

California Health Benefit Exchange

Administration of the Small Business Health Options Program (SHOP)



California Health Benefit Exchange

HBEX11 - Administration of the Small Business Health Options Program (SHOP)

Solicitation and Invitation to Respond

[Addendum 4](#)

Final Solicitation for Bidder Response

October ~~12~~29, 2012

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1. GENERAL INFORMATION AND BACKGROUND

1.1 PURPOSE OF THIS SOLICITATION

Under the Patient Protection and Affordable Care Act of 2010 (the "Affordable Care Act"), states may create their own health benefit exchanges, defer to the federally facilitated exchange (FFE), or enter into a partnership with the FFE to support administration and operation of certain functions. Exchanges must serve both the individual market and serve as the one route by which individuals receive credits to make health coverage more affordable and in the small business market, offering both choice and the route to get tax credits for eligible small employers. Those states that create their own exchanges need to make numerous operational design decisions, including whether to develop and maintain capabilities in-house or to contract with Vendors to perform certain functions, either over the short run or the long term. Under any structure, exchanges must maintain in-house oversight resources for services that are contracted to ensure Vendors meet performance requirements, and maintain all policy authority.

In compliance with the California and federal Affordable Care Act, the state of California is creating a separate exchange for the small business market segment. The California Health Benefit Exchange ("Exchange") is seeking proposals from qualified Vendors ("Vendor") to provide for the Administration of the Small Business Health Options Program ("SHOP"). The Vendor is expected to support the business functions of the Exchange in order to begin enrollment in health insurance coverage by the start of initial open enrollment in October 2013. While several business functions such as governance and policy management are considered "core" and will be maintained internally, the Exchange seeks to contract with a Vendor in the initial years of the program for the scope of this Solicitation (see section 1.2)

Vendor will work closely with the Exchange to coordinate efforts and maintain alignment and guidance, especially during the critical implementation and initial years. While the Exchange will retain core business functions defined in the Section 1.2, Scope of Solicitation, the Vendor will be fully responsible for leading and executing sales strategy and fulfillment of the membership and enrollment goals through both Agent and Direct sales channels.

1.2 SCOPE OF THIS SOLICITATION

The Exchange seeks to contract with a Vendor for the following sales and operational services:

- a) Sales Support and Fulfillment
- b) Agent and General Agent Management
- c) Eligibility and Enrollment
- d) Financial Management
- e) Customer Service
- f) Information Technology Services

The Administration of the Small Business Health Options Program Solicitation allows for Vendors to provide a response to one of two options.

- **Mandatory Response** ("Option A"): Vendor uses the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) technology platform and provides sales and operational staff to support the services in (a) through (e) listed above.
- **Optional Response** ("Option B"): Vendor provides sales, operational staff and the technology ("Vendor IT Solution") to support the services in (a) through (e) and meet the technical requirements defined in Section 1.2 (f) above. In Option B, the Exchange will consider proposed

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integration solutions with Vendors and develop requirements between CalHEERS and the Vendor IT Solution at a future date.

All Vendors must provide a response to Option A. Vendors may choose additionally to submit a response to Option B.

This Solicitation requests proposals from qualified and experienced Vendors with the demonstrated experience, expertise, leadership, and success designing, implementing, and operating the small employer functions described above. Vendor shall demonstrate expertise and market knowledge specific to the California small business market. The Exchange requires unique and exceptional Vendor qualifications to meet the specific and time-sensitive deadlines while ensuring delivery of a best-in-class consumer experience. Vendor shall demonstrate experience, expertise and operational resources required to meet the technical and legal requirements defined in the Affordable Care Act.

The Exchange plans to enter into a Contract with a Vendor by early 2013.

Vendor shall provide a complete sales and operations solution necessary to support enrollment in the state Small Business Health Options Program (SHOP). The required business functions include; Eligibility and Enrollment, Sales Strategy, Creative Marketing and Fulfillment, Agent and General Agent Management, Financial Management, and Call Center.

