Request for Proposal

Medical Program Administrative Services and Pharmacy Program Administrative Services

December 18, 2009

A VASCUPP Member Institution
Issued by Procurement Services
Charlottesville, Virginia
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Overview of the RFP Process</td>
<td>1</td>
</tr>
<tr>
<td>II. Background Discussion and Goals of the University</td>
<td>2</td>
</tr>
<tr>
<td>III. Scope of Services</td>
<td>3</td>
</tr>
<tr>
<td>IV. Basis of Selection</td>
<td>26</td>
</tr>
<tr>
<td>V. Contents of the Proposal</td>
<td>27</td>
</tr>
<tr>
<td>VI. Information about this RFP</td>
<td></td>
</tr>
<tr>
<td>A. Procurement Schedule</td>
<td>31</td>
</tr>
<tr>
<td>B. Issuance of RFP and Questions</td>
<td>31</td>
</tr>
<tr>
<td>C. Preproposal Conference</td>
<td>32</td>
</tr>
<tr>
<td>D. Proposal Deadline</td>
<td>32</td>
</tr>
<tr>
<td>E. Oral Presentations and Negotiations</td>
<td>33</td>
</tr>
<tr>
<td>F. Communications</td>
<td>33</td>
</tr>
<tr>
<td>G. Formation of the Agreement with the Selected Firm</td>
<td>34</td>
</tr>
<tr>
<td>H. Provisions Deemed Included in the Proposal</td>
<td>35</td>
</tr>
<tr>
<td>I. Rejection of Proposals</td>
<td>36</td>
</tr>
<tr>
<td>J. Virginia Freedom of Information Act</td>
<td>36</td>
</tr>
<tr>
<td>Attachment 1 - Mandatory Contractual Provisions</td>
<td>38</td>
</tr>
<tr>
<td>Attachment 2 - Preferred Contractual Provisions</td>
<td>43</td>
</tr>
<tr>
<td>Attachment 3 - Procedure for Resolution of Contractual Claims</td>
<td>52</td>
</tr>
<tr>
<td>Attachment 4 - Executive VP and COO’s Request for Commitment</td>
<td>54</td>
</tr>
<tr>
<td>Attachment 5 - Medical Schedule of Benefits</td>
<td>55</td>
</tr>
<tr>
<td>Attachment 6 – Data Use Agreement for Protected Health Information</td>
<td>61</td>
</tr>
<tr>
<td>Attachment 7 – Benefit Exhibits</td>
<td>64</td>
</tr>
<tr>
<td>Attachment 8 – HIPAA Business Associate Addendum</td>
<td>65</td>
</tr>
</tbody>
</table>
Medical Program Administrative Services and Pharmacy Program Administrative Services
Request for Proposal #SH121809
December 18, 2009

This Request for Proposal (RFP) has been posted on Procurement Services web site for your convenience. Addenda and attachments are posted if issued. The RFP can be downloaded at this web site: http://www.procurement.virginia.edu/pagerfp. It is the firm’s responsibility to ensure that the latest version of the entire RFP and related links are reviewed prior to submission of a proposal. We encourage you to check the web site frequently for any changes prior to the due date. Call (434) 924-1346 if you have trouble accessing the RFP from the web. For questions about the content of the RFP, contact the buyer listed in Section VI, Information about this RFP. Additional information can be found on Procurement Services web site: http://www.procurement.virginia.edu/pagehome

I. Overview of the RFP Process

The Rector and Visitors of the University of Virginia (the “University”), a Virginia public corporation, seeks an experienced firm to provide Medical Program Administrative Services and Pharmacy Program Administrative Services for University Health Benefits. This RFP is part of a competitive procurement process which helps to serve the University's best interests. It also provides firms with a fair opportunity for their services to be considered. The process of competitive negotiation being used in this case should not be confused with the different process of competitive sealed bidding. The latter process is usually used where the goods or services being procured can be described precisely and price is generally the determinative factor. With competitive negotiation, however, price is not required to be the determinative factor, although it may be, and the University has the flexibility it needs to negotiate with firms to arrive at a mutually agreeable relationship.

For ease of reference, each firm receiving this RFP is referred to as a "firm" and the firm selected to provide services for the University is referred to as the "Selected Firm." This RFP states the instructions for submitting proposals, the procedure and criteria by which a firm may be selected, and the contractual terms by which the University proposes to govern the relationship between it and the Selected Firm.

It is the policy of the Commonwealth of Virginia and the University to contribute to the establishment, preservation, and strengthening of small businesses and businesses owned
by women and minorities, and to encourage their participation in State procurement activities. The Commonwealth and the University encourage firms to provide for the participation of small businesses and businesses owned by women and minorities through partnerships, joint ventures, subcontracts, or other contractual opportunities.

II. Background Discussion and Goals of the University

When Thomas Jefferson founded the University in 1819, he intended it to be nothing less than a world-class institution of higher learning. Jefferson’s spirit lives on – not only in the Rotunda and Academical Village he designed, and which remain treasures of American architecture, but in the University’s standing as a leader in education, research, and community service.

The over 20,300 students attending the University work within a true meritocracy and live by an Honor Code unique among American universities. Each student is exposed to the widest spectrum of disciplines – from arts and athletics to humanities and technology. Our students also enjoy a unique connection to the world beyond college through the University’s outstanding professional training, exemplified by its nationally ranked schools of Law, Business, and Medicine. The University as a whole has had a consistently high ranking not only among public schools, where it often heads the list, but among all American universities, public and private.

Over 12,400 permanent University faculty and staff are committed to serving both the local and national community. The University makes a real difference in the world, through its invaluable research, a hospital ranked among the nation’s finest, and graduates who have consistently been among the forefront of our nation’s shapers. At the University, our bright future is the direct result of our great history.

This RFP addresses claims administration, medical management and network services for the Medical and Mental Health Benefits (the “Medical Program”) and the Prescription Drug Benefits (the “Pharmacy Program”) covered by the University of Virginia’s Health
Plan for University and University Medical Center employees (the “UVa Health Plan”), which is self-insured. The contracts with the current Third-Party Administrator (Southern Health) and the Pharmacy Benefit Manager (CVS/Caremark) for the UVa Health Plan is scheduled to end on December 31, 2010. The UVa Health Plan currently has enrollment numbers of approximately: 12,741 active employees and their dependents; 561 non-Medicare eligible retirees and their dependents; and 90 COBRA enrollees and their dependents; with a total population count of 28,209. Any of these individuals that are enrolled in the UVa Health Plan and their enrolled eligible dependents will be referred to hereafter individually as “Enrollee” and together as “Enrollees”.

The UVa Health Plan covers the following services:

- Physician Office Visit and Outpatient Coverage
- Physician and Surgical Benefits
- Hospital Care
- Skilled Nursing Facility, Home Health and Hospice Care
- Durable Medical Equipment, Prosthetic Appliances, and Medical Supplies
- Clinical Trials for Treatment Studies on Cancer
- Mental Health and Substance Abuse Care
- Prescription Drugs
- Dental Care

The UVa Health Plan Description of Benefits and its 2009 Addendum are found respectively at these URLs: http://www.hrs.virginia.edu/forms/descben.pdf; and http://www.hrs.virginia.edu/forms/dobamendments2009.pdf. The documents at these links detail the medical, mental health, and prescription benefits covered under this RFP. (Note that Dental Care is administered by the Dental Program Administrator for the UVa Health Plan. Those services are not covered under this RFP.)

The UVa Health Plan currently offers two different direct access health programs for Enrollees: the High Premium Program and the Low Premium Program. Details of the High and Low Premium Programs are contained in Attachment 5, Medical Schedule of
Benefits. Information regarding Census, Claims Experience, and Rates may be obtained by firms interested in responding to this RFP by signing the Data Use Agreement included as Attachment 6, Data Use Agreement for Protected Health Information, and returning a scanned copy to the University in the manner described in Attachment 6 prior to February 2, 2010.

In support of its mission and in an effort to maintain the highest quality services for its customers, the University seeks an experienced firm to provide Medical Program Administrative Services and Pharmacy Program Administrative Services to begin January 1, 2011. The University reserves the right to award to different Selected Firms to respectively administer the University’s Medical Program and Pharmacy Program.

III. Scope of Services
It is the University's intent to enter into an Agreement with the Selected Firm (or Selected Firms) for health benefit management and administration services for the Medical Program and Pharmacy Program of the UVa Health Plan to include those services necessary to help the University achieve its goals as outlined in this RFP (the “Services”). In order to achieve this goal the Selected Firm may be requested to provide those Services outlined in this section. (Note that Paragraph A of this Section specifically pertains to Medical Program Administrative Services while Paragraph B specifically pertains to Pharmacy Program Administrative Services.)

The University intends to make the Selected Firm’s Services initially available to University employees effective January 1, 2011, and will publicize the Selected Firm’s Services commencing with open enrollment scheduled for October 2010. The Selected Firm agrees to provide the maximum degree of support to the University in providing the Services and achieving the timing of this implementation goal.

A. Medical Benefit Administration Services
The Selected Firm will:
1. Provide the Services efficiently, accurately, and responsively to the University’s Benefits Division staff, and collaboratively work with the University to optimize Medical Program benefits.

2. Provide a primary account representative who is knowledgeable about all aspects of the Medical Program and is always accessible by phone or email during regular working hours to address emergency and non-emergency issues posed by the University’s Benefits Division staff. Advise the University’s Benefits Division staff within one business day when there is a new primary account representative. When the primary account representative will be out of the office for more than four hours, a backup person who will be in the office and available to address all questions and report requests during the account representative’s absence will be identified by name, phone number, and alternate phone number prior to the account representative leaving the office. (Firms should complete Attachment 7, Exhibit Medical 1 – Account Representative, and include with their proposal.)

3. Provide account representative resources with functional expertise in such areas as eligibility, billing, data management, “Provider” management, plan design, financial reporting, Enrollee services, and Enrollee communications, as needed by the University. Advise the University’s Benefits Division staff within one business day when there is a change to account representative resources. (Firms should complete Attachment 7, Exhibit Medical 2 – Account Team, and include with their proposal.)

4. Administer the current Medical Program with the same plan design, level of coverage, and Enrollee cost share presently offered by the University, and per the current Description of Benefits provided by the University. Administer a possible new Medical Program design, as determined and developed by the University.

5. Create and maintain over 50 groups for the UVa Health Plan so data is separated by type of Enrollee (active employee, retiree and survivor, COBRA), type of payment for retirees and survivors (direct debit, billed,
paid by Virginia Retirement System), and whether active employees are employed by the University or the University’s Medical Center.

6. Exclude from coverage any specific drugs, as directed by the University, if coverage is limited to the Pharmacy Program benefit.

7. Provide network management services offering broad access (i.e., access to two Primary Care Physicians within 10 miles; two Specialists within 15 miles; and one hospital within 20 miles of 90% or greater of Enrollees) to primary care physicians, specialists, and hospitals. (Firms should complete these Attachment 7 Exhibits and include with their proposal:
Exhibit Medical 3A– Network Access;
Exhibit Medical 3B–Key Provider Counts By Area; and
Exhibit Medical 4– Network Comprehensiveness by Specialty.)

8. Provide national network access to all Enrollees.

9. Provide competitive administrative fees, network access charges, and deepest available discounts for Provider and facility services. (Firms should complete these Attachment 7, Exhibits, and include with their proposal:
Exhibit Medical 5–Administrative Fees and Network Access Charge;
Exhibit Medical 6–Average Physician Reimbursement Analysis;
Exhibit Medical 7–Effective Minimum Discount Guarantee: Physicians;
Exhibit Medical 8–Medical Claim Re-Pricing; and
Exhibit Medical 9–Effective Minimum Discount Guarantee: Hospitals.)

10. Provide a guaranteed maximum annual increase for network Provider fees that the Selected Firm will guarantee for the second year of any Agreement resulting from this RFP. (Firms should complete these Attachment 7 Exhibits and include with their proposal:
Exhibit Medical 7-Effective Minimum Discount Guarantee: Physicians; and
Exhibit Medical 9–Effective Minimum Discount Guarantee: Hospitals.)

11. Provide highest quality Provider credentialing and re-credentialing services. (Firms should complete Attachment 7, Exhibit Medical 10–Provider Credentials, and include with their proposal.)
12. Provide an effective and responsive process by which Enrollee issues and complaints regarding Providers will be responded to and addressed, including quarterly incident and resolution reports to the University.

13. Provide notification of Provider additions and deletions within two business days after the Selected Firm learns of the addition or deletion.

14. Provide accurate and timely claim adjudication services according to the minimum standards below. (Firms should complete Attachment 7, Exhibit Medical 11–Primary Claim Office(s), and include with their proposal.)
   a. Minimum of 95% of all claims submitted (regardless of information provided on claim) are processed (from date received to date paid) within 10 business days.
   b. Minimum of 100% of all claims submitted (regardless of information provided on claim) are processed (from date received to date paid) within 30 business days.
   c. Based on the latest 12 months, minimum of 99% of total claims dollars paid (include over/underpayments) for financial coding accuracy and minimum of 95% of total claims submitted on coding accuracy for claims without error.
   d. Comply with all minimum state average claim turnaround requirements and disclose all states where the Selected Firm was sanctioned in the last 24 months for not meeting state standards.

15. Accept lifetime accumulators from the current Medical Program Third Party Administrator and apply to appropriate Enrollee records.

16. Maintain annual and lifetime accumulators for each Enrollee and move them when an Enrollee moves from one policy to another.

17. Manage the enrollment and eligibility maintenance process for Enrollees, ensuring that all eligibility updates will be made accurately and promptly (within two business days of notification), and all Enrollee enrollment materials will be provided on a timely basis (mailed within three business days of eligibility update).

18. Accept and process electronic enrollment files from the University at least twice a week.

19. Accept paper enrollment applications from the University and process within three business days.
20. Accept social security numbers as ID numbers from the University and assign unique ID numbers to Enrollees. Allow social security numbers to be kept in the Enrollee record for look-up purposes.

21. Create, maintain, and provide copies of health plan enrollment applications specific to the UVa Health Plan. The University’s Benefits Division staff will assist with the design and content of the application.

22. Fully support online enrollment applications and changes when the University institutes an online enrollment process.

23. Provide a dedicated fax line to receive enrollment information from the University’s Benefits Division staff. Accept urgent faxes that require enrollment within two hours of receipt.

24. Send address /enrollment changes to other designated Third Party Administrators (TPAs) electronically on a weekly basis. Include social security numbers and unique ID numbers.

