(h) and *West Virginia Code of State Rules* §148-1-6.2.5.

SECTION FOUR: EVALUATION AND AWARD

- 4.1 **Evaluation Process:** Proposals will be evaluated by a committee of three (3) or more individuals against the established criteria with points deducted for deficiencies. The Vendor who demonstrates that they meet all of the mandatory specifications required; and has appropriately presented within their written response and/or during the oral demonstration (if applicable) their understanding in meeting the goals and objectives of the project; and attains the highest overall point score of all Vendors shall be awarded the contract. The selection of the successful Vendor will be made by a consensus of the evaluation committee.
- 4.2 **Evaluation Criteria:** All evaluation criteria is defined in the specifications section and based on a 100 point total score. Cost shall represent a minimum of 30 of the 100 total points.

The following are the evaluation factors and maximum points possible for technical point scores:

Qualifications and Experience	25 Points Possible
Approach and Methodology	40 Points Possible
Oral Presentation	5 Points Possible
Cost	<u>30 Points Possible</u>
Total	100 Points Possible

Each cost proposal cost will be scored by use of the following formula for all Vendors who attained the minimum acceptable score:

$$\frac{\text{Lowest price of all proposals}}{\text{Price of Proposal being evaluated}} \times 30 = \text{Price Score}$$

- 4.2.1 **Technical Evaluation:** The Agency evaluation committee will review the technical proposals, deduct points where appropriate, and make a final written recommendation to the Purchasing Division.

- 4.2.2 **Minimum Acceptable Score:** Vendors must score a minimum of 70% (49 points) of the total technical points possible. All Vendors not attaining the minimum acceptable score (MAS) shall be considered as non-qualifying; therefore, the cost bids will not be opened. A proposal may be deemed non-qualifying for a number of reasons including, but not limited to, the bidder's technical proposal failing to meet the minimum acceptable score and the bidder's technical proposal failing to meet a mandatory requirement of the contract. Certain information, such as technical scores and reasons for disqualification, will not be available until after the contract award, pursuant to **West Virginia Code §5A-3-11(h)** and **West Virginia Code of State Rules §148-1-6.2.5**.
- 4.2.3 **Cost Evaluation:** The Agency evaluation committee will review the cost proposals, assign appropriate points, and make a final recommendation to the Purchasing Division.
- 4.3 **Independent Price Determination:** A proposal will not be considered for award if the price in the proposal was not arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to prices with any competitor unless the proposal is submitted as a joint venture.
- 4.4 **Rejection of Proposals:** The State reserves the right to accept or reject any or all proposals, in part or in whole at its discretion. The State further reserves the right to withdraw this RFP at any time and for any reason. Submission of or receipt of proposals by the State confers no rights upon the bidder nor obligates the State in any manner.
- 4.5 **Vendor Registration:** Vendors participating in this process should complete and file a Vendor Registration and Disclosure Statement (Form WV-1) and remit the registration fee. Vendor is not required to be a registered Vendor in order to submit a proposal, but the **successful bidder must** register and pay the fee prior to the award of an actual purchase order or contract.

SECTION FIVE: CONTRACT TERMS AND CONDITIONS

- 5.1 **Contract Provisions:** The RFP and the Vendor's response will be incorporated into the contract by reference. The order of precedence shall be the contract, the RFP and any addendum, and the vendor's proposal in response to the RFP.
- 5.2 **Public Record:** All documents submitted to the State Purchasing Division related to purchase orders or contracts are considered public records. All bids, proposals, or offers submitted by Vendors shall become public information and are available for inspection during normal official business hours in the Purchasing Division Records and Distribution center after the bid opening. Certain information, such as technical scores and reasons for disqualification, will not be available until after the contract award, pursuant to **West Virginia Code §5A-3-11(h)** and **West Virginia Code of State Rules §148-1-6.2.5**.
- 5.2.1 **Risk of Disclosure:** The only exemptions to disclosure of information are listed in **West Virginia Code §29B-1-4**. Any information considered a trade secret must be separated from the Vendor submission and clearly labeled as such. Primarily, only trade secrets, as submitted by a bidder, are exempt from public disclosure. The submission of any information to the State by a Vendor puts the risk of disclosure on the Vendor. The State does not guarantee non-disclosure of any information to the public.
- 5.2.2 **Written Release of Information:** All public information may be released with or without a Freedom of Information request; however, only a written request will be acted upon with duplication fees paid in advance. Duplication fees shall apply to all requests for copies of any document. Currently, the fees are 50 cents per page, or a minimum of \$10.00 per request, whichever is greater.

- 5.3 **Conflict of Interest:** Vendor affirms that neither it nor its representatives have any interest nor shall acquire any interest, direct or indirect, which would compromise the performance of its services hereunder. Any such interests shall be promptly presented in detail to the Agency.
- 5.4 **Vendor Relationship:** The relationship of the Vendor the State shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by this contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents.

Vendor shall be responsible for selecting, supervising, and compensating any and all individuals employed pursuant to the terms of this RFP and resulting contract. Neither the Vendor, nor any employees or subcontractors of the Vendor, shall be deemed to be employees of the State for any purpose whatsoever.