It is important to note that while the Exchange seeks to contract for SHOP administrative services as defined in this Solicitation, this excludes several SHOP business functions that are considered "core" operational and policy functions. "Core" functions that will be internal to the Exchange include:

- Governance, Policy Development, and Quality Assurance: the Exchange will retain governance and policy-making authority and ensure that Vendors are meeting contractual quality standards.
- Health Plan Management: the Exchange will retain control over health plan selection, certification and ongoing management of qualified health plan relationships for the SHOP Exchange.
- Marketing Strategy: the Exchange will retain SHOP global marketing efforts, which will include branding, standards, and general oversight of marketing and collateral development. Conversely, the Vendor will assume ownership for Agent Sales Support. Section 4.5 delineates which Sales and Marketing functions will be retained by the Exchange or contracted for service with a Vendor.
- Legal: the Exchange will manage legal issues internally but does not assume responsibility for legal issues unrelated to SHOP.

The Vendor will share responsibility for achievement of sales and enrollment goals with the Exchange and will define the strategy required to achieve the small business membership goals set by the Exchange. Vendor is expected to have or recruit a sales force with experience needed to engage with Agents and General Agents currently serving the small business market. The Vendor is expected to generate sufficient sales activity to achieve or exceed the sales membership goals outlined in Section 4.2.3. The Vendor will have the support of the Exchange Staff and access to utilize the marketing investment defined in Section 4.4.1 to generate awareness and an effective launch in 2013 for 2014 enrollment. While the Exchange will provide guidance and brand marketing support, the Vendor will be responsible for the design, print and fulfillment of SHOP sales and marketing materials.

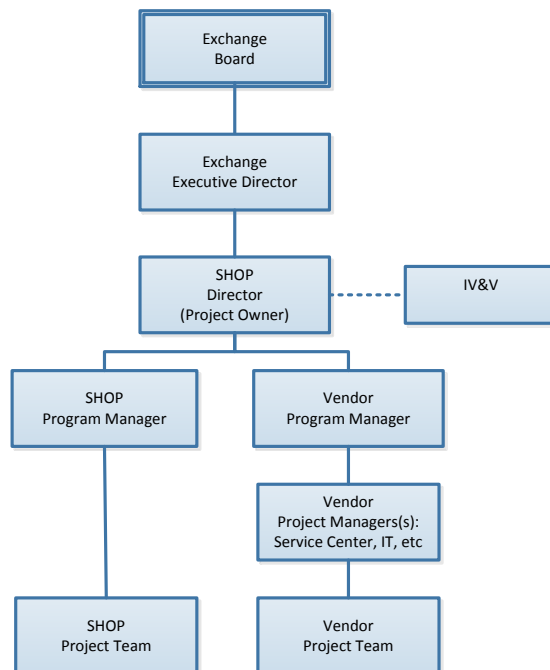
The Exchange recognizes a single Vendor may not have complete in-house capabilities for all business functions required. (i.e., a Vendor may require a Subcontractor to provide creative design, printing, and fulfillment services). The Vendor may submit the response as a "single-source" provider or in combination with one or more subcontractors. If the Vendor submits in combination with one or more

subcontractors it must be as “Prime Contractor,” fully accountable for all the actions, outcomes, and costs of the subcontractors. It is important to note that this Solicitation reflects current knowledge. There are still policies under consideration by the Exchange and other agencies, and federal guidance is pending. Vendors must be prepared to adapt to changes.

1.2.1 EXCHANGE IMPLEMENTATION PROJECT TEAM

The Exchange will provide a SHOP Operations implementation project team to oversee the Vendor; the Exchange will also perform the following tasks: Vendor oversight, Vendor deliverable management, contract management, risk and issue management, budget/approval document management, Vendor invoice and payment processing, and Independent Verification and Validation (IV&V). The Vendor is expected to work closely with Exchange project management staff. The Vendor is also expected to work cooperatively with and provide information in a timely manner to the IV&V team. The following chart depicts the Exchange's SHOP Operations Implementation Project Team.

Figure 1.1: Project Team Structure



1.3 PERIOD OF PERFORMANCE

The initial contract for this project will be for the development and implementation of the administration of SHOP Services, and at the Exchange's sole discretion, the IT Vendor Solution, by October 1, 2013 followed by two (2) years of operations, maintenance, and enhancements to be provided by the Vendor (through December 2015), with the State option to extend the initial contract for up to an additional two (2) years.

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If the Exchange decides to bring SHOP Operations in house toward the end of the Vendor contract, the Vendor will support the transition of SHOP Operations to the Exchange.