25. Run monthly enrollment reconciliation reports based on full enrollment files sent to the Selected Firm by the University on the first of every month. Two enrollment files are sent by the University: one from the University payroll system; and one from the University’s Medical Center payroll system. Reconciliation reports must be separated by University and University Medical Center Enrollees.

26. Provide an annual listing of all Enrollee dependents that turn age 23 that year. (Dependent children become ineligible to remain on the UVa Health Plan December 31st of the year in which they turn 23.) Send letters to the Enrollees in early December regarding the dependent’s ineligibility and terminate these dependents from the UVa Health Plan on their ineligibility date.

27. Monitor Enrollees for dual enrollment under more than one policy and advise the University on a monthly basis when any are found.

28. Provide the University’s Benefits Division staff with address change notices and undeliverable addresses on a monthly basis.
29. Provide a portal into the live enrollment system that can be accessed by three UVa Health Plan employees who need live enrollment information as well as access to all history.

30. Provide effective fraud detection programs which effectively address, at a minimum, ineligible claimants, over-billing, and assurance that services billed were actually rendered. (Firms should complete Attachment 7, Exhibit 12–Fraud Detection, and include with their proposal.)

31. Provide insurance packets for all new University employees that include materials specific to the medical, mental health, dental, Rx, and vision insurance programs. The University’s Benefits Division staff will provide masters of the documents to be included in the packets.

32. Produce and distribute Enrollee identification cards and Description of Benefits within five business days of receipt of eligibility information and other Enrollee information, as needed.

33. Ensure that the University approves in advance all Enrollee communications.

34. Provide Enrollee and Provider education to support best practices regarding standards of care, adherence to prescribing guidelines, etc., and to encourage health maintenance, therapy compliance, and disease prevention.

35. Provide a secure email system for use by the University’s Benefits Division staff and Enrollees to ask questions about customer service, appeals, and pre-authorizations.

36. Identify the services needing prior authorization and provide an annual list to the University for distribution at open enrollment. Provide prior authorization services.

37. Send letters to retirees 90 days prior to their Medicare eligibility date instructing them to enroll in the state’s Medicare-supplement plan. The University’s Benefits Division staff will provide text for the letter. Provide the University’s Benefits Division staff with a list each month of the retirees receiving this letter.
38. Confirm that a “never event” policy, whereby Providers are not paid for services that should not have been rendered or services provided to correct errors made by the Provider, is in place.

39. Provide comprehensive performance management reports and analysis monthly, quarterly, and annually to the University within 45 days of the end of reporting periods and deliver annual reports and regulatory documentation within 90 days of December 31st for the most recent calendar year. Reports should include but not be limited to:
   a. Medical claim triangle report
   b. Enrollment and claims summary by Employee (Household) and by Enrollee (Individual) (Including group level break-outs for actives, COBRA, and retirees)
   c. Medical claims detail
   d. Mental Health claims detail
   e. Utilization for in-patient, out-patient, and Provider services
   f. Utilization by age/gender
   g. Network utilization
   h. Top 25 major diagnostic categories
   i. Top 25 Providers
   j. High claimants over $100,000
   k. Performance guarantee results
   l. Quarterly complaints
   m. Quarterly appeals

40. Provide ad-hoc reports, as required by the University, within five business days of request.

41. Provide comprehensive disease management and wellness programs to support Enrollee health and the University’s efforts to promote employee health. Detailed reports on disease management and Return on Investment (ROI) should be provided quarterly and annually. Such programs may include:
   a. Cardiovascular (Hypertension, High-Cholesterol, Chronic Heart Failure)
   b. Diabetes
   c. Asthma
   d. Depression
   e. Maternity
   f. Cancer
   g. Musculoskeletal
   h. Women’s Health
1. Smoking Cessation
2. Weight Loss

Alternatively, coordinate claims administration with an independent disease management and wellness organization.

42. If requested by the University, provide a 24-hour telephone nurse advice/support service to Enrollees to address common and routine health issues and to answer general health related questions.

43. Provide Coordination of Benefits (COB) services as required and consistent with University policy.

44. Provide Enrollees with access to U.S. based, dedicated, University of Virginia customer service representatives with specific knowledge of the UVa Health Plan, 24 hours a day/seven days a week. (Firms should complete Attachment 7, Exhibit Medical 13–Customer Service, and include with their proposal.)

45. Provide a consumer website for Enrollees to obtain information regarding their benefit coverage, participating Providers, claims information, and other health information, 24 hours a day/seven days a week.

46. Provide online information regarding the Services that will be linked to the University’s Human Resources website.

47. Log and track all phone conversations between Enrollees and the Selected Firm’s customer service representatives.

48. Provide dedicated toll-free number(s) and fax numbers available to Enrollees and Providers to handle questions regarding claims, preauthorization, the appeals process, and other Enrollee service issues.

49. Provide the UVa Health Plan Ombudsman with a dedicated customer service representative as needed to discuss problem claims and resolutions, claim submission by Enrollees, and clarification of Explanation of Benefits.

50. Provide a toll-free phone number that will be answered by a contact person or department that is available Monday through Friday 9 a.m. to 6 p.m. Eastern Time to help the UVa Health Plan Ombudsman with urgent access/enrollment issues.
51. Provide an account representative contact to be used by the UVa Health Plan Ombudsman as a reference for appeals, complaints, and preauthorization questions.

52. Provide results of appeals to the UVa Health Plan Ombudsman as needed so she can address Enrollee issues concerning complaints and external appeal requests.

53. Conduct University-specific Enrollee and client satisfaction surveys, at least annually, to gauge satisfaction with the Selected Firm’s Services. Allow the University advanced review and consultation regarding survey questions. Review results with the University.

54. Provide web interfacing capabilities for the University’s Benefits Division staff to view enrollment, enrollment history, subscriber and dependent addresses, view and print identification cards.

55. Provide actuarial support to estimate potential benefit cost impact. Respond to related requests for information within two business days.

56. Provide weekly billing for claims along with supporting claim detail information sufficient to validate the billed amount. Such detail should include:
   a. Patient Location (zip code)
   b. Provider TIN
   c. Provider Name
   d. Provider Location
   e. Claim Number
   f. Date of Service
   g. Primary Diagnosis Code (ICD9)
   h. Procedure Code
   i. Procedure Code Modifier
   j. # of Service Units
   k. Place of Service Code
   l. Claim Type Code (e.g. inpatient hospital, outpatient hospital, Provider, home health, etc.)
   m. Provider/Specialty Type Code
   n. Type of Service Code
   o. Inpatient Days
   p. Reason/Adjustment Code
   q. Billed Charges
   r. Not Covered Charges
   s. Ineligible Charges
t. Allowed Charge (i.e. negotiated reimbursement after Provider
discounts & before Enrollee cost-sharing/COB)
u. Enrollee Portion (Deductible/Copay, etc.)
v. COB Savings Amount
w. Paid Amount
x. Indicator for In-Network vs. Out-of-Network claims

57. Set up a bank account that will be used only for the University’s claims
and maintain upkeep of this account.

58. Reconcile the bank account monthly and annually.

59. Notify the University via electronic mail by the last business day of each
week of the amount of claims payments due to fund the Medical Program
benefits. The University will wire transfer claims payments to the
designated bank account within two business days of such e-mail advice
from the Selected Firm.

60. Provide invoices directly to retirees who choose the “billed option” for
their monthly health premium and accept their premium payments. Track
payments and suspend coverage for any who do not pay by the due date.
Terminate coverage for any who do not pay by the end of grace period.
Notify the University of suspensions and terminations. Transfer retiree
premiums to the UVa Health Plan on a monthly basis.

61. Directly debit bank accounts of retirees who choose the “direct debit”
option for their monthly health premium. Track payments and suspend
coverage for any retirees whose debit bounces. Contact the retiree for
replacement payment. Terminate coverage for any retirees who do not
make their replacement payment by the end of the grace period. Advise
the University of suspensions and terminations. Transfer retiree premiums
to the UVa Health Plan on a monthly basis.

62. Provide monthly administrative billing that indicates, plainly and in detail,
all administrative charges as well as accept electronic funds transfer
payment.

63. Agree to University-specific performance guarantees and standards.
Measurement of performance standards for UVa Health Plan Enrollees
must be specifically defined, may be based on internal self-reporting, and
is subject to independent verification. (Firms should complete Attachment 7, Exhibit Medical 14 – Performance Guarantees, and include with their proposal.)

64. Provide a formal appeals process and services consistent with provisions included in the UVa Health Plan Description of Benefits.

65. Confirm that 100% of overpayments and duplicate payments are provided back to the University, no matter what the time period is between the date of payment and the discovery of the overpayment or duplicate payment.

66. Guarantee the University or its designee(s) the right to audit the Selected Firm’s claim system and provide all necessary information and data for such audits at no charge to the University or its designee(s) and to fully cooperate in all such audit procedures.

67. Ensure that the Selected Firm and the UVa Health Plan are in compliance with the Health Insurance Portability and Accountability Act of 1996 and regulations promulgated there under (commonly known as HIPAA), and with the Health Information Technology for Economic and Clinical Health Act (commonly known as HITECH) and regulations and HHS guidance issued in conjunction with HITECH. A Business Associate agreement (BAA), a preliminary draft of which is included as Attachment 8, HIPAA Business Associate Addendum, subject to revision by the University to implement HITECH regulations and guidance, will be required between the Selected Firm and the University.

68. Provide a HIPAA contact person for the University’s Benefits Division staff and Enrollees, and provide a mechanism for HIPAA confidential communications. The Selected Firm will conduct all electronic transactions involving identifiable information about Enrollees with technologies and methodologies that render such information “secured” as defined in the guidance issued in 74 FR 19006 (April 27, 2009), pursuant to HITECH.

69. Provide written copies of the UVa Health Plan HIPAA Notice of Privacy Practices and the Description of Benefits to Enrollees upon enrollment.
70. Mail annually written updates to the Description of Benefits and information regarding how to access the HIPAA Notice of Privacy Practices to Enrollees.

71. Notify the UVa Health Plan within 24 hours regarding any security breach of an Enrollee’s unsecured protected health information, cooperate with the University in investigating and responding to any breach, and provide breach notification letters to Enrollees as requested by the University.

72. Provide COBRA administration services including initial notices, premium billing, continuation coverage rates, identification cards, Enrollee notices, and other related services, as required. Alternatively, send electronic termination and new Enrollee information weekly to a separate COBRA Administrator in an agreed-upon format.

73. Accept COBRA enrollment forms and emails from the University’s Benefits Division staff.

74. Provide claims information electronically on a monthly basis to the University’s Flexible Spending Account (FSA) Administrator to verify claims substantiation for FSA payments. The FSA Administrator will specify the claims file format.

75. Provide a detailed implementation/transition plan for the Selected Firm to provide Medical Program Administrative Services at least 180 days in advance of the initial effective date, and which includes persons responsible for each task, outlines all related requirements from the University, as well as a detailed timeline.

76. Provide the University with its claim utilization data during the term of any Agreement resulting from this RFP in the agreed upon format within 30 days of the initial request, and on the agreed upon regular schedule thereafter.

77. Transfer electronic claim history, eligibility data, and lifetime accumulators to the client at no additional cost to the University upon Agreement termination in the agreed upon format within 30 days of the request.
78. Administer all claims incurred during the Plan Year and submitted up to one year after the end of the Plan Year, for no incremental administrative fees.

B. Pharmacy Benefit Management Services

The Selected Firm will:

1. Provide the Services efficiently, accurately, and responsively to the University’s Benefits Division staff, and collaboratively work with the University to optimize Pharmacy Program benefits.

2. Provide a primary account representative who is knowledgeable about all aspects of the Pharmacy Program and is always accessible by phone or page during regular working hours to address emergency and non-emergency issues posed by the University’s Benefits Division staff. Advise the University’s Benefits Division staff within 24 hours when there is a new primary account representative. When the primary account representative will be out of the office for more than four hours, a backup person who will be in the office and available to address all questions and report requests during the account representative’s absence will be identified by name, phone number, and alternate phone number prior to the account representative leaving the office. (Firms should complete Attachment 7, Exhibit PBM 1 – Account Representative, and include with their proposal.)

3. Provide account representative resources with functional expertise in such areas as eligibility, billing, data management, clinical pharmacy, specialty drugs, plan design, retail networks, mail service operations, Enrollee services, and Enrollee communications, as needed by the University. Advise the University’s Benefits Division staff within 24 hours when there is a change to account representative resources. (Firms should complete Attachment 7, Exhibit PBM 2 – Account Team, and include with their proposal.)

4. Administer the current Pharmacy Program with the same plan design, level of coverage, copay tiers, coinsurance, and clinical rules, offered by
the University, and per the Plan Document provided by the University. Similarly, administer a new Pharmacy Program should plan design change.

5. Create and maintain over 50 groups for the UVa Health Plan so the data is separated by type of Enrollee (active employee, retiree and survivor, COBRA), type of payment for retirees and survivors (direct debit, billed, paid by Virginia Retirement System), and whether active employees are employed by the University or the University’s Medical Center.

6. Provide drug utilization review (DUR) and clinical management services to ensure safe, effective, and appropriate use of prescription drugs. At a minimum, these should include prior authorization, drug exclusions, point-of-sale (POS) concurrent DUR, quantity per claim limits, step therapy rules, generic substitution, medication adherence, retrospective DUR, patient safety and quality monitoring programs, and fraud and abuse detection program, all as approved by the University. (Firms should complete Attachment 7, Exhibit PBM 3 – PBM Administrative Fees, and include with their proposal.)

7. Provide and maintain a fully credentialed retail pharmacy network.

8. Provide and maintain a retail pharmacy network that provides broad and convenient pharmacy access to Enrollees (i.e., access to two or more retail pharmacies within five miles of 90% of Enrollees). (Firms should complete Attachment 7, Exhibit PBM 4A - Pharmacy Access and Disruption, and include with their proposal.)

9. Manage participating pharmacies and evaluate their performance. Maintain quality standards and a process for dealing with pharmacies who are not meeting these standards.

10. Provide the number of participating retail pharmacies that were terminated from the national network in the past 24 months by the Selected Firm or by the pharmacy. (Firms should complete Attachment 7, Exhibit PBM 4B – Retail Termination, and include with their proposal.)

11. Provide full transparency and disclosure of all discounts, fees, and rebates, including all revenues that the Selected Firm receives from all sources,
related to prescriptions filled for Enrollees. The Selected Firm will be providing Services to a public agency and all pricing, Services, methodologies, and all other information contained in the Selected Firm’s proposal response and resulting Agreement with the University will be public information.