Vendor shall be exclusively responsible for payment of employees and contractors for all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension, or other deferred compensation plans, including but not limited to, Workers' Compensation and Social Security obligations, licensing fees, *et cetera* and the filing of all necessary documents, forms and returns pertinent to all of the foregoing.

Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims including, but not limited to, the foregoing payments, withholdings, contributions, taxes, Social Security taxes, and employer income tax returns.

The Vendor shall not assign, convey, transfer, or delegate any of its responsibilities and obligations under this contract to any person, corporation, partnership, association, or entity without expressed written consent of the Agency.

5.4.1 Subcontracts/Joint Ventures: The Vendor may, with the prior written consent of the State, enter into subcontracts for performance of work under this contract.

5.4.2 Indemnification: The Vendor agrees to indemnify, defend, and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person, or firm performing or supplying services, materials, or supplies in connection with the performance of the contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use, or disposition of any data used under the contract in a manner not authorized by the contract, or by Federal or State statutes or regulations; and (3) Any failure of the Vendor, its officers, employees, or subcontractors to observe State and Federal laws including, but not limited to, labor and wage laws.

5.4.3 Governing Law: This contract shall be governed by the laws of the State of West Virginia. The Vendor further agrees to comply with the Civil Rights Act of 1964 and all other applicable laws and regulations as provided by Federal, State, and local governments.

- 5.5. **Term of Contract and Renewals:** This contract will be effective upon award and shall extend for the period of one (1) year, at which time the contract may, upon mutual consent, be renewed. Such renewals are for a period of up to one (1) year, with a maximum of two (2) one-year renewals, or until such reasonable time thereafter as is necessary to obtain a new contract. The "reasonable time" period shall not exceed twelve (12) months. During the "reasonable time" period, Vendor may terminate the contract for any reason upon giving the Agency ninety (90) days written notice. Notice by Vendor of intent to terminate will not relieve Vendor of the obligation to continue providing services pursuant to the terms of the contract.

- 5.6 **Non-Appropriation of Funds:** If funds are not appropriated for the Agency in any succeeding fiscal year for the continued use of the services covered by this contract, the State may terminate the contract at the end of the affected current fiscal period without further charge or penalty. The State shall give the Vendor written notice of such non-appropriation of funds as soon as possible after the Agency receives notice. No penalty shall accrue to the Agency in the event this provision is exercised.
- 5.7 **Changes:** If changes to the contract become necessary, a formal contract change order will be negotiated by the State, the Agency, and the Vendor.

As soon as possible, but not to surpass thirty (30) days after receipt of a written change request from the Agency, the Vendor shall determine if there is an impact on price with the change requested and provide the Agency a written Statement identifying any price impact on the contract. The Vendor shall provide a description of any price change associated with the implementation.

NO CHANGE SHALL BE IMPLEMENTED BY THE VENDOR UNTIL SUCH TIME AS THE VENDOR RECEIVES AN APPROVED WRITTEN CHANGE ORDER FROM THE PURCHASING DIVISION.

- 5.8 **Price Quotations:** The price(s) quoted in the Vendor's proposal will not be subject to any increase and will be considered firm for the life of the contract unless specific provisions have been provided in the original specifications.
- 5.9 **Invoices and Progress Payments:** The Vendor shall submit invoices, in arrears, to the Agency at the address on the face of the purchase order labeled "Invoice To." Progress payments may be made at the option of the Agency on the basis of percentage of work completed if so defined in the final contract.
- 5.10 **Liquidated Damages:** N/A
- 5.11 **Contract Termination:** The State may terminate any contract resulting from this RFP immediately at any time the Vendor fails to carry out its responsibilities or to make substantial progress under the terms of this RFP and resulting contract. The State shall provide the Vendor with advance notice of performance conditions which may endanger the contract's continuation. If after such notice the Vendor fails to remedy the conditions within the established timeframe, the State shall order the Vendor to cease and desist any and all work immediately. The State shall be obligated only for services rendered and accepted prior to the date of the notice of termination.

The contract may be terminated by the State with thirty (30) days prior notice pursuant to **West Virginia Code of State Rules § 148-1-7.16.2.**

5.12 **Special Terms and Conditions:**

5.12.1 Bid and Performance Bonds

5.12.2 Insurance Requirements: *(Provide liability insurance requirements. Insurance certificates are required prior to award, but are not required at the time of bid).*

- Public liability
- Property damage
- Professional liability (medical, advertising, *et cetera*)

5.12.3 License Requirement: *Workers' Compensation, Vendor's License, etc. (List any specific licenses, or other special license requirements for your project, et cetera.)*

- 5.12.4 Protest Bond: Any bidder that files a protest of an award shall at the time of filing the protest submit a protest bond in the amount equal to one percent of the lowest bid submitted or \$5,000, whichever is greater.