Table 1.2 SHOP Contract Periods

SHOP Administrative Operations Periods	Expected Start	Expected Completion
SHOP Operations Implementation	1/14/13	6/30/13
SHOP Administrative Operations Period	07/01/13	12/31/15
Optional SHOP Administrative Operations extension	01/01/16	12/31/17
Transition Period (Will begin no less than six months prior to the end of Administrative Operations Period.)	TBD	TBD

1.4 AVAILABILITY

The Vendor must be available to start work on the Contract Award and Execution date specified in Section 2.2.

2.0 SOLICITATION PROCESS AND SCHEDULE

2.1 SOLICITATION PROCESS

The Solicitation process shall consist of the following steps:

- Release of the Draft Solicitation
- Public Feedback on Draft Solicitation
- Solicitation Released
- Notice of Intent to Bid
- Voluntary Pre-bid Webinar
- Exchange Responds to Questions
- Proposal Submission
- Key Staff Interviews and Oral Presentations (if held)
- Best and Final Offer
- Notice of Intent to Enter into Negotiations
- Contract Award

2.2 SOLICITATION SCHEDULE

Listed below is a series of actions related to this Solicitation, along with the corresponding dates and times by which each action must be taken or completed. If the Exchange finds it necessary to change any of these dates, such changes will be accomplished through an addendum to this Solicitation. All dates subsequent to the Proposal Submission date are approximate and may be adjusted as conditions warrant, without addendum to this Solicitation.

Table 2.1 Solicitation Schedule

	Action	Date
1.	Draft Solicitation Released for Public Comment	10/2/12
2.	Public Feedback on Draft Solicitation Due	10/8/12
3.	Solicitation Released	10/12/12
4.	Last day to Submit a) Questions for Clarification of Solicitation b) Notice of Intent to Bid	10/17/12 12:00pm PST
5.	Exchange Responds to Questions and Publishes Amendment to Solicitation	10/22/12 5:00pm PST
6.	Voluntary Pre-Bid Webinar	On or before 10/22/12
7.	Proposal Submission	11/9/12 12:00pm PST
8.	Proposal Evaluation	11/9 – 11/14/12
9.	Key Staff Interviews and Oral Presentations (if held)	11/14 – 11/21/12
10.	Best and Final Offer	11/28/12
11.	Release Notice of Intent to Enter into Negotiations	12/7/12
12.	Contract Award	On or before 1/4/2013 ³²
13.	Vendor Start	1/14/2013

2.2.1 DRAFT SOLICITATION AND PUBLIC FEEDBACK

The Exchange welcomes comments on a draft of this Solicitation from interested parties including the public and Vendors. A draft Solicitation will be released for public comment in advance release of the final Solicitation. The public and Vendors are advised to submit their comments on the form posted to the Exchange’s website, www.hbex.ca.gov, and to carefully follow the form completion instructions. Based on public and Vendor comments, the Exchange will refine the Solicitation prior to formal release.

Vendors and stakeholder wishing to submit feedback should follow the instructions in Section 2.6.

2.2.2 NOTICE OF INTENT TO BID AND QUESTIONS FOR CLARIFICATION OF SOLICITATION

Vendors may submit the Notice of Intent to Bid at www.hbex.ca.gov by the date and time specified in the Solicitation schedule, Section 2.2. This is a voluntary step. The Notice of Intent to Bid must identify a single contact person to represent the Vendor through the Solicitation Process with the email address, phone, and fax number for that person. All communication between the Vendor and the Exchange must be through that single point of contact. The Exchange will only respond to communications from the Vendor’s designated contact person. It shall be the Vendor’s responsibility to notify the Exchange single point of contact, in writing, regarding any changes to the contact information. The Exchange is not responsible for Proposal correspondence not received by the Vendor if the Vendor fails to provide updated contact information as soon as administratively possible.

Vendors may submit questions in writing, including via email, to the Procurement Official listed in Section 2.7 of this Solicitation by the due date specified in the Solicitation Schedule listed in Section

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2.2. Vendors are responsible for confirming response to their questions by the Response to Questions Due date. The State will not accept or respond to inquiries outside of the question and answer timeframes outlined in the Solicitation schedule. Vendors shall provide specific information to enable the State to identify and respond to their questions. At its discretion, the Exchange may contact an inquirer to seek clarification of any inquiry received. Vendors that fail to report a known or suspected problem with the Solicitation, or that fail to seek clarification and/or correction of the Solicitation, submit responses at their own risk.