12. Provide that all financial discounts, dispensing fees, and rebates will be guaranteed individually, on a stand-alone, dollar-for-dollar basis. Include all generic drugs (including single-source) in the overall aggregate generic drug discount guarantee.

13. Pass 100% of formulary rebates to the University, including rebates for specialty drugs and generic drugs.

14. Guarantee that all formulary interchanges will be economically advantageous to the University on an ingredient cost basis. Provide quarterly reporting to the University’s Benefits Division regarding formulary usage and interchanges, demonstrating that all formulary interchanges are economically advantageous to the University.

15. Provide competitive retail and mail discount rate guarantees. (Firms should complete Attachment 7, Exhibit PBM 5 – Prescription Drug Pricing Using AWP, and include with their proposal.)

16. Provide specialty drug services to Enrollees such as home delivery coordination, administration counseling and support. Provide specialty drug services, such as guideline management, prior authorization, and quantity level limits, to ensure appropriate use and cost management. (Firms should complete Attachment 7, Exhibit PBM 6 – Specialty Drug Pricing Using AWP, and include with their proposal.)

17. Create and maintain a listing of all specialty drugs dispensed by the specialty pharmacy and update it whenever changes are made. The UVa Health Plan will be notified of any changes to the list and will be provided with CPT or J codes for any new drug.

18. Maintain and support the University’s formulary through quarterly review, consideration of newly introduced brand, specialty, and generic drugs, and clinical and financial analyses, as required.
19. Notify Enrollees of changes in formulary status when a drug they are using moves to another tier and increases copay or begins to incur a Dispense As Written (DAW) penalty.

20. Provide a highly qualified, independent, Pharmacy and Therapeutics Committee who will ensure that a broad and effective formulary is maintained, and that decisions regarding inclusion or exclusion of new drugs are clinically appropriate and cost effective. (Firms should complete Attachment 7, Exhibit PBM 7 – P&T Committee Members, and include with their proposal.)

21. Provide Enrollees and Providers with information and tools such as cost comparative information, cost share savings opportunities, clinical and drug information, and other information, as appropriate, and approved by the University, to promote generic utilization, formulary compliance, and health education. (Firms should complete Attachment 7, Exhibit PBM 8 – PBM Tools, and include with their proposal.)

22. Provide a secure email system for use by the University’s Benefits Division staff and Enrollees to ask questions about customer service, appeals, and preauthorizations.

23. Accept pharmacy claims from Enrollees for reimbursement within one year from the date a drug is dispensed.

24. Remit all owed rebates to the University via electronic fund transfer on a quarterly basis within 180 days of the incurred date of the claims which generated the rebate, and provide detailed reporting which fully supports and reconciles all rebates owed and paid. Provide the University’s Benefits Division with annual client rebate reports.

25. Provide semi-monthly billing for claims along with supporting electronic claim detail information sufficient to validate the billed amount, and accept electronic funds transfer payment.

26. Set up a bank account that will be used only for the University’s claims and maintain upkeep of this account.

27. Reconcile the bank account monthly and annually.
28. Notify the University via electronic mail the amount of claims payments due to fund the Pharmacy Program benefits. The University will wire transfer claims payments to the designated bank account within two business days of such e-mail advice from the Selected Firm.

29. Provide monthly administrative billing that indicates, plainly and in detail, all administrative charges and accept electronic funds transfer payment.

30. Provide Enrollees with access to U.S. based, designated University of Virginia customer service representatives and pharmacists who have specific knowledge of the UVa Health Plan and access to on-line, real-time Enrollee claim information, 24 hours a day/seven days a week. (Firms should complete Attachment 7, Exhibit PBM 9 – Customer Service, and include with their proposal.)

31. Log and track all phone conversations between Enrollees and the Selected Firm’s customer service representatives.

32. Provide dedicated toll free number(s) and fax number available to Enrollees and Providers to handle questions regarding retail and mail claims, preauthorizations, the appeals process, and other Enrollee service issues.

33. Provide highest quality mail order services to Enrollees (Turnaround time of no greater than two business days for non-protocol claims and four business days for protocol claims; Minimum claim dispensing accuracy of 99.95%). (Firms should complete Attachment 7, Exhibit PBM 10-Mail Order Locations, and include with their proposal.)

34. Bill mail order claims to commercial secondary insurance companies when appropriate information is provided by the Enrollee.

35. Provide annual Explanation of Benefits summary to each Enrollee utilizing the Pharmacy Program that details Enrollee and UVa Health Plan cost.

36. Provide web interfacing capabilities for Enrollees, maintain the website for Enrollee use for services such as retail pharmacy directory, copay/coinsurance calculator that provides cost-sharing amounts for all drugs including specialty drugs and drugs needing preauthorization,
formulary, mail service refills, specialty pharmacy drugs, and other information regarding the Selected Firm’s Services, 24 hours a day/seven days a week.

37. Provide a copay/coinsurance calculator that will be available to all University employees during the annual open enrollment period for the purpose of calculating accurate cost-sharing amounts for the upcoming Plan year.

38. Provide online information regarding the Services that will be linked to the University’s Human Resources website.

39. Accept the University’s Flexible Spending Account (FSA) debit card as payment for mail order prescriptions when ordering online.

40. Provide the University’s Benefits Division staff with on-line access to eligibility, addresses for Enrollees and dependents, plan design, and claims information, and with the ability to view and request the production of Enrollee identification cards.

41. Provide the option to initiate on-line, phone, and direct mail Enrollee refill reminders and compliance communications from the Selected Firm to Enrollees.

42. Provide the UVa Health Plan Ombudsman with a dedicated customer service representative as needed to discuss problems such as prescription rejections, claims processing issues, preauthorization issues, appeals, complaints, foreign claims, and direct-Enrollee reimbursements.

43. Provide a toll-free phone number that will be answered by a contact person or department that is available Monday through Friday 9 a.m. to 6 p.m. Eastern Time to help the UVa Health Plan Ombudsman with prescription denial issues, vacation overrides, urgent access, or enrollment issues.

44. Provide results of appeals to the UVa Health Plan Ombudsman as needed so she can address Enrollee issues concerning complaints and external appeal requests.

45. Accept lifetime accumulators from current Pharmacy Benefit Manager for the Pharmacy Program and apply to appropriate Enrollee records.
46. Maintain annual and lifetime accumulators for each Enrollee and move them when an Enrollee moves from one policy to another.

47. Receive electronic enrollment files weekly from the University’s Medical Program Third Party Administrator in an agreed-upon format. Both social security numbers and unique ID numbers will be included on the file. Resolve data discrepancies quickly to ensure accurate enrollment.

48. Perform all Enrollee eligibility, enrollment and claims adjudication functions, including verification of enrollment, determination of drug tier and benefit coverage, application of appropriate Provider reimbursement, creation and mailing of Explanation of Benefits (as appropriate), timely payment, and storage of claims information for easy viewing access by customer service representatives.

49. Provide performance management reports to the University on a monthly, quarterly, and annual basis as required, such as claim detail reports that minimally include:
   a. Claims summary including group break-outs by actives, COBRA and retirees
   b. Eligibility summary by Employee (household) and Enrollee (individual)
   c. Utilization by claim type, brand/generic, pharmacy channel, and acute versus maintenance
   d. Top 25 therapeutic categories
   e. Top 25 drugs
   f. Top pharmacies and list of pharmacies used by Enrollees
   g. Specialty drug reports
   h. High claimants over $50,000

50. Provide ad-hoc reports, as required by the University, within three business days of request.

51. Distribute Enrollee identification cards, formulary guides, and other program information, as needed, within four business days from receipt of new enrollment confirmation.

52. Ensure that the University approves in advance all Enrollee communications.
53. Conduct University-specific Enrollee and client satisfaction surveys at least annually to gauge satisfaction with the Selected Firm’s Services. Review survey results with the University.

54. Guarantee the University or its designee(s) the right to audit all claims, financial terms, and rebates, and to provide all necessary information and data for such audits at no charge to the University or its designee(s) and to fully cooperate in all such audit procedures.

55. Ensure the Selected Firm and the UVa Health Plan are in compliance with the Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder (commonly known as HIPAA), and with the Health Information Technology for Economic and Clinical Health Act (commonly known as HITECH) and regulations and HHS guidance issued in conjunction with HITECH. A Business Associate agreement (BAA), a preliminary draft of which is included as Attachment 8, HIPAA Business Associate Addendum, subject to revision by the University to implement HITECH regulations and guidance will be required between the Selected Firm and the University.

56. Provide a HIPAA contact person for the University’s Benefits Division staff and Enrollees, and provide a mechanism for HIPAA confidential communications. The Selected Firm conduct all electronic transactions involving identifiable information about Enrollees with technologies and methodologies that render such information “secured” will as defined in the guidance issued in 74 FR 19006 (April 27, 2009), pursuant to HITECH.

57. Notify the UVa Health Plan within 24 hours regarding any security breach of an Enrollee’s unsecured protected health information, cooperate with the University in investigating and responding to any breach, and provide breach notification letters to Enrollees as requested by the University.

58. Provide a formal appeals process and services consistent with provisions included in the UVa Health Plan Description of Benefits.
59. Confirm that 100% of overpayments and duplicate payments are provided back to the University, no matter what the time period is between the date of payment and the discovery of the overpayment or duplicate payment.

60. Guarantee the University or its designee(s) the right to audit the Selected Firm’s claim system and provide all necessary information and data for such audits at no charge to the University or its designee(s) and to fully cooperate in all such audit procedures.

61. Provide actuarial support to estimate potential benefit cost impact. Respond to related requests for information within two business days.

62. Provide coordination of benefits (COB) services as required and consistent with University policy.

63. Agree to University-specific performance guarantees and standards. Measurement of performance standards must be specifically defined, may be based on internal self-reporting, subject to independent verification. (Firms should complete Attachment 7, Exhibit PBM 11 – Performance Guarantees, and include with their proposal.)

64. Provide the University with its claim utilization data during the term of any Agreement resulting from this RFP to a party that the University designates or to the University directly in the agreed upon format within 30 days of the initial request, and on the agreed upon regular schedule thereafter.

65. Provide claims information electronically on a monthly basis to the University’s Administrator to verify claims substantiation for FSA payments. The FSA Administrator will specify the claims file format.

66. Provide a detailed implementation/transition plan for the Selected Firm to provide pharmacy benefit management services at least 180 days in advance of the initial effective date, and which includes persons responsible for each task, outlines all related requirements from the University, as well as a detailed timeline.

67. Upon Agreement termination, provide all information and data necessary, in agreed-upon format at no additional charge, to ensure a smooth transition, including but not limited to: claims history file, prior-
authorization file, lifetime accumulators, and mail-order open-refill file, within 30 days of request.

68. Upon Agreement termination, continue to administer claims filed manually by Enrollees for up to six months, at a per claim fee not to exceed the manual claim administration fee prior to Agreement termination.

69. Transfer electronic claim history, eligibility data, and lifetime accumulators to the client at no additional cost to the University upon Agreement termination in the agreed upon format within 30 days of the request.

C. HIPAA/Change of Law

The Selected Firm and the University will abide by the Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder (commonly known as HIPAA), and with the Health Information Technology for Economic and Clinical Health Act (commonly known as HITECH) and regulations and HHS guidance issued in conjunction with HITECH. The terms of Attachment 8, HIPAA Business Associate Addendum, apply. In the event there is a change in state or federal law, including but not limited to HIPAA and HITECH, whether by statute, regulation, agency interpretation or guidance, or judicial decision, that in the reasonable opinion of counsel to the University renders any of the material terms of the Agreement resulting from this RFP unlawful or unenforceable, or does not accommodate the University's aim of complying with changes in such law, or meeting the standard of care that the University adopts in the good faith exercise of its business judgment, then the applicable term(s) of the Agreement will be subject to renegotiation and either party may request re-negotiation of the affected term or terms of the Agreement, upon written notice to the other party, to remedy such condition and conform the Agreement to the requirements of law. If such renegotiation is unsuccessful within the 30-day period of time following written notification by the party requesting re-negotiation to the non-notifying party, then either party may terminate the Agreement without penalty.
IV. Basis of Selection

The University will evaluate proposals and, if a firm is to be selected, select the firm on the basis of:

A. The firm's plan to assist the University to meet its goals for Medical Program Administrative Services and Pharmacy Program Administrative Services as discussed in Section II, Background Discussion and Goals of the University, and Section III, Scope of Services;

B. The firm's relevant experience, qualifications and success in providing the services outlined in this RFP;

C. The firm's references from institutions of higher education, teaching hospitals, and clients which are comparable to the University;

D. The firm's financial proposal including but not limited to discounts, service charges and other charges;

E. The quality of the proposal, specifically, responsiveness to requirements and adequacy of information provided;

F. The contractual terms which would govern the relationship between the University and the Selected Firm;

G. The firm’s plan for the utilization of Small, Women-owned and Minority-owned (SWAM) businesses. (In evaluating the firm’s proposal, the University will assign a minimum of 10 percent of the total selection weight to this individual selection criterion.); and

H. Any other factors relevant to the firm's capacity and willingness to satisfy the University.

Note: The University reserves the right to award the Agreement for all or part of the Services to one or more firms.

V. Contents of the Proposal

Proposals should include information outlined in this section. Copies of proposals must be sent to the Issuing Office, Procurement Services, Carruthers Hall, and not to any other office or department whatsoever at the University.
Unnecessarily elaborate brochures and other presentations beyond that sufficient to present a complete and effective proposal are not desired and may be construed as an indication of an offeror’s lack of cost consciousness. Elaborate artwork, expensive paper and bindings, and expensive visual and other presentation aids are neither necessary nor desired.

Firms may respond to either the: Medical Program Administrative Services; Pharmacy Program Administrative Services; or both.

A. Services
In addition to completion of all relevant Exhibits contained in Attachment 7, Benefit Exhibits, firms should provide this information:
1. Describe how the firm plans to provide Medical Program Administrative Services and/or Pharmacy Program Administrative Services to the University which is the primary goal of this RFP.
2. Provide a plan of operation to achieve the objectives set forth in Section III, Scope of Services, specifically responding to each paragraph and subparagraph in the order addressed, including, but not limited to completion of any Exhibit referenced in the paragraph/subparagraph. If the Firm does not agree to, or is unable to provide each Service component as exactly described in Section III, clearly indicate and fully describe any deviation.
3. Describe how the firm plans to work with the University to provide the Services.
4. Provide representative communication materials the firm would use in providing the Services to the University.