The entire amount of the bond shall be forfeited if the hearing officer determines that the protest was filed for frivolous or improper purpose, including but not limited to the purpose of harassing, causing unnecessary delay, or needless expense for the Agency. All protest bonds shall be made payable to the Purchasing Division and shall be signed by the protester and the surety. In lieu of a bond, the protester may submit a cashier's check or bank money order payable to the Purchasing Division. The money will be held in trust in the State Treasurer's office.

If it is determined that the protest has not been filed for frivolous or improper purpose, the bond shall be returned in its entirety.

- 5.13 **Record Retention (Access and Confidentiality)**: Vendor shall comply with all applicable Federal and State rules, regulations, and requirements governing the maintenance of documentation to verify any cost of services or commodities rendered under this contract by the Vendor. The Vendor shall maintain such records a minimum of five (5) years and make such records available to Agency personnel at the Vendor's location during normal business hours upon written request by the Agency within ten (10) days after receipt of the request.

Vendor shall have access to private and confidential data maintained by the Agency to the extent required for the Vendor to carry out the duties and responsibilities defined in this contract. Vendor agrees to maintain confidentiality and security of the data made available and shall indemnify and hold harmless the State and the Agency against any and all claims brought by any party attributed to actions of breach of confidentiality by the Vendor, subcontractors, or individuals permitted access by the Vendor.

Attachment A: Vendor Response Sheet

Provide a response regarding the following: firm and staff qualifications and experience in completing similar projects; references; copies of any staff certifications or degrees applicable to this project; proposed staffing plan; descriptions of past projects completed entailing the location of the project, project manager name and contact information, type of project, and what the project goals and objectives were and how they were met.

Please provide responses to each of the following sections and subsections.

The Scope of Work is divided into the sections below. Bidders must bid on all work included in this section, including all subsections. If a vendor intends to subcontract specific services, the vendor should identify the intent to subcontract and identify the subcontractor or possible subcontractor's, including sufficient information to establish the subcontractor's expertise in the subject area. Evidence of the subcontractor's qualifications to perform subcontracted work should be included in the bid and must be provided within 24 hours of request.

The vendor should specify how they would work with the State to identify necessary data and, after the identification of such data, how the vendor will sample and analyze data elements. It is possible that additional data will not be collected for this analysis, and current available data will require further analysis.

2.4.1. Background Research

West Virginia must have a clear and comprehensive understanding of the current state of health insurance coverage. Identifying and analyzing the demographics and needs of the uninsured, underinsured and insured population and the existing health insurance marketplace shall assist Exchange design. The vendor should describe how they will conduct research and produce a subsequent report which should include an analysis of West Virginia's uninsured, underinsured and insured populations, an assessment of the affordability of coverage statewide and an overview of the State's private health insurance marketplace.

a. Study of the uninsured and underinsured in West Virginia.

- i. Descriptive analysis of the uninsured. The successful vendor should describe how they will provide a quantitative analysis of uninsured individuals in West Virginia. To the extent possible, this analysis should provide descriptive and inferential statistics of the uninsured population stratified by the following criteria:
 - a) Household income
 - b) Household size
 - c) Geographic location
 - d) Age and Gender
 - e) Race and Ethnicity
 - f) Employment status
 - 1). If employed, the employer size and the type of coverage offered (fully-insured, self-insured, collectively bargained, etc.)
 - g) Eligibility and utilization for public programs, including Medicaid, Children's Health Insurance Programs, and other state-based public health care programs (such as: PCIP, Access WV, Tri-Care, Small Business Plan).
 - h) Marital Status
 - i) Education Background
- ii. Descriptive analysis of the underinsured. The vendor should describe how they will provide a quantitative analysis of underinsured individuals in West Virginia (those individuals who are currently covered by policies that are not comprehensive, but

may be limited in duration, scope or renewability). To the extent possible, this analysis should provide descriptive and inferential statistics of the underinsured population stratified by the following criteria:

- a) Household income
 - b) Household size
 - c) Geographic location
 - d) Age and Gender
 - e) Race and Ethnicity
 - f) Employment status
 - 1). If employed, the employer size and the type of coverage offered (fully-insured, self-insured, collectively bargained, etc.)
 - g) Eligibility for public programs, including Medicaid, Children's Health Insurance Program (CHIP), and other state-based public health care programs (such as: PCIP, Access WV, Tri-Care, Small Business Plan).
 - h) Personal preferences for health insurance coverage
- iii. Future Projections for the Uninsured in West Virginia. The vendor should describe how they will project the number of uninsured in West Virginia through December 31, 2015, at a minimum and, to the extent possible, the next ten (10) years. The vendor should describe how they will identify and explain the assumptions behind projected estimates.

b. Study of the insured population in West Virginia.

- i. Descriptive analysis of the insured population. The vendor should describe how they will provide a quantitative analysis of the number of insured individuals in West Virginia. To the extent possible, this analysis should provide descriptive and inferential statistics of the insured population stratified by the following criteria:
 - a) Household income
 - b) Eligibility for public programs, including Medicaid, Children's Health Insurance Program, and other state-based public health care programs (such as: PCIP, Access WV, Tri-Care, Small Business Plan)
 - c) Household size
 - d) Geographic location
 - e) Age and Gender
 - f) Race and Ethnicity
 - g) Employment status
 - 1). If employed, the employer size and the type of coverage offered (fully-insured, self-insured, collectively bargained, etc.)
 - h) Insurance market
 - 1). Individual market
 - 2). Fully-insured group coverage
 - 3). Self-insured plans
 - 4). Municipal, state and federal health plans (PEIA, etc.)
 - 5). Medicaid
 - 6). Children's Health Insurance Program (CHIP)
 - 7). Medicare (including those dually eligible for Medicare and Medicaid)
 - 8). Military health care coverage
 - 9). Stand-alone dental coverage
 - 10). Policies that are not comprehensive, but may be limited in duration, scope or renewability
 - 11). Coverage with service or pre-existing condition exclusions.

- i) Immigration status (to the extent possible the vendor should describe how they will provide an estimate of the number of insured individuals that are not lawfully present in West Virginia.
 - ii. **Coverage trends. The vendor should describe how they will analyze trends in coverage for the past (10 years) and provide projections for the future (10 years), to the extent possible stratified by:**
 - a) Insurance market (Health and Dental)
 - b) Geographic locations
 - c) Household income
 - iii. Impact of Public Program Expansion. The vendor should describe how they will project the number of individuals to be insured in public health care programs and any resulting issues, such as Medicaid, as a result of ACA-mandated eligibility expansions. This projection should take into account most recent and existing data from studies that have already been conducted by other West Virginia state agencies such as the Department of Health and Human Resources.
- c. Study of the Small Business Health Options Program (SHOP)**
- i. Analysis of the small group population. The vendor should describe how they will provide a quantitative analysis of the number of small groups in West Virginia. To the extent possible, this analysis should provide descriptive and inferential statistics of the population stratified by the following criteria:
 - ii. Estimates for each year 2014 – 2016 assuming the State implements the Exchange for the small group (single risk pool and separate risk pool):
 - a) 1 to 25 employee markets;
 - b) 26 to 50 employee markets;
 - c) 51 to 100 employee markets;
 - d) 101 + employee markets.
 - 1) Household income
 - 2) Household size
 - 3) Geographic location
 - 4) Age and Gender
 - 5) Race and Ethnicity
 - 6) Eligibility for public programs, including Medicaid, Children's Health Insurance Program, and other state-based public health care programs (such as: PCIP, Access WV, Tri-Care, Small Business Plan)
 - iii. Analysis of the number of WV residents who work across state lines and the number of non-WV residents who work within the state of WV. Provide data and description regarding the employer, the type of health insurance plans offered with participation rates by specific providers.
 - a) Descriptive analysis of the impact of pooling risk with surrounding states.
 - iv. Analysis of the number of small business groups that are eligible for tax credits and at what level.
 - a) Provide an assessment of current and projected take-up of employer tax credits.

- b) Provide an assessment of employee take-up of health insurance in each group size
- c) Provide an assessment of employee per month health insurance cost to the employer and the employee of each group size
- v. Project the number of employers that may opt to not participate in the SHOP and the impact it will have on the individual market.
- vi. Analysis of federal and State efforts over previous ten years to provide assistance to small employers in providing affordable health insurance coverage to their employees.

d. Assessment of Coverage Affordability in West Virginia.

The vendor should describe how they will provide a qualitative and quantitative assessment of the affordability of health insurance coverage in the current individual, and to the extent possible, small and large group marketplace. This should include:

- i. Analysis of the number of underinsured. The vendor should describe how they will provide an estimate of insured individuals whose total out-of-pocket spending costs consume more than ten percent of the policyholder's income (or five percent if the policyholder is low-income). The vendor should describe how they will extrapolate from existing survey findings, secondary data or to the extent possible provide primary data to estimate the number of insured who have problems paying medical bills and those who have delayed or avoided seeking medical care due to the cost of services.
- ii. Estimate of the average premium as percentage of income. The vendor should describe how they will estimate the average premium within the individual and small and large group insurance markets as a percentage of income and to the extent possible, stratify the estimate by household income level, geographic location, age, and race.
- iii. Using a measure of price elasticity; determine how the market will respond to price changes within and out of the Exchange taking into consideration the share of the health premium as part of household income and the amount of public subsidy.
- iv. Beginning in 2011 provide an analysis of transition of current and future consumers of the Exchange; apply this same analysis yearly to 2013 then after 2014.
- v. Assessment of CHIP subsidy verses Exchange premium tax subsidies. The vendor should describe how they will provide a side-by-side analysis of CHIP subsidy verses Exchange premium tax subsidies. Compare, contrast and justify features and benefits of each taking into consideration case mix and possible CHIP expansion.
- vi. Descriptive analysis of individuals and families in the following income thresholds:
 - 1) Below 139% of the Federal Poverty Level (FPL).
 - 2) 140% to 200% of the FPL.
 - 3) 201% to 300% of the FPL.
 - 4) 301% to 400% of the FPL.
 - 5) 401% or more of the FPL.

e. Health Insurance Marketplace in West Virginia.