B. Firm Information, Personnel, References
In addition to completion of the relevant Exhibits contained in Attachment 7, Benefit Exhibits, firms should provide this information in their proposal:
1. Provide a brief history of the firm and its experience in providing health benefit administrative and management services similar to those described in this RFP.

2. Provide information on those individuals assigned to work with the University including a description of their experience in providing health benefit administrative and management services similar to those described in this RFP. Specifically identify the name and contact information for the individual assigned to act as the coordinator for both the firm’s proposal and any subsequent responses required of the firm as a part of the RFP process.

3. Describe those aspects of the firm and its proposed Services that the firm believes will differentiate its proposal from other competing firms.

4. Provide a list of all of the firm's clients comparable to the University indicating the length of service of each account. The University may contact and/or visit any of these accounts.

5. Provide a list of institutions of higher education with which the firm has signed a term contract.

6. Provide a list of all clients lost within the last three years which includes:
   a. A contact name and telephone number
   b. Length of service at the account
   c. Reason for the loss

7. Provide a copy of the firm's most recent audited financial statements.

8. Provide the amount of annual sales the firm has with each VASCUPP Member Institution. A list of the VASCUPP Members can be found at http://www.vcu.edu/procurement/coopcon.htm

9. Provide the name of the individual responsible for the firm’s supplier diversity program. This individual is responsible for implementing and reporting on the firm’s Small, Women-owned and Minority-owned (SWAM) program as it will relate to this procurement should the firm be selected.
C. Financial Proposal

In addition to completion of the relevant Exhibits contained in Attachment 7, Benefit Exhibits, firms should provide this information:

1. Describe the fees/premiums that will be charged for the Services. Ensure that fees/premiums are provided for all Services’ categories proposed by the firm.

2. Describe how the University will be charged. Include any additional discounts available for early payment of invoices.

3. Describe how the University will benefit from cost savings by accepting the firm's proposal.

4. State the firm’s agreement to receive payments electronically via Bank of America’s (“BoA”) ePayables® method of electronic payment or BoA’s PayMode® method of electronic payment. Prior to contract award, the Selected Firm will be required to contact University Procurement Services’ Payment Processor Specialist group to set up its preferred method of receiving electronic payments [Phone: (434) 924-4212 and E-mail: uva-prs-boa@virginia.edu].

D. Contractual Arrangements

1. State the firm's acceptance of Attachment 1, Mandatory Contractual Provisions.

2. State the firm's acceptance, with any proposed modifications, of Attachment 2, Preferred Contractual Provisions.

3. Provide a written statement with the firm’s proposal that its principals or legal counsel has reviewed Attachment 1, Mandatory Contractual Provisions, and Attachment 2, Preferred Contractual Provisions, and agrees that these provisions will become a part of any final agreement.

4. Provide a list of clients with which the firm has signed a term contract that allows for cooperative procurement and/or if the firm has a General Service Accounting (GSA) schedule contract.
E. Site Visits

It may be necessary or desirable for the University's evaluation team of less than ten people to travel to a site chosen jointly by the firm and the University to view its operation. Each firm will indicate whether it will reimburse the University for the reasonable and actual expenses (travel, lodging, meals, etc.) incurred by the University for its travel.

F. Small, Women-owned and Minority-owned (SWAM) Business

The University is committed to the goal of non-discrimination and to giving fair consideration for all vendors in its procurement programs. The University has set a voluntary goal of doing 5% more business with SWAM firms each year. The University’s 2008 SWAM plan spend goal for firms certified by the Commonwealth of Virginia’s Department of Minority Business Enterprise (DMBE) is 40%. Targets for each business segment are:

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minority Business Enterprises</td>
<td>4.0%</td>
</tr>
<tr>
<td>Women Business Enterprises</td>
<td>5.0%</td>
</tr>
<tr>
<td>Small Business Enterprises</td>
<td>31.0%</td>
</tr>
</tbody>
</table>

This goal does not allow for "set aside" purchases. SWAM firms must compete equally with majority firms and be able to provide the University with quality goods and services at competitive prices. To view the University’s current quarterly achievements, click here ([Current SWAM Report](#)). As this report shows, the University is in need of assistance in the Minority-owned and Women-owned categories. Please tailor your firm’s SWAM plan to assist the University in meeting its goal and targets.

Specify whether the firm is a SWAM. Firms can only be considered a Small, Women-owned or a Minority-owned Business Enterprise if certified by DMBE. All certified SWAM firms will be assigned a specific identification number. No SWAM firm is required to certify under this program and no SWAM firm will be excluded from doing business with the Commonwealth because of their failure to certify as a SWAM firm.
If the firm is not a SWAM firm, describe the firm’s partnering relationships with SWAM firms and how it plans to support the University’s goal to increase business annually by 5% with these firms in accordance with Attachment 4, Executive VP and COO’s Request for Commitment letter.

G. Other Information
Provide any other information which the University should consider in evaluating the firm's proposal.

VI. Information about this RFP
A. Procurement Schedule
Here is a brief schedule for this procurement, specifying the important dates and milestones:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue Date of RFP</td>
<td>12/18/09</td>
</tr>
<tr>
<td>Preproposal Conference</td>
<td>01/26/10</td>
</tr>
<tr>
<td>Deadline for Receipt of Proposals</td>
<td>02/17/10</td>
</tr>
<tr>
<td>Oral Presentations</td>
<td>03/17/10 – 03/31/10</td>
</tr>
<tr>
<td>Negotiations</td>
<td>04/09/10 – 04/23/10</td>
</tr>
<tr>
<td>Contract Award</td>
<td>07/31/10</td>
</tr>
</tbody>
</table>

B. Issuance of RFP and Questions
The Issuing Office for this RFP is:
Procurement Services
University of Virginia
1001 North Emmet Street
P.O. Box 400202*
Charlottesville, Virginia 22904-4202

**NOTE: If RFP proposal is sent U. S. Postal Service use the P. O. Box. The University does not take responsibility for lost or misdirected mail.

Attention: Steve Heldreth, Major Procurements Manager
Telephone: (434) 924-4217
Fax: (434) 982-2690
TDD: (434) 982-HEAR
Email: heldreth@virginia.edu
Any questions concerning this RFP will be directed to Steve Heldreth as listed above and not to any other person at the University, with the exception of issues directly related to SWAM business and SWAM subcontracting opportunities. Such SWAM issues may be alternately directed to Bill Cooper, the University’s Director of Supplier Diversity, at (434) 924-7174 or wsc6ja@virginia.edu. The University will determine whether any addenda should be issued as a result of any question or other matters raised.

C. Preproposal Conference
A conference for firms receiving this RFP will be held on Tuesday, January 26, 2010 at 12:00 p.m. EST in Newcomb Hall South Meeting Room, Charlottesville, Virginia (map viewed at this web site: http://www.virginia.edu/Map/). Attendance at this conference is advised if your firm wishes to raise any questions in connection with this RFP. Please print a copy of the RFP and bring it with you as no additional copies will be provided at the conference. The University intends to present general information which may be helpful in the preparation of proposals and to offer firms the opportunity to ask questions concerning this RFP. No firm may have more than two representatives present at the conference.

Firms planning to attend the Preproposal Conference should notify Rebecca Sims by email (pur-rfp@virginia.edu), no later than 12:00 p.m. EST on Friday, January 22, 2010 of the names, titles, and phone numbers of the individuals who will attend.

D. Proposal Deadline
All proposals must be received at the Issuing Office by 3:00 p.m. EST on Wednesday, February 17, 2010. 12 copies of each proposal must be provided in individual, bound volumes. Firms must also include an electronic copy of the proposal on a CD-ROM or thumb drive, excluding any pre-printed materials such as financial statements. The electronic copy should be formatted as a Microsoft Word document.
E. Oral Presentations and Negotiations

An oral presentation by two or more firms may be required after written proposals are received by the University. If the University requires such a presentation, the Issuing Office will schedule a time and place. Each firm should be prepared to discuss and substantiate any of the areas of the proposal it submitted, its own qualifications for the services required and any other area of interest relative to its proposal. Oral presentations are tentatively scheduled for Wednesday, March 17, 2010 through Wednesday, March 31, 2010. Negotiations with two or more firms will be conducted by the University on the firms' financial proposals and proposed terms and conditions. Negotiations are scheduled for Friday, April 9, 2010 through Friday, April 23, 2010.

F. Communications Between the University and the firms Regarding This RFP

Informal Communications

From the date of receipt of this Request for Proposal by each firm until a binding contractual agreement exists with the Selected Firm and all other firms have been notified, or when the University rejects all proposals, informal communications regarding this procurement will cease. Informal communications will include but not be limited to:

1. Requests from the firms to any department at the University, with the exception of Procurement Services for information, comments, speculation, etc.; and
2. Requests from any department at the University, or any employee of the University, with the exception of Procurement Services for information, comments, speculation, etc.

Formal Communications

From the date of receipt of this Request for Proposal by each firm until a binding contractual agreement exists with the Selected Firm and all other firms have been notified, or when the University rejects all proposals, all communications between the University and the firms will be formal, or as provided for in this Request for
Proposal, or as requested by Procurement Services. Formal communications will include but not be limited to:

1. Preproposal Conference
2. Oral presentations
3. Site visits, Interviews, etc.

Any failure to adhere to the provisions set forth in Informal Communications and the Formal Communications sections above may result in the rejection of any firm's proposal or cancellation of this RFP.

G. Formation of the Agreement with the Selected Firm

All proposals received will first be carefully evaluated by the University, and then the University intends to conduct negotiations with two or more firms. After negotiations have been conducted, if the University chooses to make award, the University will select the firm which, in its opinion, best meets the needs of the University. Alternately, if the University determines in writing and in its sole discretion that only one firm is fully qualified, or that one firm is clearly more highly qualified than the others under consideration, it may decide to negotiate and award an agreement to that single firm. In either event, the University intends to execute a mutually satisfactory written agreement which will reflect and largely incorporate this RFP as reconciled with any pertinent documents, such as the proposal submitted and relevant negotiation correspondence.

Because the University may choose to negotiate and award to a single firm as discussed above, each firm must include in its written proposal all requirements, terms or conditions it may have, and should not assume that an opportunity will exist to add such matters after the proposal is submitted.

Any firm(s) invited to negotiations should note that the University reserves the right to begin negotiations by combining the best aspects of submitted proposals from all responding firms as the basis for subsequent formation of any Agreement resulting from this RFP.
Firms should also note that, as described in Section H, Provisions Deemed Included in the Proposal, certain matters will automatically be deemed part of the proposal.

H. Provisions Deemed Included in the Proposal

The University will consider each proposal to include not only the matters expressly stated in the proposal as requested in Section V, Contents of the Proposal, but also other provisions which consist of two different types: those which are "mandatory" and cannot be changed by a firm in its proposal; and those which are "preferred" by the University, but which a firm may wish to alter by expressly and specifically so stating in its proposal.

The University includes mandatory provisions so that all proposals will be governed by the same basic contractual terms. The University encourages any firm which feels that a mandatory provision is unreasonable to contact the University before proposals are due so the University can consider amending the provision. The University includes preferred provisions so that any difference between the firm and the University's preferred contractual provisions can be considered during the University's evaluation of proposals.

1. Mandatory Provisions

Each proposal received by the University in response to this RFP will automatically be deemed to include the firm's agreement to the provisions of (a) and (b) below. Although such provisions will govern the firm's proposals as submitted, the University and one or more firms may later mutually agree to amend such provisions, such as when additional time is needed to consider proposals, or when contractual negotiations or performance indicate that such amendments are appropriate.

a. The proposal constitutes an offer by the firm which will remain open and irrevocable for a period of 120 days from the deadline for submitting proposals as stated in Section C, Proposal Deadline.
b. If selected by the University, the provisions governing the firm's performance will include all the provisions of Attachment 1, Mandatory Contractual Provisions.


Unless a firm expressly and specifically provides otherwise in its written proposal, the proposal received by the University in response to this RFP will automatically be deemed to include the firm's agreement to these provisions:

a. The firm consents to the University contacting and obtaining any information relevant to this RFP from the references and others identified by the firm in its proposal, as well as from any other persons, firms, or organizations which the University wishes to contact; and

b. If selected by the University, the provisions governing the firm's performance will include all the provisions of Attachment 2, Preferred Contractual Provisions.

I. Rejection of Proposals

The University reserves the right to reject any or all proposals received. Nonacceptance of a firm's proposal will mean that one or more proposals were deemed more advantageous to the University or that all proposals were rejected. Firms whose proposals are not accepted will be notified after a binding contractual agreement between the University and the Selected Firm exists, or when the University rejects all proposals.

J. Virginia Freedom of Information Act

Except as provided below, once an award is announced, all proposals submitted in response to this RFP will be open to the inspection of any citizen, or any interested person, firm or corporation, in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by a firm as part of its proposal will not be subject to public disclosure under the Virginia Freedom of Information Act; however, the firm must invoke the protections of
this section prior to or upon submission of its proposal, and must identify the
specific data or other materials to be protected and state the reasons why
protection is necessary. A firm may not request that its entire proposal be treated
as a trade secret or proprietary information. Nor may a firm request that its
pricing be treated as a trade secret or proprietary information, or otherwise be
deemed confidential.
A. Nondiscrimination
During the performance of this Agreement, the Selected Firm will comply with the contract provisions contained in Section 2.2-4311 (1) & (2) of the Code of Virginia or any successor provisions which may be applicable to this Agreement. Also, in accordance with Section 2.2-4343.1, the University does not discriminate against faith-based organizations.

B. Conflict of Interests
The Selected Firm represents to the University that its entering into this Agreement with the University and its performance through its agents, officers and employees does not and will not involve, contribute to nor create a conflict of interest prohibited by the Virginia State and Local Government Conflict of Interests Act (Va. Code 2.2-3100 et seq.), the Virginia Ethics In Public Contracting Act (Va. Code 2.2-4367 et seq.), the Virginia Governmental Frauds Act (Va. Code 18.2-498.1 et seq.) or any other applicable law or regulation.

C. Assignment
Neither party to this Agreement will have the right to assign this Agreement in whole or in part without the prior written consent of the other.