The vendor should describe how they will provide qualitative and quantitative analysis of the current health insurance marketplace in West Virginia. Include an analysis of the impact and/or a recommendation as to whether state law shall require that all comprehensive health insurers participate in the Exchange. This should provide a detailed summary of the following market characteristics:

- i. Descriptive analysis and survey of the West Virginia insurance market. The vendor should describe how they will report for each carrier and producer in West Virginia, the following information:
 - a) Number of products in each market, and the range of premiums charged for these products;
 - b) Number of policyholders insured in each product;
 - c) Common benefit design and associated cost-sharing among commercial health insurance products;
 - 1). The vendor should describe how they will identify common quality-improvement activities incorporated into the benefit design.
 - d) Relationships between benefit design and premiums charged; and
 - e) Regional variation in provider networks and network adequacy among commercial health insurance products, including geo-access reporting.
 - f) Agent commission structure, the successful vendor shall identify trend utilization of commission structure(s) using various blocks or lines of business.
 - g) Provide an analysis of price points for producer services.
- ii. Producers. The vendor should describe how they will coordinate with the Agency to provide an estimate of the number of insurance brokers and agents licensed in West Virginia who sell, market or distribute health insurance to groups (large and small) and individuals in West Virginia, including a summary of the following:
 - a) Geographic distribution of target markets
 - b) Commission structure and compensation ranges, and;
 - c) Using a 20 year time span (10 years back and 10 years forward) define the per producer/per carrier sales relationship broken down into blocks or lines of business.
- iii. Estimate the range of commission that has historically been paid to producers by insurers in the individual and small group health insurance markets. Include a separate range for commissions that have been paid in other creative purchasing arrangements or pools (public and/or private).
- iv. Analyze and provide various pro and con scenarios of flat fee and time based compensation to producers versus percent of premium. Provide some judgment and analysis as to the additional (or lessened) work expected for producers under the reforms given the probable increase or decrease in business from the utilization of navigators, individual mandate, government subsidies and the new information, comparability, online eligibility and functionality associated with the Exchange.

f. Economic Modeling and Fiscal Analysis

The vendor should describe how they will provide a quantitative analysis of the financial impact of implementing an Exchange in West Virginia. This analysis should provide descriptive statistics of the financial impact stratified by the following criteria:

- i. Exchange's impact on individual and group insurance premium rates.
- ii. Analysis of Producer Exchange fees providing models for incentive and sustainability.
- iii. Analysis for Insurance Company fees for Exchange participation.

- iv. The present breadth and anticipated future of the limited medical benefit plan market.
- v. Analysis of cost shift between public, private - currently insured and uninsured - and with anticipated coverage expenses in 2014-2020.
- vi. Analysis of adverse selection risks inside and outside of the Exchange; between carriers and risks. Provide an analysis of the issues of adverse selection in the health insurance markets under the rules established for the Exchanges in the Act. Provide recommendation on how to reduce or eliminate adverse selection against participation in the Exchanges when various Exchange structures are established. Provide pros and cons of each approach including the impact on insurer participation, consumer choice, and the ability of the Exchanges to influence the quality and delivery of health care in West Virginia.
- vii. Analyze adverse selection among benefit tiers within the Exchange. Provide recommendations for how to monitor and adjust plan pricing to offset any anticipated biased selection among benefit tiers.
- viii. Review and assess open enrollment strategies modeling the impact that such strategies could have on the insurance market, in and outside of an Exchange.
- ix. Analyze risk adjustment methodologies and recommending best approaches to comply with state and federal goals.
- x. Assess reinsurance and risk adjustment options.
- xi. Analyze various reforms and the impact such reforms, potential and actual, will likely have on premiums in different markets.
- xii. Model the impact of merging small and non-group markets.
- xiii. Model likely behavior in individual, small group, and large group market in response to specified market changes and policy decisions.
- xiv. Model the impact of the self-insured market on an Exchange and recommend various approaches to mitigate adverse impact.
- xv. Assess the adverse selection impacts of various legislative and policy decision scenarios.
- xvi. Develop methodologies to measure the cost of state-mandated benefits on a per member per month basis (PMPM), of each of the mandated benefits for coverage sold through the Exchange.
- xvii. Analyze regional rating factors, tobacco usage and age bands.

2.4.2. Exchange Design Options

The vendor should describe how they will develop several financial models depicting an Exchange on a sliding scale of involvement; from market organizer to active purchaser of plan products in an Exchange.

It is anticipated that such modeling should also include an analysis of important questions necessarily implicated in the creation of an Exchange. Anticipated questions to be addressed in the modeling and recommendations include but are not limited to the following:

- a. How will changes to the rating and underwriting requirements in the individual and group markets affect premiums for people currently covered?
- b. What might the cost of policies be within each benefit tier offered through an Exchange (Platinum, Gold, Silver, Bronze, and Catastrophic)?
- c. Using minimum, median and maximum projections, how many people will receive coverage through an Exchange and what will be their demographic profile?
- d. How many people are susceptible to switching (crowd-out) their source of coverage? (e.g. from employer sponsored insurance to an individual product offered in an Exchange or to other publicly subsidized coverage?)
- e. If the individual and small markets are merged, what might be the impact on coverage and premiums in each market?

- f. Provide an analysis and discussion of whether the Exchange shall expand the small group definition to include 1-100 by 2014 or by 2016
- g. Will the inclusion of groups of 51-100 employees in 2016 have a positive or negative effect on the risk pool, and how the premiums will be affected?
- h. Provide an analysis of the impact of permitting large groups in the Exchange in 2014 or by 2016.

The vendor needs to develop economic models for different approaches on program sustainability for Exchange functions particularly in 2015, including thorough assessments on insurers; in order to comply with the PPACA statute. Furthermore, the WVOIC requires information on the impact on individual and group premiums through a SHOP and individual Exchange merger, and the financial impact of such a decision on the state. Provide policy model options and recommendations with cost and price points at what level of utilization will sustainability occur.

2.4.3. Exchange Organizational and Impact Assessment

The goal of this component is to help the State understand the financial and structural impact of the reforms associated with implementing an Exchange in West Virginia, including accompanying consumer protections. The vendor should describe how they will do the following: The outputs of this project should provide the analysis and information needed to make informed decisions on Exchange development, including structure and policy. The final product of this procurement should also provide important background regarding the policy options that will impact an Exchange. This information and analysis should also serve as the basis for future planning and development of an Exchange in West Virginia.

There are four (4) general tasks associated with the broad organizational issues:

1. Organizational and Business Issues: Evaluate the implications of the organizational and business issues that the State must address in the development of Exchanges;
2. Impact of the Existing Marketplace: Outline the major impacts on the insurance market associated with implementation of an Exchange;
3. Finance: Define and develop options for financing an Exchange independent of federal funding after 2014, analysis of all financial/budgetary aspects of efficiently implementing and maintaining an Exchange, identify and plan for accounting structure, secure systems for confidential data and safeguarding transactions
4. Impact on Existing State Programs: Assess the cost impact of an Exchange on other State programs, and

a. Evaluate the Implications of Organizational and Business Issues

The vendor should describe how they will evaluate the costs, infrastructure adjustments, and other mandatory activities associated with the implementation of an Exchange in West Virginia. The costs should be described in a comprehensive budget narrative, including the rationale and/or formulae for developing the price points provided. It is important to highlight for the State exactly the level of expertise and productivity of work and staffing these costs will secure for an Exchange.

Provide the State with the estimated start-up and on-going operating costs associated with an Exchange.

The vendor should describe how they will provide estimates that would focus primarily on mandatory functions required under federal law and be necessary to adequately maintain the entity, as described in the ACA and accompanying regulations or guidance. Estimates should also leverage, integrate, and consider existing state resources to the greatest extent possible. Estimates should be based on actuarial and economic modeling to

ensure the State clearly understands the assumptions and true impact of an Exchange on its existing revenues and state budget, market rules, and current market structure.

- i. **Staffing and Business Operations.** At a minimum, the vendor should describe how they will provide estimates and assumptions used to determine the costs of each of the following items for an Exchange:
 - a) Partnerships and contracting needs to support an Exchange, including the costs associated with an external toll-free consumer hotline and Navigator program;
 - b) Applicable federal and state taxes, if any;
 - c) Financial, accounting, federal and state reporting, and legal services (including the cost of reconciling tax credits and cost-sharing subsidies for employers and individuals in partnership with the federal government);
 - d) Any other fundamental operating expenses associated with carrying out the mandatory functions of an Exchange, as described in the ACA.

- ii. **Exchange Operation.** Project the cost to run an Exchange for the first three (3) years beginning January 1, 2014, using the projections for enrollment and participation produced in this report. Base assumptions for activities, functions and expenses for the Exchange upon the activities, functions and expenses of currently functioning Exchanges. The analysis should include suggested staffing needs and capabilities, as well as proposed methodologies for generating funds to support operation of the Exchanges and its related services as provided by the Act.

- iii. **Analysis of how different United States Supreme Court rulings related to the Patient Protection and Affordable Care Act, including the pending case related to the Federal mandate and expansion of Medicaid, may impact implementation of the health benefit exchange, including but not limited to, the implications on the Exchange consumer take up rate if the federal mandate is deemed unconstitutional.**

- b. Assess Potential Impacts of Substantive Options on the Insurance Market.** The vendor should describe how they will develop a list of the major policy decisions that will be addressed as part of establishing an Exchange, either because the decisions are required by the ACA or because an Exchange may require these decisions. The vendor should describe how they will be prepared to advise the State on the qualitative and quantitative impact of various options around these major policy decisions, providing best and worst cast scenarios with phasing recommendations. At a minimum, this should include:
 - i. The likely impact of mandatory reforms and an Exchange on insurance market prices and market stability;
 - ii. The likely impact of mandatory reforms and an Exchange on enrollment of individuals in private health insurance in a single market system (where all private insurance is sold only through an Exchange in West Virginia) as well as a dual market system (where private insurance can be sold both inside and outside an Exchange);
 - iii. The likely impact of an incremental phase-in of the market reforms, such as rating bands in the individual market, on premiums for plans sold in an Exchange;
 - iv. The likely impact on premiums in an Exchange of merging the risk pools of the individual and small group market;
 - v. The likely impact on competition if an Exchange were to function as an active purchaser;
 - vi. The likely impact on competition if an Exchange were to function as a market organizer;
 - vii. The likely impact of employee take-up rate of employer sponsored