D. Amendments
No amendment of this Agreement will be effective unless it is reduced to writing and executed by the University's Director of Procurement Services and by the individual signing the Selected Firm's proposal or by other individuals named by either party as specified in Section E, Notices below. If the Selected Firm deviates from the terms of this Agreement without a written amendment, it does so at its own risk.
E. Notices

Any notice required or permitted to be given under this Agreement will be in writing and will be deemed duly given: (1) if delivered personally, when received; (2) if sent by recognized overnight courier service, on the date of the receipt provided by such courier service; (3) if sent by registered mail, postage prepaid, return receipt requested, on the date shown on the signed receipt: or (4) if sent by facsimile, when received (as verified by sender’s machine) if delivered no later than 4:00 p.m. (receiver’s time) on a business day or on the next business day if delivered (as verified by sender’s machine) after 4:00 p.m. (receiver’s time) on a business day or on a non-business day. All such notices will be addressed to a party at such party’s address or facsimile number as shown below.

If to the University:
Eric N. Denby
Director of Procurement Services
Carruthers Hall
University of Virginia
1001 North Emmet Street
P.O. Box 400202
Charlottesville, Virginia 22904-4202
Fax: (434) 982-2690

If to the Selected Firm:
The person signing the Selected Firm's proposal in response to the University's RFP, at the Selected Firm's address indicated in such proposal; or to such other person or address as either may designate for itself in writing and provide to the other.

F. Independent Contractor

The Selected Firm is not an employee of the University, but is engaged as an independent contractor. The Selected Firm will indemnify and hold harmless the Commonwealth of Virginia, the University, and its employees and agents, with respect to all withholding, Social Security, unemployment compensation and all other taxes or amounts of any kind relating to the Selected Firm's performance of this Agreement. Nothing in this Agreement will be construed as authority for the Selected Firm to make commitments which will bind the University, or to otherwise act on behalf of the University, except as the University may expressly authorize in writing.
G. Workers' Compensation and Employers' Liability
The Selected Firm will (i) maintain Employers Liability coverage of at least $100,000 and (ii) comply with all federal or state laws and regulations pertaining to Workers' Compensation Requirements for insured or self-insured programs.

H. Drug-Free Workplace
The Selected Firm, its agents and employees are prohibited, under the terms of this Agreement, Code of Virginia Section 2.2-4312, and the Commonwealth of Virginia, Department of Human Relations Management Policy Number 1.05, from manufacturing, distributing, dispensing, possessing, or using any unlawful or unauthorized drugs or alcohol while on University property.

During the performance of this Agreement, the Selected Firm agrees to 1) provide a drug-free workplace for the Selected Firm's employees; 2) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Selected Firm's workplace and specifying the actions that will be taken against employees for violations of such prohibition; 3) state in all solicitations or advertisements for employees placed by or on behalf of the Selected Firm that it maintains a drug-free workplace; and 4) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific agreement awarded to a Selected Firm, the employees of whom are prohibited from engaging in the unlawful manufacturing, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the agreement.

I. Information Technology Access Act
In accordance with § 2.2-3504 of the Code of Virginia, the following will apply to all information technology Agreements:
NON-VISUAL ACCESS TO TECHNOLOGY: All information technology (the "Technology") which is purchased or upgraded by the University will comply with the following non-visual access standards from the date of purchase or upgrade until the expiration of the Agreement:

- Effective, interactive control and use of the Technology will be readily achievable by non-visual means;
- Technology equipped for non-visual access will be compatible with information technology used by other individuals with whom any blind or visually impaired user of the Technology interacts;
- Non-visual access technology will be integrated into any networks used to share communications among employees, program participants or the public; and
- Technology for non-visual access will have the capability of providing equivalent access by non-visual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

Compliance with the foregoing non-visual access standards will not be required if the Director of Procurement Services, University of Virginia determines that 1) the Technology is not available with non-visual access because the essential elements of the Technology are visual and 2) non-visual equivalence is not available.

Installation of hardware, software, or peripheral devices used for non-visual access is not required when the Technology is being used exclusively by individuals who are not blind or visually impaired, but applications programs and underlying operating systems (including the format of the data) used for the manipulation and presentation of information will permit the installation and effective use of non-visual access software and peripheral devices.

If requested, the Agreement must provide a detailed explanation of how compliance with the foregoing non-visual access standards is achieved and a validation of concept demonstration.
J. eVA Business To Government Registration

The eVA Internet electronic procurement solution, web site portal www.eva.virginia.gov, is the Commonwealth of Virginia's comprehensive electronic procurement system. The portal is the gateway for firms to conduct business with state agencies and public bodies. All agencies and public bodies are expected to utilize eVA. All firms desiring to provide goods and/or services in the Commonwealth are encouraged to participate in the eVA Internet e-procurement solution. The Selected Firm is required to register in the eVA Internet e-procurement solution prior to an award being made.

K. eVA Transaction Fee

The Selected Firm agrees, by accepting an award as a result of this RFP, that it is a registered eVA vendor and will be subject to an eVA transaction fee, for which the Selected Firm will be invoiced by Commonwealth of Virginia, Department of General Services. Additional information is available at www.eva.virginia.gov.

L. License Requirements

State statutes and regulatory agencies require that some firms be properly registered and licensed, or hold a permit, prior to performing specific types of services. It is the firm’s responsibility to comply with the rules and regulations issued by the appropriate State regulatory agencies. If applicable to the Services described in this Agreement, the Selected Firm must possess and maintain such an appropriate license. A copy of the license must be furnished upon request to the University or VASCUPP member institution.

M. Unauthorized Alien Use.

The Selected Firm warrants that it does not knowingly employ an “unauthorized alien,” as such term is defined in the federal Immigration Reform and Control Act of 1986. The Selected Firm furthermore agrees that, during the term of the Agreement, it will not knowingly employ an unauthorized alien.
Attachment 2
Preferred Contractual Provisions

A. Services
During the term of this Agreement, the Selected Firm will provide for the University the services offered to the University by the firm in its proposal and/or any addenda to its proposal which has been approved in writing by the University and as may be further specified by the University in writing when it selected the firm.

B. Term of Agreement
The term of this Agreement will be for five years, with the ability to renew on the same terms and conditions, for two additional one-year periods if mutually agreeable to the University and the Selected Firm. The Selected Firm and the University will mutually agree at least 180 days prior to each renewal period whether to renew the terms of the Agreement.

C. Contract Administrator
The University will identify a Contract Administrator for any Agreement which results from this RFP. The individual will be the point of contact at the University for day-to-day operations but cannot approve amendments to the Agreement or price changes.

D. Waiver
No waiver of any right will be deemed a continuing waiver, and no failure on the part of either party to exercise wholly or in part any right will prevent a later exercise of such or any other right.

E. Indemnification
The Selected Firm will indemnify and hold harmless The Commonwealth of Virginia, The Rector and Visitors of the University of Virginia, and their agents, employees and officials from any and all costs, damage or loss, claims, liability, damages, expenses (including, without limitation, attorneys' fees and expenses) caused by or arising out of the performance or non performance of the Agreement by the Selected Firm or its agents.
or subcontractors, including the provision of any services or products. The Selected Firm warrants that the products, goods and services provided the University may be used by the University without being in violation of any copyright, patent or similar property right or claim by others and will defend, indemnify and save the University (its employees and agents) from and against any such claim.

F. Governing Law
This Agreement will be governed in all respects by the laws of the Commonwealth of Virginia.

G. Termination
If the Selected Firm fails to provide quality goods or services in a professional manner, solely as determined by the University, and, upon receipt of notice from the University, does not correct the deficiency, to the University's satisfaction within a reasonable period of time, not to exceed five calendar days unless otherwise agreed to by both parties in writing, the University reserves the right to terminate this Agreement upon written notice to the Selected Firm.

H. Non-Appropriation
Funding for any Agreement between the University and a Selected Firm is dependent at all times upon the appropriation of funds by the Virginia General Assembly and/or any other organization of the Commonwealth authorized to appropriate such funds. In the event that funding to support this Agreement is not appropriated, whether in whole or in part, then the Agreement may be terminated by the University effective the last day for which appropriated funding is available.

I. Right of Audit
The University reserves the right to audit or cause to be audited the Selected Firm's books and accounts regarding the University's account at any time during the term of this Agreement and for five years thereafter. The Selected Firm will make available to the University all books and records relating to performance of this Agreement as may be requested during said period.
J. Contractual Claims

This Agreement is subject to the University's policy on Contractual Claims which is provided as Attachment 3, Procedure for Resolution of Contractual Claims.

K. Insurance

Listed below is the insurance the Selected Firm must maintain under any Agreement resulting from this RFP. In no event should the Selected Firm construe these minimum required limits to be their limit of liability to the University. The Selected Firm will maintain insurance which meets or exceeds the requirements of the University with insurance companies that hold at least an A- financial rating with A.M. Best Company. No Agreement will be executed by the University until the Selected Firm satisfies the insurance requirements of the University. The Selected Firm will be required to provide the University with a valid Certificate of Insurance before providing any goods or services to the University. The University reserves the right to approve any insurance proposed by the Selected Firm.

Comprehensive Commercial General Liability:
The Selected Firm and any Subcontractor will provide a minimum combined single Limit of Liability for bodily injury and property damage of $1,000,000 per occurrence with coverage for the following coverage:

- Premises/Operations
- Contractual
- Personal Injury

Automobile Insurance:
The Selected Firm and any Subcontractor will provide a minimum combined single Limit of Liability for bodily injury and property damage of $1,000,000 per occurrence with the following coverages for vehicles operated by their employees:

- Owned and Non-Owned Automobiles

Errors and Omissions:
The Selected Firm and any Subcontractor will provide a minimum Limit of Liability for wrongful acts in administering the University’s healthcare program of at least $2,000,000 per claim and a $4,000,000 aggregate.
L. Use of Agreement by Third Parties

It is the intent of this RFP and any resulting Agreement to allow for cooperative procurement. Accordingly, any public body, public or private health or educational institution, or any University related foundation may access the Agreement if authorized by the Selected Firm.

Participation in this cooperative procurement is strictly voluntary. If authorized by the Selected Firm, the Agreement may be extended to the entities indicated above to purchase at fees in accordance with the Agreement. The Selected Firm will notify the University in writing of any such entities accessing the Agreement. No modification of this Agreement or execution of a separate agreement is required to participate. The Selected Firm will provide semi-annual usage reports for all entities accessing the Agreement. Participating entities will place their own orders directly with the Selected Firm and will fully and independently administer their use of the Agreement to include contractual disputes, invoicing and payments without direct administration from the University. The University will not be held liable for any costs or damages incurred by any other participating entity as a result of any authorization by the Selected Firm to extend the Agreement. It is understood and agreed that the University is not responsible for the acts or omissions of any entity, and will not be considered in default of the Agreement no matter the circumstances.

Use of this Agreement does not preclude any participating entity from using other agreements or competitive processes as the need may be.

M. Favored Nations

The Selected Firm represents that the prices, terms, warranties, and benefits specified in its proposal are comparable to or better than the equivalent terms being offered by the firm to any present customer.

N. The University's Authorized Representatives

The only persons who are or will be authorized to speak or act for the University in any way with respect to this Agreement are those whose positions or names have been
specifically designated in writing to the Selected Firm by the University's Director of Procurement Services.

O. Purchasing Manual
This Agreement is subject to the provisions of the Commonwealth of Virginia "Purchasing Manual for Institutions of Higher Education and Their Vendors" and any subsequent revisions, which is available at this web site:

P. Small, Women-owned and Minority-owned (SWAM) Business Reporting
The Selected Firm will identify and fairly consider SWAM firms for subcontracting opportunities when qualified SWAM firms are available to perform a given task in performing for the University under the resulting Agreement. The Selected Firm will submit a quarterly SWAM business report to the University by the 8th of the month following each calendar quarter, specifically the months of April, July, October, and January. The Selected Firm will submit the quarterly SWAM business reports to:

Nancy Noblette
Administrative Assistant to the Director of Procurement Services
E-mail: nnn9g@virginia.edu

The quarterly SWAM business reports will contain this information:

- SWAM firm’s name, address and phone number with which the Selected Firm has contracted over the specified quarterly period.
- Contact person at the SWAM firm who has knowledge of the specified information.
- Type of goods and/or services provided over the specified period of time.
- Total amount paid to the SWAM firm as it relates to the University’s account.

The Selected Firm’s failure to provide SWAM reports on a quarterly basis which contain the information required by this section and/or the Selected Firm’s failure to comply with the plan for utilizing SWAM businesses submitted by the Selected Firm as part of its proposal and/or negotiation response may be grounds for debarment pursuant to Section 4.M. of the “Purchasing Manual for Institutions of Higher Education and their Vendors.”
Q. Intellectual Property Rights/Disclosure

Unless expressly agreed to the contrary in writing, all goods, products, materials, documents, reports, writings, video images, photographs or papers of any nature including software or computer images prepared or provided by the Selected Firm (or its subcontractors) for the University will not be disclosed to any other person or entity without the written permission of the University. The Selected Firm warrants to the University that the University will own all rights, title and interest in any and all intellectual property rights created in the performance or otherwise arising from any Agreement resulting from this RFP and will have full ownership and beneficial use thereof free and clear of claims of any nature by any third party including without limitation copyright or patent infringement claims. The Selected Firm will execute any assignments or other documents needed for the University to perfect such rights. Notwithstanding the foregoing, for research collaboration pursuant to subcontracts under sponsored research agreements administered by the University's Office of Sponsored Programs, intellectual property rights will be governed by the terms of the grant or contract to the University to the extent such grant or contract requires intellectual property terms to apply to subcontractors.

R. Payment Terms

The Selected Firm may indicate payment terms of less than 30 days so long as those terms also contain a cash discount for early payment. For example: “5% 15/Net 30” would correspond to a 5% discount if paid in 15 days, otherwise net 30. The University will compute discounts from the date of delivery of goods at destination, after final inspection, and acceptance, from the date of completion of services, or from the date the correct invoice is received in Accounts Payable, whichever is later. The University will take the cash discount if payment is made within the specified time frame.

Unless alternate payment terms, with cash discounts, are proposed by the Selected Firm, invoices submitted to the University by the Selected Firm for the Services described in this RFP will be paid on a Net 30 days after receipt of the Services and University receipt and approval of the corresponding invoice.
The Selected Firm agrees to receive payments electronically and provide any additional discounts that may result from paying electronically. The firm will contact the University’s Payment Processor Specialist group in Procurement Services to set up its preferred method of receiving electronic payments [Phone: (434) 924-4212 or email: uva-prs-boa@virginia.edu]. Accordingly, The Selected Firm agrees to accept Bank of America’s (“BoA”) ePayables® method of electronic payment or BoA’s PayMode® method of electronic payment.

S. Confidentiality

Both parties acknowledge that in the negotiation and performance of this Agreement, confidential and proprietary information of each has been and will be made available to the other. The parties agree to use reasonable efforts to maintain the confidentiality of such material, but in no event lesser than was used with like material of the receiving party, and not to make any internal use of such material not required under this Agreement. Neither party will disclose the information to any third party without prior written authorization from the disclosing party, and will not use the information received by it, except to those of its employees, agents, and consultants whose duties justify the need for access to the information provided that such individuals are subject to obligations of secrecy and limited use commensurate in scope with this Agreement. These obligations will apply to verbal information as well as specific portions of the information that are disclosed in writing or other tangible form and marked to indicate its confidential nature. These obligations will not apply to any of the information which:

1. Was known to the receiving party prior to receipt under this Agreement, as demonstrated by the receiving party's records; or
2. Was publicly known or available prior to receipt under this Agreement, or later becomes publicly known or available through no fault of the receiving party; or
3. Is disclosed to the receiving party without restrictions on disclosure by a third party having the legal right to disclose the same; or
4. Is disclosed to a third party by the disclosing party without an obligation of confidentiality, unless such information must be retained by that party for that party to fulfill its legal or contractual obligations under this Agreement; or
5. Is independently developed by an employee, consultant, or agent of the receiving party without access to the information as received under this Agreement; or

6. The receiving party is obligated to produce as required by law, lawfully issued subpoena, or a court order, provided that the disclosing party has been given notice thereof and an opportunity to waive its rights or to seek a protective order or other appropriate remedy.

Upon written request of a disclosing party, the receiving party will return all information disclosed in written or tangible form, and the receiving party will destroy all of its copies, excerpts, or notes made by it which contain any portions of the information unless otherwise provided for by the parties.

T. Mailing List

The Selected Firm will not sell or give the lists of University personnel to third parties or otherwise use such personnel information except as needed to provide the Services listed in this Agreement.

To the extent that particular information is subject to specific statutory confidentiality requirements, the requirements of such statute, rather than this section, shall be controlling.

U. Future Services

The University reserves the right to have the Selected Firm provide additional Services under the same Favored Nations pricing, terms, and conditions across the Selected Firm’s service line. Such additional Services may include Services that are newly introduced during the term of this Agreement. Such newly introduced additional Services will be provided to the University at Favored Nations pricing, terms, and conditions.

V. Project Manager

The Selected Firm agrees to provide these named individual(s) to respectively serve as “Project Manager(s)”. The Project Manager(s) will implement, perform, and manage provision of the Services as indicated in Section III, Scope of Services. The University must approve the appointment of the Project Manager(s) prior to execution of any
Agreement with the Selected Firm resulting from this RFP. The Project Manager(s) will be the University’s primary contact(s), although the Project Manager(s) will be assisted as needed by other members of the Selected Firm’s staff in completing key activities.

In the event that a Project Manager is no longer employed by the Selected Firm, is unavailable for any reason, or is performing in an unsatisfactory manner as determined by the University’s Contract Administrator, the Selected Firm will propose a replacement for that individual within a reasonable time frame, so as not to significantly delay the provision of the Services to the University. The University reserves the right to approve the replacement, or to cancel the Agreement. If a proposed replacement is accepted by the University, the replacement will be provided as a part of the Services at no additional charge to the University and in accordance with all terms and conditions specified in the Agreement.

W. Ordering Procedures

The University does not place verbal orders for the Services. The University may only place orders for the Services by issuing a formal written purchase order in advance of the Selected Firm’s provision of the Services. Accordingly, at the University’s request, the Selected Firm will issue a proposal/quotation listing the Services desired by the University and the corresponding fees and/or fee estimates. After any necessary discussions and/or revisions, the University will issue a corresponding purchase order for a specified fee amount. This specified fee amount cannot be exceeded by the Selected Firm unless a new formal written purchase order or purchase order revision is issued by the University authorizing a specific additional fee amount. Under no circumstances does the University authorize the Selected Firm to provide the Services before receipt of a formal written purchase order corresponding to its proposal/quotation. If the Selected Firm provides Services prior to receipt of a formal written purchase order, or incurs costs in excess of authorized purchase order fee amounts, it does so at its own risk.
Attachment 3
Procedure for Resolution of Contractual Claims

The Virginia Acts of Assembly of 2007, Chapter 943, Chapter 3, Exhibit P and its attachments requires contractors with the University to submit any claims, whether for money or other relief, in writing no later than 60 days after final payment; however, written notice of the contractors intention to file such a claim must be given at the time of the occurrence or beginning of the work upon which the claim is based.

The University's procedure for deciding such contractual claims is:

A. The Selected Firm must provide the written claim to:
   
   Assistant Director of Procurement Services  
   University of Virginia  
   1001 North Emmet Street  
   P. O. Box 400202  
   Charlottesville, Virginia  22904-4202

B. Although the Selected Firm may, if it chooses, attempt to resolve its claim by dealing with a University department other than the one stated in Section A above, the Selected Firm must submit any unresolved claim in writing no later than 60 days after final payment to the Assistant Director of Procurement Services if it wishes to pursue its claim.

C. Upon receiving the written claim, the Assistant Director of Procurement Services will review the written materials relating to the claim and decide whether to discuss the merits of the claim with the Selected Firm. If such discussion is to be held, the Assistant Director of Procurement Services will contact the Selected Firm and arrange such discussion. The manner of conducting such discussion will be as the Assistant Director and the Selected Firm mutually agree.
D. The Assistant Director of Procurement Services will mail his or her decision to the Selected Firm within 60 days after receipt of the claim. The decision will state the reason for granting or denying the claim.

E. The Selected Firm may appeal the decision to:

   Director of Procurement Services
   University of Virginia
   Carruthers Hall
   1001 North Emmet Street
   P.O. Box 400202
   Charlottesville, Virginia 22904-4202

   by providing a written statement explaining the basis of the appeal, within 15 days after the Selected Firm's receipt of the decision.

F. Upon receiving the written appeal, the Director of Procurement Services will review the written materials relating to the claim and decide whether to discuss the merits of the claim with the Selected Firm. If such discussion is to be held, the Director of Procurement Services will contact the Selected Firm and arrange such discussion. The manner of conducting such discussion will be as the Director of Procurement Services and the Selected Firm mutually agree.

G. The Director of Procurement Services will mail his or her decision to the Selected Firm within 60 days after the Director of Procurement Services receipt of the appeal. The decision will state the reasons for granting or denying the appeal.

H. Nothing in this Attachment 3 will preclude either party from filing a claim in any court of the Commonwealth of Virginia to seek legal or equitable remedy if a dispute should arise, in addition to such other remedies as are expressly provided in this Agreement; provided, the Selected Firm may not file such claim unless and until it has complied fully with the procedure set forth in this Attachment 3.
Greetings:

The quality of service the University of Virginia is able to deliver to its customers is directly related to the excellent support we receive from you and many other outstanding suppliers of goods and services. Without you, we would not be able to fulfill our educational, health care and research missions. An important part of our procurement program involves our commitment to doing business with small, women-and minority-owned (SWAM) businesses. As one of our most important vendors, we look to you to help us achieve this objective.

We conduct substantial business with small firms. We have been less effective in securing long-term business relationships with minority-and women-owned businesses. We are determined to improve our record.

I seek your assistance in two areas. First, to the extent practical, I ask that you involve small, women-and minority-owned businesses in the delivery of services you provide to UVa. Second, I seek your help in reporting your results through our quarterly subcontracting reports. The terms and conditions previously provided to your organization outlined this process.

This effort is important to us. We depend on you in so many ways – this is another way that we can partner with your company to make things better.

Sincerely,

Leonard W. Sandridge Executive Vice President and Chief Operating Officer
LWS:dr

Madison Hall · Post Office Box 400228 · Charlottesville, Virginia 22904-4228
## Medical Schedule of Benefits

**UNIVERSITY OF VIRGINIA HEALTH PLAN**
**MEDICAL SCHEDULE OF BENEFITS (2010)**

<table>
<thead>
<tr>
<th>SERVICES PROVIDED</th>
<th>HIGH PREMIUM PROGRAM</th>
<th>LOW PREMIUM PROGRAM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IN-NETWORK*</td>
<td>OUT-OF-NETWORK**</td>
</tr>
<tr>
<td></td>
<td>Direct Access through SHS Network Providers</td>
<td>Care provided by non-participating Providers</td>
</tr>
<tr>
<td><strong>1. PROFESSIONAL SERVICES IN OFFICE OR OUTPATIENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Primary Care Physician Visit</td>
<td>$20 Copayment</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>B. Specialty Care Visit</td>
<td>$40 Copayment</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>C. Maternity Visit</td>
<td>$20 Copayment for 1st visit only</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>D. Allergy Treatment, Allergy Serum &amp; Allergy Injections</td>
<td>$20 PCP/$40 Specialist Copayment</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td><strong>2. PREVENTIVE CARE AND IMMUNIZATIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. General Physical Examination (PCP Only)</td>
<td>$20 Copayment</td>
<td>Available In-Network Only</td>
</tr>
<tr>
<td>B. Well Child Care (Under Age 7) (PCP Only)</td>
<td>$20 Copayment</td>
<td>Available In-Network Only</td>
</tr>
<tr>
<td>C. Preventive Diagnostic Tests, Laboratory Services and XRay Procedures</td>
<td>Paid in Full</td>
<td>Available In-Network Only</td>
</tr>
<tr>
<td>SERVICES PROVIDED</td>
<td>HIGH PREMIUM PROGRAM</td>
<td>LOW PREMIUM PROGRAM</td>
</tr>
<tr>
<td>-------------------</td>
<td>----------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td></td>
<td>IN-NETWORK*</td>
<td>OUT-OF-NETWORK**</td>
</tr>
<tr>
<td>D. For Common Communicable Diseases as per CDC Guidelines (Adenovirus, Diphtheria, Hepatitis B, HPV, Influenza, Measles, Meningitis, Mumps, Pertussis, Pneumonia, Poliomyelitis, Rubella, Tetanus, and Varicella) excluding those used for Foreign Travel</td>
<td>Paid in Full (Also considered in-network when performed by university/college student health dept.)</td>
<td>Available In-Network Only</td>
</tr>
<tr>
<td>3. DIAGNOSTIC, LABORATORY AND XRAY PROCEDURES</td>
<td>Preauthorization Required</td>
<td>Preauthorization Required</td>
</tr>
<tr>
<td>A. Diagnostic Tests, Laboratory Services and XRay Procedures</td>
<td>Deductible &amp; 10% Coinsurance¹</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>B. Typical Prenatal Diagnostic Tests, Laboratory Services and XRay Procedures</td>
<td>Paid in Full</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>4. URGENT CARE CENTER</td>
<td>(Must be an unexpected illness or injury where services are needed sooner than a routine doctor’s visit)</td>
<td>(Must be an unexpected illness or injury where services are needed sooner than a routine doctor’s visit)</td>
</tr>
<tr>
<td>A. Physician Visit</td>
<td>$40 Copayment</td>
<td>$40 Copayment</td>
</tr>
<tr>
<td>B. Diagnostic Services</td>
<td>Deductible &amp; 10% Coinsurance</td>
<td>Deductible &amp; 10% Coinsurance</td>
</tr>
<tr>
<td>5. EMERGENCY ROOM SERVICES</td>
<td>Emergency Room Services will be processed under the Hospital Care Benefits if patient is admitted.</td>
<td>(Must be an emergency to receive benefits.)</td>
</tr>
<tr>
<td>A. Emergency Room Visit</td>
<td>$125 Copayment</td>
<td>Deductible &amp; 20% Coinsurance</td>
</tr>
<tr>
<td>B. Emergency Room Physician Services</td>
<td>$40 Copayment</td>
<td>Deductible &amp; 20% Coinsurance</td>
</tr>
<tr>
<td>C. Diagnostic Services</td>
<td>Deductible &amp; 10% Coinsurance</td>
<td>Deductible &amp; 20% Coinsurance</td>
</tr>
<tr>
<td>6. INPATIENT HOSPITAL</td>
<td>Preauthorization Required</td>
<td>Preauthorization Required</td>
</tr>
<tr>
<td>A. Inpatient Care (Semi-Private Accommodations Unless Private Accommodations are Approved for Medical Reasons)</td>
<td>$300 Copayment per confinement</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>B. Medically Necessary Intensive Care</td>
<td>Paid in Full</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>C. Limitation on Inpatient Days</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td>SERVICES PROVIDED</td>
<td>IN-NETWORK*</td>
<td>OUT-OF-NETWORK**</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------</td>
<td>------------------</td>
</tr>
<tr>
<td>D. Other Inpatient Services Including Pre-Admission Testing</td>
<td>Paid in Full</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>7. TRANSPLANT SERVICES Using national transplant network</td>
<td>Preauthorization Required</td>
<td>Preauthorization Required</td>
</tr>
<tr>
<td>A. Inpatient Services</td>
<td>$300 Copayment per confinement</td>
<td>Available In-Network Only</td>
</tr>
<tr>
<td>B. Diagnostic Tests, Laboratory Services and XRay Procedures</td>
<td>Deductible &amp; 10% Coinsurance</td>
<td>Available In-Network Only</td>
</tr>
<tr>
<td>8. OUTPATIENT HOSPITAL</td>
<td>Preauthorization Required</td>
<td>Preauthorization Required</td>
</tr>
<tr>
<td>A. Outpatient Procedures</td>
<td>$125 Copayment per visit</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>B. Diagnostic Services (including but not limited to xrays, EKG, MRI, CAT scans, DEXA scans)</td>
<td>Deductible &amp; 10% Coinsurance</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>9. SKILLED NURSING FACILITY*</td>
<td>Preauthorization Required</td>
<td>Preauthorization Required</td>
</tr>
<tr>
<td>A. Skilled Nursing / Rehabilitation Facility (180 Days Per Year Combined Maximum)</td>
<td>Paid in Full</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>B. Physician Visit</td>
<td>$40 Copayment</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>10. HOME HEALTH SERVICES***</td>
<td>Preauthorization Required</td>
<td>Preauthorization Required</td>
</tr>
<tr>
<td>Medically Necessary Services Approved By Claims Administrator (90 Visits Per Year Maximum)</td>
<td>Paid in Full</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>11. AMBULANCE TRANSPORTATION</td>
<td>Preauthorization Required</td>
<td>Preauthorization Required</td>
</tr>
<tr>
<td>Local Ground or Air Transportation When Medically Necessary To and/or From a Hospital</td>
<td>Paid in Full</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>12. MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES</td>
<td>Preauthorization Required</td>
<td>Preauthorization Required</td>
</tr>
<tr>
<td>SERVICES PROVIDED</td>
<td>IN-NETWORK*</td>
<td>OUT-OF-NETWORK**</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------</td>
<td>------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td><strong>HIGH PREMIUM PROGRAM</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. Inpatient Acute Care for Non-Biologically Based Mental Illnesses</td>
<td>$300 Copayment per confinement</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>B. Inpatient Care for Biologically Based Mental Illnesses</td>
<td>$300 Copayment per confinement</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>C. Outpatient Treatment for Non-Biologically Based Mental Health Illnesses</td>
<td>$40 Copayment</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>D. Outpatient Treatment for Biologically Based Mental Illnesses</td>
<td>$40 Copayment</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>13. SPEECH THERAPY***</td>
<td>Preauthorization Required</td>
<td>Preauthorization Required</td>
</tr>
<tr>
<td>Medically Necessary Restorative Services, Non-developmental Conditions (40 Visits Per Year Maximum)</td>
<td>$40 Copayment</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>14. PHYSICAL/ OCCUPATIONAL THERAPY***</td>
<td>Preauthorization Required</td>
<td>Preauthorization Required</td>
</tr>
<tr>
<td>Medically Necessary Restorative Services, Non-developmental Conditions (40 Visits Per Year Combined Maximum)</td>
<td>$40 Copayment</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>15. CHIROPRACTIC CARE***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26 Spinal Manipulations Per Year Maximum, $600 maximum per year</td>
<td>$40 Copayment</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>16. ACUPUNCTURE***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medically Necessary Acupuncture Services (20 Visits Per Year Maximum)</td>
<td>$40 Copayment</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td>17. DURABLE MEDICAL EQUIPMENT</td>
<td>Preauthorization Required</td>
<td>Preauthorization Required</td>
</tr>
<tr>
<td>Medically Necessary Equipment, Prosthetic Appliances, and Medical Supplies</td>
<td>20% Coinsurance</td>
<td>Deductible &amp; 25% Coinsurance</td>
</tr>
<tr>
<td><strong>LOW PREMIUM PROGRAM</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## HIGH PREMIUM PROGRAM