- insurance by size of employer.
- viii. The likely impact of the manner by which individuals obtain coverage (i.e. directly from carriers, through a broker, using an intermediary).
- ix. The likely impact on an Exchange due to large employers dropping their own Healthcare group plans for an Exchange.
- x. The likely impact of pooling risk with surrounding states.
- xi. The likely impact of insurers' pooling practices to maximize the benefits of shared risk, including positive impacts for consumers on rates.
- xii. The likely impact of requiring Health Homes or advanced medical home; and,
- xiii. Any other applicable impacts agreed upon between the State and the successful vendor.

c. Finance

The vendor should describe how they will assess possible sources of sustainable funding for an Exchange, including an assessment of likely market impacts from various approaches, an analysis of all financial/budgetary aspects of efficiently implementing and maintaining an Exchange, identify and plan for accounting structure, secure systems for confidential data and safeguarding transactions.

d. Evaluate Impact on Other State Programs

The vendor should describe how they will provide an estimate of costs to the State due to both mandatory and optional reforms, including:

- i. Impacts of developing a "basic health program" as defined in Section 1331 of the ACA as a way of enhancing continuity of care among low income populations;
- ii. Cost analysis of "basic health program" where by West Virginia could provide this plan to individuals with family incomes between 139% and 200% FPL in lieu of subsidized coverage through the Exchange. Include an estimate of the aggregate and per capita amount of federal funding that could be redirected to this program. Include analysis of having a fourth benefit plan in the Medicaid realm (Medicaid, CHIP, the basic health plan and the Exchange);
- iii. Impacts of ACA implementation on State-run health insurance programs for current and retired employees, teachers, and others; and
- iv. Costs associated with early implementation of consumer protections or Medicaid expansion in 2013.
- v. Impact of PEIA eligible consumers (current and early retiree) moving into the Exchange market.
- vi. Impact of income eligible Medicaid recipients moving into Exchange market.
- vii. Impact if Medicare were moved into the Exchange market.
- viii. Estimated cost allocation between Medicaid, CHIP and the Exchange based on federal guidelines and anticipated utilization.
- ix. Evaluate and discuss the potential solutions for the financial burden of obtaining coverage, specifically how will federal subsidies and cost sharing impact Medicaid, CHIP and other government program eligible and enrollees.

2.4.4 Ad Hoc Services in Support of Continued Exchange Planning

Ad hoc and other general budgetary assistance based on other scopes of work to revisit key assumptions for recalibration and modeling based on the reality of the ACA and the WV Health Benefit Exchange implementation for actuarial services to model and analyze the impact of various legal and policy decisions concerning insurance rates and markets as an Exchange is in the planning stages and if appropriate, as it becomes operational:

- a. Update economic components of these initial projections for year(s) specified as requested;

- b. Update economic analysis of actual exchange premiums, benefits, enrollment and risk adjustment as it emerges in comparison to original projection for year(s) specified as requested;
- c. Update actuarial projections using original data sources for year(s) specified as requested;
- d. Analyze and refine available health status information for modeling and inform other components of projections for year(s) specified as requested;
- e. Model Impact of risk adjustment to inform health plans for rating purposed for year(s) specified as requested;
- f. Provide actuarial value support, with possible modeling for determination of tiered benefit plans;
- g. Provide actuarial analysis of actual exchange premiums, benefits enrollment and risk adjustment as market emerges providing actuarial opinions on producer/carrier performance guarantee calculations for year(s) specified as requested;
- h. Assist Exchange Management and resulting Board in responding to various information requests from the judicial, legislative or executive leadership bodies or others to respond to questions of an actuarial nature or to give reports.
- i. Per request of agency or Exchange Board, full actuarial analysis and economic modeling implications of the essential health benefits and additional benefits under consideration by state or Exchange Board.

2.4.5. Vendor Experience

The vendor is to have extensive knowledge of the private health insurance marketplace, West Virginia-specific insurance regulation, and applicable Federal statutes, rules and regulations as they relate to both insurance coverage and the provisions of the Affordable Care Act. The vendor should also have a demonstrated ability to execute primary research and data analysis as well as extensive knowledge of the appropriate usage of secondary data.

- a. Comprehensive knowledge of the ACA; including all applicable federal statutes, rules and regulations as they relate to both insurance coverage and the provisions of the Affordable Care Act, and particularly as it relates to an Exchange provisions included in Sections 1311, 1312, 1313, 1321, 1324, 1331, 1332, 1333, 1334, and any other applicable section of the ACA, related regulations or guidance;
- b. Comprehensive understanding of the health insurance marketplace;
- c. Comprehensive knowledge of the ACA mandated enrollment provisions and the approaches to implementation of these requirements as being taken by the relevant Federal entities;
- d. Deep understanding of eligibility, verification and enrollment processing for public program benefits including, but not limited to, Medicaid, CHIP and Medicare Program. This includes knowledge of current practice technology and processes;
- e. Expertise in actuarial and economic modeling;
- f. Previous experience and expertise in development of similar assessments;
- g. Relevant examples of successful projects in the past (and references);
- h. Experience working on these issues specifically with state governments, and understanding of the structure of the West Virginia state government;
- i. Familiarity with approaches being taken by other states to the extent those are available; and familiarity with West Virginia health insurance marketplace.