### 18. PRESCRIPTION DRUGS

For All Covered Medications Requiring a Written Prescription, at Participating Pharmacies (Mandatory Generic Substitution: Coverage is limited to cost of Generic when available)

- $6 (Generic), Deductible & 20% with $24 minimum/$100 maximum (Formulary), and Deductible & 20% with $48 minimum/$100 maximum (Non-Formulary) cost sharing per prescription for up to a 30-day supply at Participating Pharmacies only; $100 annual deductible for brand retail drugs.
- $14 (Generic), 20% with $56 minimum/$300 maximum (Formulary), and 20% coinsurance with $112 minimum/$300 maximum (Non-Formulary) cost sharing per prescription for up to 90-day supply through mail order. 31- to 90-day supply may be purchased at select Retail Maintenance Pharmacies with no discounted copayment. Contraceptive drugs and devices are covered. 100% Coinsurance per prescription at Participating Pharmacies only for most non-covered prescription drugs approved by FDA as non-investigational or non-experimental. Over-the-counter items are not covered.

**Specialty Drugs:** available only in a supply up to 30 days; 20% with $50 minimum/$100 maximum cost sharing per prescription. Specialty Drugs must be filled through CVS Caremark Specialty Pharmacy.

*When a Generic equivalent exists for a Brand Name prescription, the Enrollee will be required to pay the difference in the cost between the Brand Name drug and the Generic drug in addition to the appropriate Copayment if the Brand Name drug is selected.*

### 19. SERVICES NOT SPECIFIED ABOVE AND DRUGS ASSOCIATED WITH THESE SERVICES

- **In-Network***
  - Deductible & 10% Coinsurance
  - Deductible & 25% Coinsurance
  - Deductible & 20% Coinsurance
  - Deductible & 40% Coinsurance

- **Out-of-Network***
  - Deductible & 10% Coinsurance
  - Deductible & 25% Coinsurance
  - Deductible & 20% Coinsurance
  - Deductible & 40% Coinsurance

### 20. MAXIMUM LIFETIME BENEFIT PER PERSON***

- **$2,000,000**

### 21. MAXIMUM LIFETIME BENEFIT PER PERSON FOR MENTAL HEALTH AND SUBSTANCE ABUSE CARE***

- Included in the $2,000,000 lifetime maximum.
- Included in the $2,000,000 lifetime maximum.
<table>
<thead>
<tr>
<th>SERVICES PROVIDED</th>
<th>HIGH PREMIUM PROGRAM</th>
<th>LOW PREMIUM PROGRAM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IN-NETWORK*</td>
<td>OUT-OF-NETWORK**</td>
</tr>
<tr>
<td></td>
<td>IN-NETWORK*</td>
<td>OUT-OF-NETWORK**</td>
</tr>
<tr>
<td>22. CALENDAR YEAR DEDUCTIBLE***</td>
<td>(Deductible is applicable to services that have Coinsurance; deductible is not applicable to medical services that have Copayments or to Prescriptions, Dental Services, and Amounts above the Allowable Charge.)</td>
<td>(Deductible is applicable to services that have Coinsurance; deductible is not applicable to medical services that have Copayments or to Prescriptions, Dental Services, and Amounts above the Allowable Charge.)</td>
</tr>
<tr>
<td>A. Per Individual</td>
<td>$100</td>
<td>$300</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$350</td>
</tr>
<tr>
<td>B. Per Family</td>
<td>$200</td>
<td>$600</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$700</td>
</tr>
<tr>
<td>23. MAXIMUM OUT-OF-POCKET COINSURANCE***</td>
<td>(Includes Coinsurance; Excludes Deductible, Copayments, Prescriptions, Dental, and Amounts above the Allowable Charge)</td>
<td>(Includes Coinsurance; Excludes Deductible, Copayments, Prescriptions, Dental, and Amounts above the Allowable Charge)</td>
</tr>
<tr>
<td>A. Per Individual</td>
<td>$2,500</td>
<td>$5,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$3,500</td>
</tr>
<tr>
<td>B. Per Family</td>
<td>$5,000</td>
<td>$10,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$7,000</td>
</tr>
<tr>
<td>24. PENALTY FOR FAILURE TO OBTAIN PREAUTHORIZATION</td>
<td>Claim Denial</td>
<td>Claim Denial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Claim Denial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Claim Denial</td>
</tr>
</tbody>
</table>

* Enrollees in National Network and Out-of-Area Groups and Exceptions are responsible for obtaining any necessary Preauthorization. Failure to obtain Preauthorization will result in a denial of benefits. Call the Claims Administrator’s Customer Service Department prior to accessing services to determine whether Preauthorization is necessary. Claims will be denied entirely if not medically necessary.
** OON cost sharing amounts are based on the Allowable Charge as defined in the Section titled “Definitions” in the Description of Benefits. Enrollees are responsible for amounts above the Allowable Charge which may be significant. Enrollees are also responsible for obtaining any necessary Preauthorization when using non-participating providers (Out-of-Network Option). Failure to obtain Preauthorization will result in denial of benefits. Call the Claims Administrator’s Customer Service Department prior to accessing services to determine whether Preauthorization is necessary. Claims will be denied entirely if not medically necessary.
*** The annual and lifetime counters associated with these benefits are reset to zero when an Enrollee moves from one policy to another.

1 The High Premium Program will pay 100% of in-network preventive diagnostic, laboratory, and xray procedures. 90% payment will be made for in-network non-preventive diagnostic, laboratory, and xray procedures after the annual deductible has been met. The High Premium Program will pay 100% of in-network mammograms and PSA tests whether they are preventive or not.
2 The Low Premium Program will pay 100% of in-network preventive diagnostic, laboratory, and xray procedures. 80% payment will be made for in-network non-preventive diagnostic, laboratory, and xray procedures after the annual deductible has been met.
Attachment 6

Data Use Agreement for Protected Health Information

Recipient will be receiving records containing protected health information (PHI). Recipient’s use or disclosure of PHI will be limited only to purposes permitted by the federal Health Insurance Portability and Accountability Act (“HIPAA”) and codified at 45 CFR Part 160 and Part 164.

Name of data recipient/permitted users: _________________________ (Enter Name of Vendor)

Description of Data: Medical Claims Data from 10/1/08 – 9/30/09
- Medical Provider List
- CPT-4 List
- Mental Health Claims Data from 10/1/08 – 9/30/09
- Mental Health Provider List
- Pharmacy Claims Data from 10/1/08 – 9/30/09
- Paid Claims and Enrollment from 10/1/08 – 9/30/09
- Census on 9/30/09

Purpose of Use: To conduct analysis of data and use results to respond to the University of Virginia Medical Program and Pharmacy Program Administrative Services Request for Proposal.

By signing this Data Use Agreement the Recipient agrees:

1. Not to further use or disclose any of the information, outside the purpose listed above, without prior written permission from the University of Virginia or as otherwise required by law;
2. That any request for further information by Recipient, or its Affiliates, regarding these reports must be made in writing to the University of Virginia; the Requestor represents that the information requested is the minimum amount necessary for the above-listed purpose;
3. To use appropriate safeguards to prevent use or disclosure of the information other than as provided for by this Data Use Agreement;
4. To report within 24 hours to the University of Virginia any use or disclosure of the information not provided for by this Data Use Agreement, of which it becomes aware, and to cooperate with the University of Virginia in any investigation of the circumstances;
5. To ensure that any agent, including any Affiliate or subcontractor to whom it provides the limited data, agrees to the same restriction and conditions that apply under this Data Use Agreement to the limited data set for the Recipient with respect to such information;
6. Not to attempt to identify the individuals to whom the information pertains or to attempt to contact the individuals to whom the information pertains; and
7. To securely, properly and completely dispose of all data provided by University of Virginia upon completion of the project described above in the “Purpose of Use”. To the extent that certain information is integrated into Vendor’s systems in such a way as to make it infeasible to destroy the information, the Vendor will notify the University of Virginia in writing of the conditions that make destruction infeasible. The Vendor will retain such information and will, at all times, afford it the protection required under the terms of this Data Use Agreement. In addition, the Vendor will maintain the information in accordance with the records retention requirements under the Privacy and Security Rules and the Employee Retirement Income Security Act.
Security Act of 1974 as amended ("ERISA"). This provision will survive termination of this Data Use Agreement.

The University of Virginia may terminate this Data Use Agreement and discontinue disclosure of information if it notifies the Recipient in writing of a material breach or violation of this Data Use Agreement, or of applicable law by Recipient, unless the Recipient cures the breach or ends the violation within a reasonable time, as determined by the University of Virginia.

The Rector and Visitors of the University of Virginia  
on behalf of the University of Virginia Health Plan

Signature of the University of Virginia Representative   Date

Print Name: ____________________________________

Title: _________________________________________

For Recipient: ____________________________________ (Enter Vendor Legal Name)

Signature of Recipient Representative   Date

Print Name: ____________________________________

Title: _________________________________________

Address to which data should be sent:

Vendor Name: ___________________________________

Street Address 1: __________________________________

Street Address 2: __________________________________

City/State/Zip: __________________________________

Vendor Contact/Phone Number: ________________________
Note:
Firms desiring the data described above must sign the Data Use Agreement and forward the executed document via e-mail (pur-rfp@virginia.edu) to Rebecca Sims (434-924-1346) as soon as possible but no later than 12:00 p.m. EST on Tuesday, February 2, 2010. Upon receipt of the executed Data Use Agreement, arrangements will be made for the University’s Benefits Division to forward (by express carrier) media containing the data to the vendor address specified above.
Attachment 7

Benefit Exhibits

Firms should complete the Exhibits contained in this attachment as appropriate and submit with the firm’s proposal.

Insert this Excel Workbook file which contains the individual Exhibits noted below:

Agreement Components\Benefits Exhibits Attachment 121709.xlsx

**Medical Exhibits:**
- Exhibit Medical 1 – Account Representative
- Exhibit Medical 2 – Account Team
- Exhibit Medical 3A – Network Access
- Exhibit Medical 3B – Key Provider Counts By Area
- Exhibit Medical 4 – Network Comprehensiveness by Specialty
- Exhibit Medical 5 – Administrative Fees and Network Access Charge
- Exhibit Medical 6 - Average Physician Reimbursement Analysis
- Exhibit Medical 7 - Effective Minimum Discount Guarantee: Physicians
- Exhibit Medical 8 – Medical Claim Re-Pricing
- Exhibit Medical 9 - Effective Minimum Discount Guarantee: Hospitals
- Exhibit Medical 10 – Provider Credentials
- Exhibit Medical 11 – Primary Claim Office(s)
- Exhibit Medical 12 – Fraud Detection
- Exhibit Medical 13-Customer Service
- Exhibit Medical Exhibit 14 – Performance Guarantees

**Pharmacy Exhibits:**
- Exhibit PBM 1 – Account Representative
- Exhibit PBM 2 – Account Team
- Exhibit PBM 3 – PBM Administrative Fees
- Exhibit PBM 4A – Pharmacy Access and Disruption
- Exhibit PBM 4B – Retail Termination
- Exhibit PBM 5 – Prescription Drug Pricing Using AWP
- Exhibit PBM 6 – Specialty Drug Pricing Using AWP
- Exhibit PBM 7 – P&T Committee Members
- Exhibit PBM 8 – PBM Tools
- Exhibit PBM 9 – Customer Service
- Exhibit PBM 10-Mail Order Locations
- Exhibit PBM 11 – Performance Guarantees
Attachment 8

HIPAA Business Associate Addendum

This Business Associate Addendum (the “Addendum”) to the Agreement dated ________, 2010 is made between the Rector and Visitors of the University of Virginia (“Plan Sponsor”), on behalf of the University of Virginia Health Plan (“Plan”), and the Selected Firm (the “Business Associate”) (each a “Party” and collectively the “Parties”), effective this ______ day of ________, 2010. The purpose of this Addendum is to address the measures that the Business Associate will take to protect the confidentiality of certain health information that the Plan may deliver to the Business Associate or that the Business Associate may create, receive or maintain on behalf the Plan in the performance of the Business Associate’s services.

WHEREAS, the Plan Sponsor and the Business Associate have entered into the above-referenced Agreement;

WHEREAS, the use and disclosure of certain health-related information and the security of certain health-related information is now regulated by the provisions of the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder (collectively referred to as “HIPAA”);

WHEREAS, the Plan, from time to time, discloses Protected Health Information (“PHI”) as defined in this Addendum to the Business Associate, and the Business Associate, from time to time, creates, uses, discloses and/or maintains PHI, and/or electronically transmits PHI; and

WHEREAS, the Parties are committed to complying with the HIPAA Standards for Privacy of Individually Identifiable Health Information (the "Privacy Rule") and the HIPAA Security Standards Regulations (the “Security Rule”), see 45 CFR Parts 160, 162 and 164, and the Parties agree to enter into this mutually acceptable Addendum as necessary to so comply.

NOW, THEREFORE, for and in consideration of the agreements of the Parties set forth in the Agreement and this Addendum and intending to be legally bound hereby, the Parties agree as follows:

1. **DEFINITIONS.**

   1.1 **Business Associate.** The Selected Firm (“CS”) is the Business Associate.

   1.2 **Covered Entity.** The University of Virginia Health Plan (the “Plan”) is the Covered Entity. References to the Plan cover the Plan, as well as the Plan Sponsor acting on behalf of the Plan.

   1.3 **Individual.** “Individual” will have the same meaning as the term “individual” in 45 CFR § 160.103 and will include a person who qualifies as a personal representative in accordance with 45 CFR §164.502(g).

   1.4 **Privacy Rule.** “Privacy Rule” will mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, Subparts A and E.
1.5 **Protected Health Information.** “Protected Health Information” or “PHI” will have the same meaning as the term “protected health information” in 45 CFR §160.103, limited to the information created or received by the Business Associate from or on behalf of the Plan. PHI that is created, received, maintained or transmitted in electronic media is “electronic PHI.”

1.6 **Required by Law.** “Required by Law” will have the same meaning as the term “required by law” in 45 CFR §164.501.

1.7 **Secretary.** “Secretary” will mean the Secretary of Health and Human Services or his/her designee.

1.8 **Security Incident.** “Security Incident” will have the same meaning as the term “security incident” in 45 CFR §164.304.

1.9 **Security Rule.** “Security Rule” will mean the Standards for the Security of Electronic Protected Health Information at 45 CFR Parts 160 and 164, Subparts A and C.

1.10 Terms used, but not otherwise defined in this Addendum, will have the same meaning as those terms in the Privacy Rule and/or the Security Rule.

2. **PERMITTED USES AND DISCLOSURES OF PHI**

2.1 **Use and Disclosure.** The Business Associate will not use or further disclose PHI other than as permitted or required by this Addendum or as Required By Law.

2.2 **Services.** Except as otherwise limited herein, the Business Associate may use or disclose the PHI necessary to perform the services for, or on behalf of the Plan as specified in the Agreement provided that such use or disclosure would not violate the Privacy Rule if done by the Plan. All other uses not authorized by this Addendum are prohibited.

2.3 **Business Activities of the Business Associate.** Unless otherwise limited herein, the Business Associate may:

   a. Use PHI for the Business Associate’s proper management and administration, and to carry out any of its legal responsibilities.

   b. Disclose PHI to third parties for the purpose of the Business Associate’s proper management and administration, and to carry out any of its legal responsibilities. However, such disclosures will only be made if (1) Required by Law, or (2) if the Business Associate obtains reasonable assurances from the third party to whom the information is disclosed that it will be held confidentially, and be used or further disclosed only as Required by Law or the purpose for which it was disclosed to that third party. Further, the third party will notify the Business Associate of any instances of which it is aware that the confidentiality of the information has been breached.

   c. Provide data aggregation services related only to the Plan’s Health Care Operations. Under no circumstances will the Business Associate disclose the Plan’s PHI to another covered entity to whom the Business Associate also provides data aggregation services without the Plan’s express authorization.
3. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PHI

3.1 Responsibilities of the Business Associate. With regard to its use and/or disclosure of PHI and the security of electronic PHI, the Business Associate hereby agrees to do the following:

a. Appropriate Safeguards. The Business Associate will use appropriate safeguards to prevent the use and disclosure of PHI other than as provided by this Addendum and as Required by Law. The Business Associate also will implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the electronic PHI that it creates, receives, maintains or transmits on behalf of the Plan as required by the Security Rule.

b. Sanctions. The Business Associate will establish and implement procedures to sanction its employees who violate the provisions of this Addendum.

c. Mitigation. The Business Associate will mitigate, to the greatest extent practicable, any harmful effects from the improper use and/or disclosure of PHI of which it becomes aware.

d. Agents and Subcontractors. The Business Associate will require all of its agents and subcontractors that receive, use or have access to the Plan’s PHI to agree, in a writing substantially the same as this Addendum, to the same restrictions and conditions that apply to the Business Associate through this Addendum. Business Associate also will ensure that any agent, including a subcontractor, to whom it provides electronic PHI agrees to implement reasonable and appropriate safeguards to protect that information.

e. Reporting. The Business Associate will immediately report (within no longer than five (5) business days of becoming aware thereof) to the Plan’s Privacy Officer any use and/or disclosure of PHI that is not permitted by this Addendum of which it becomes aware, including instances in which an agent or subcontractor has improperly used or disclosed PHI. The Business Associate also will immediately report (within no longer than 5 business days of becoming aware thereof) to the Plan’s Security Officer any Security Incident involving electronic PHI of which it becomes aware.

f. Access to Internal Practices. At the request of, and at the time and in the manner designated by the Plan or the Secretary of the Department of Health and Human Services (“Secretary”), the Business Associate will make its internal practices, books and records (including policies and procedures, and PHI) relating to the use and/or disclosure of PHI available to (i) the Plan and its representatives for the purpose of assessing the Business Associate’s compliance with this Addendum and/or the Plan’s compliance with the Privacy Rule, or (ii) the Secretary for purposes of the Secretary determining the Plan’s compliance with the Privacy Rule.

g. Access to PHI. The Business Associate will make an Individual’s PHI available for inspection and copying in accordance with 45 CFR §164.524. Further, at the Plan’s request, within ten (10) days of the Plan’s request, the Business Associate will provide the Plan with the PHI requested by an Individual pursuant to 45 CFR §164.524. Alternatively, at the Plan’s request, the
h. **Amendments to PHI.** The Business Associate will make an Individual’s PHI available for amendment and will incorporate any amendments to PHI in accordance with 45 CFR §164.526. Further, at the Plan’s request, within twenty (20) days of the Plan’s request, the Business Associate will provide the Plan with the PHI that an Individual seeks to amend pursuant to 45 CFR §164.526.

i. **Accounting of Disclosures.** The Business Associate will make available the information required to provide an accounting of disclosures to an Individual pursuant to 45 CFR §164.528. Further, at the Plan’s request, within twenty (20) days of the Plan’s request, the Business Associate will provide the Plan with such information. To fulfill this obligation the Business Associate agrees to document those disclosures of PHI and related information that would be necessary for the Plan to respond to an individual’s request for an accounting of disclosures.

j. **Restrictions/Alternatives.** The Business Associate will abide by any arrangements that the Plan has made with an Individual regarding restricting the use or disclosure of the Individual's PHI, or providing the Individual with confidential communications of PHI by alternative means or at an alternative location pursuant to 45 CFR §164.522.

k. **Minimum Necessary.** The Business Associate will request, use and disclose the minimum amount of PHI necessary to accomplish the purpose of the request, use or disclosure.

l. **Standard Transactions and Code Sets.** Each time the Business Associate conducts in whole or part for or on behalf of the Plan, using Electronic Media, a Transaction for which a Standard has been adopted or established under 45 C.F.R. part 162, the Business Associate will, and will require any agent or subcontractor of the Business Associate involved with the conduct of such Transaction to, conduct such Transaction as a Standard Transaction and otherwise comply with 45 C.F.R. part 162. The Parties agree that, if necessary, the Parties will amend this Addendum to ensure compliance with the Standard Transactions and Code Sets Regulations.

### 3.2 Responsibilities of the Plan.

a. **Notification Requirement.** With regard to the use and/or disclosure of PHI by the Business Associate, the Plan hereby will:

   (i) Notify the Business Associate of any limitations in its Notice of Privacy Practices (the “Notice”) pursuant to 45 CFR §164.520, to the extent that such limitations may affect the Business Associate’s use or disclosure of PHI.

   (ii) Inform the Business Associate of any changes in, or revocation of, an authorization provided to the Plan by Individual pursuant to 45 CFR §164.508, if such changes or revocation may affect the Business Associate’s permitted or required uses and disclosures.

   (iii) Inform the Business Associate of any amendments to PHI that the Plan has agreed to under 45 CFR §164.526 that relate to PHI upon which the Business Associate relies to perform the Services.
(iv) Notify the Business Associate of any arrangements the Plan has agreed to that restrict disclosures or provide Individuals with confidential communications pursuant to 45 CFR §164.522 that may impact on the use and disclosure of PHI by the Business Associate.

b. **No Impermissible Requests.** The Plan will not request that the Business Associate use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Plan, except as permitted by Section 2.3 above.

4. **TERM AND TERMINATION**

4.1 **Term.** This Addendum will become effective as of ________, 2010 and will continue in effect until all obligations of the Parties have been met, unless terminated as provided herein. This Addendum will automatically terminate without any further action of the Parties upon the termination or expiration of the Agreement.

4.2 **Termination for Cause.** If the Plan determines that the Business Associate has breached a material term of this Addendum, the Plan will:

a. Provide the Business Associate with 30 days written notice of an alleged material breach, and afford the Business Associate an opportunity to cure the alleged material breach upon mutually agreeable terms. Nonetheless, in the event that mutually agreeable terms cannot be achieved within 15 days, the Business Associate will cure said breach to the satisfaction of the Plan within 15 days or the Plan will terminate the Addendum and the Agreement. Or,

b. Immediately terminate this Addendum and the Agreement, if the Business Associate has breached a material term of this Addendum and cure is not possible.

c. If neither termination nor cure are feasible, the Plan will report the violation to the Secretary.

4.3 **Effect of Termination.**

a. Except as provided herein, upon termination of this Addendum, the Business Associate will return or destroy all PHI and retain no copies of such PHI in any format, if it is feasible to do so.

b. If the Business Associate determines that returning or destroying PHI is infeasible, the Business Associate will notify the Plan in writing of the conditions that make return or destruction infeasible.

c. With regard to any PHI that is not returned or destroyed at the termination of this Addendum, the Business Associate will extend the protections of this Addendum to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for as long as the Business Associate maintains such PHI. In addition, the Business Associate will maintain the PHI in accordance with the records retention requirements under the Privacy and Security Rules and the Employee Retirement Income Security Act of 1974 as amended (“ERISA”).

69
d. These provisions also apply to PHI that is in the possession of the Business Associate’s subcontractors or agents

5. INDEMNIFICATION. The Business Associate agrees to indemnify, defend and hold harmless the Plan and the Plan Sponsor, as well as their respective employees, directors, officers, agents, subcontractors, or other members of its workforce, each of the foregoing hereinafter referred to as “the Plan,” against all actual and direct losses suffered by the Plan and all liability to third parties arising from or in connection with any breach of this Addendum or of any warranty hereunder or from any negligence or wrongful acts or omissions, including failure to perform its obligations under the Privacy Rule or the Security Rule by the Business Associate or its employees, directors, officers, agents, subcontractor, agents or other members of its workforce. Accordingly, on demand, the Business Associate will reimburse the Plan for any and all actual and direct losses, liabilities, lost profits, fines, penalties, costs or expenses (including reasonable attorneys’ fees) which may for any reason be imposed upon the Plan by reason of any suit, claim, action, proceeding or demand by any third party which results from the Business Associate’s breach hereunder. The Business Associate’s obligation to indemnify the Plan will survive the expiration or termination of this Addendum for any reason.

6. MISCELLANEOUS

6.1 Regulatory References. A reference in this Addendum to a section in the Privacy Rule or the Security Rule means the section as in effect or as amended, and for which compliance is required.

6.2 Injunctive Relief. Business Associate expressly agrees that a breach or threatened breach of any provision of this Addendum by Business Associate, any agent of Business Associate or employee of Business Associate is highly likely to cause significant, irreparable harm to the Plan and that the Plan will be entitled to temporary, preliminary and/or permanent injunctive relief to protect its interests and the interests of affected Individuals; provided, however, that no specification of a particular legal or equitable remedy is to be construed as a waiver, prohibition, or limitation of any legal or equitable remedies in the event of a breach hereof.

6.3 Survival. The provisions of this Addendum will survive the expiration or any termination of the term of the Agreement to the extent that the Business Associate continues to maintain PHI.

6.4 Interpretation. Any ambiguity in this Addendum will be resolved to permit the Plan to comply with the Privacy Rule and the Security Rule.

6.5 Amendments; Waiver. This Addendum may not be modified, nor will any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of the Parties. The Parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for the Plan to comply with the requirements of or conform to any changes in the Privacy Rule or the Security Rule. A waiver with respect to one event will not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.
6.6 **Relation to Agreement.** With the exception of the terms and conditions set forth in this Addendum, all other terms and conditions of the Agreement will remain unaltered and in full force and effect. If there is any conflict between the terms of this Addendum and the Agreement, this Addendum will govern.

6.7 **No Third Party Beneficiaries.** Nothing express or implied in this Addendum is intended to confer, nor will anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

6.8 **Counterparts; Facsimiles.** This Addendum may be executed in any number of counterparts, each of which will be deemed an original. Facsimile copies hereof will be deemed to be originals.

6.9 **Disputes.** If any controversy, dispute or claim arises between the Parties with respect to this Addendum, the Parties will make good faith efforts to resolve such matters informally.

6.10 **Notices.** Any notices to be given hereunder to a Party will be made via U.S. Mail or express courier to such Party’s address given below, and/or (other than for the delivery of fees) via facsimile to the facsimile telephone numbers listed below.

If to the Business Associate, to:

Name  
Title  
The Selected Firm.  
Address  
City, State Zip  
Phone:  
Fax:

If to the Plan Sponsor, to:

UVA Health Plan Ombudsman  
University of Virginia  
914 Emmet Street  
Charlottesville, VA 22906  
Phone: 434.924.4346  
Fax: 434.924.4486
If to the Plan, to:

Margaret Marsh
Health Benefits Financial Analyst
University of Virginia
914 Emmett Street
Charlottesville, VA 22906
Phone: 434.924.0721
Fax: 434.924.4486

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner herein-above provided.

IN WITNESS WHEREOF, each of the undersigned has caused this Addendum to be duly executed in its name and on its behalf effective as of __________, 2010.

The Rector and Visitors of the University Virginia, on behalf of the University of Virginia Health Plan

By: ______________________________
   Name: Eric N. Denby
   Title: Director of Procurement Services
   Date: ___________________________

The Selected Firm

By: ______________________________
   Name __________________________
   Title: __________________________
   Date: ___________________________