Attachment B: Mandatory Specification Checklist

The following mandatory requirements must be met by the Vendor as a part of the submitted proposal. Failure on the part of the Vendor to meet any of the mandatory specifications shall result in the disqualification of the proposal. The terms "must", "will", "shall", "minimum", "maximum", or "is/are required" identify a mandatory item or factor. Decisions regarding compliance with any mandatory requirements shall be at the sole discretion of the State. — —

A simple "yes" or "no" response to these sections is not adequate (Attachment B). Failure to meet mandatory items shall result in disqualification of the potential vendor's proposal and the evaluation process terminated for that bidder.

Decisions regarding compliance with the intent of any mandatory specification shall be at the sole discretion of the Agency.

- One or more members assigned to this contract must be a fellow of the Society of Actuaries (FSA) and/or a member of the American Academy of Actuaries (MAAA);
- Members assigned this contract must have at least 5 years of experience with health insurance products;
- Members assigned this contract must be knowledgeable to Actuarial Standard Practice No. 8, 23, and 25;
- The firm shall have no conflict of interest with regard to any carrier that is actively writing individual or group health products in the West Virginia market.
- This scope of work includes those tasks associated with overall planning and feasibility analysis supporting the State, and as appropriate, in the development, design, creation of an implementation plan for an Exchange in West Virginia. The following tasks are preliminarily identified as necessary for such planning and implementation, but it is expected that selected vendor will be assisting the State with identifying key questions, analysis, and decision points required for the analysis, and as appropriate, successful implementation of the Exchange. The state will require the successful vendor to describe how they will approach each requested outcome with the State retaining authority to modify approach as deemed necessary.
- The successful vendor must provide the WVOIC with data and trend analysis of health insurance coverage and the private health insurance marketplace as described below. The successful vendor must coordinate with the WVOIC to secure data necessary for the analysis detailed in this section. To the extent possible, the successful vendor must identify and collect primary data to fill the gaps in existing primary and secondary data sources. Any primary data collected in completion of the services identified in this section must be made available to the WVOIC for future use. The successful vendor must present findings in oral presentations and provide a written report with appropriate graphs and charts. The potential vendor shall provide a work plan for completion of this project.

I certify that the proposal submitted meets or exceeds all the mandatory specifications of this Request for Proposal. Additionally, I agree to provide any additional documentation deemed necessary by the State of West Virginia to demonstrate compliance with said mandatory specifications.

(Company)

(Representative Name, Title)

(Contact Phone/Fax Number)

(Date)

Attachment C: Cost Sheet			
Cost Information below as detailed in the Request for Proposal and submitted in a separate sealed envelope. Cost should be clearly marked.			
Name of Proposing Firm:		Proposed Bid (flat fee)	
Section 2.4.1	Background Research		
Section 2.4.2	Exchange Design Options		
Section 2.4.3	Exchange Organizational and Impact Assessment		
Section 2.4.5	Vendor Experience		
Section 2.4.1,2.4.2,2.4.3 and 2.4.5		SUBTOTAL 1	\$
		Composite Hourly Rate =	\$
Section 2.4.4	Ad Hoc Services in Support of Continued Exchange Planning	Estimated Number of hours	1,500
Section 2.4.4		SUBTOTAL 2	\$
		TOTAL (SUBTOTAL 1+2=)	\$

Attachment D: Oral Presentations – Section 2.6.1

- **Standard PowerPoint presentation not to exceed 90 minutes**
- **Use relevant graphs, diagrams and illustrations, etc.**
- **Handouts as appropriate to the RFP presentation**
- **Other appropriate elements relating to the RFP**

RFQ No. _____

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

EXCEPTION: The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code §61-5-3*), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

WITNESS THE FOLLOWING SIGNATURE

Vendor's Name: _____

Authorized Signature: _____ Date: _____

State of _____

County of _____, to-wit:

Taken, subscribed, and sworn to before me this ____ day of _____, 20__.

My Commission expires _____, 20__.

AFFIX SEAL HERE

NOTARY PUBLIC _____

State of West Virginia
VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with *West Virginia Code*, §5A-3-37. (Does not apply to construction contracts). *West Virginia Code*, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

1. Application is made for 2.5% resident vendor preference for the reason checked:

____ Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,

____ Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,

____ Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,

2. Application is made for 2.5% resident vendor preference for the reason checked:

____ Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,

3. Application is made for 2.5% resident vendor preference for the reason checked:

____ Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,

4. Application is made for 5% resident vendor preference for the reason checked:

____ Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,

5. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:

____ Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,

6. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:

____ Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (West Virginia Code, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: _____ Signed: _____

Date: _____ Title: _____

*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.