2.2.3 VOLUNTARY PRE-BID WEBINAR

A Pre-Bid Vendor Webinar will be hosted by the Exchange. Vendors are encouraged to attend, but attendance is not required.

The Exchange will host an informative presentation that address a variety of topics regarding this Solicitation, including but not limited to a discussion of Options A vs. Option B, completion of cost schedules, and enrollment assumptions. The Exchange will accept oral questions during the webinar and will make a reasonable attempt to provide answers during the webinar. Oral answers shall not be binding on the Exchange.

The Exchange will provide reasonable accommodations, including the provision of informational material in an alternative format, for qualified individuals with disabilities upon request. Requests for such accommodations shall be made to the Exchange at info@hbex.ca.gov in advance of the webinar.

2.2.4 PROPOSAL SUBMISSION

The Proposal must be complete, including all cost information and required signatures. Refer to Section 5.0 for more details.

2.2.5 PROPOSAL EVALUATION

The Exchange will assemble an Evaluation Team that will evaluate the proposals according to the process and criteria defined in Section 6.

2.2.6 KEY STAFF INTERVIEWS AND ORAL PRESENTATIONS

Key Staff identified in Section 3.2 will be required to participate in interviews hosted by the Exchange. The questions to be asked of the personnel will include background and relevant experience, as well as situational business related questions. Oral Presentations will be conducted in conjunction with the Key Staff interviews. The presentations will focus on the response to a standard set of questions that will be provided to all invited Vendors. At its discretion, the Exchange Staff reserves the right to forego conducting key staff interviews and oral presentations.

2.2.7 BEST AND FINAL OFFER

The Exchange reserves the right to request one or more Best and Final Offers (BAFO) from any or all Proposing Vendors. The request may include:

- Notice that this is the opportunity to submit a Best and Final Offer.
- A cut-off date and time that allows a reasonable opportunity for submission of written Best and Final Offers.
- Notice that, if any modification is submitted, it must be received by the date and time specified by the Exchange.

2.2.8 NOTICE OF INTENT TO ENTER INTO NEGOTIATIONS

The Exchange may choose one or more Vendors with whom to enter contract negotiations. The Exchange may require these selected Vendor(s), as a part of contract negotiations, to submit revisions to pricing, operating assumptions, technical details, performance metrics, or any other item from the Vendor's proposal that may result from these negotiations.

Contract negotiations will be held at a site designated by the Exchange. The selected Vendor(s) must be available to begin negotiations within five (5) business days following mailing of the Notification of Intent to Enter into Negotiations. If a satisfactory contract cannot be negotiated within a reasonable time as determined by the Exchange, the Exchange may, at its sole discretion, terminate negotiations with the selected Vendor(s) and initiate negotiations with a different Vendor based on the outcome of the solicitation evaluation process.

2.2.9 CONTRACT AWARD

Award of Contract, if made, will be in accordance with the Evaluation Process as detailed in Section 5.0 and to the responsive Vendor whose Proposal complies with all the requirements of the Solicitation document and any addenda thereto, except for such immaterial defects as may be waived by the Exchange. ~~The award, if made, will be made within ninety (90) days after the Scheduled date for Contract Award specified in Section 2.2 Solicitation Schedule;~~ ~~The award, if made, will be made within one hundred eighty (180) days after the Scheduled date for Contract Award specified in Section 2.2 Solicitation Schedule;~~ however, **all Bidders a Vendor must hold their offer open for 90 days after the scheduled date for Contract award extend the offer beyond 180 30 days** in the event of a delay of Contract award.

The Exchange reserves the right to determine the successful Vendor either on the basis of individual items or on the basis of all items included in its Solicitation. The Exchange reserves the right to modify or cancel in whole or in part this Solicitation.

2.3 PROPOSAL SUBMISSION

To be considered, all Proposals must be submitted in the manner set forth in the proposal preparation instructions. It is the proposer's responsibility to ensure that its Proposal arrives on or before the specified time. All Proposals and materials submitted become the property of the Exchange. The lack of response to this Solicitation will not prevent inclusion in future procurements.

2.4 EXAMINATION OF THE SOLICITATION

Vendor should carefully examine this entire Solicitation and any addenda thereto, and all related materials and data referenced in this Solicitation or otherwise available to the Vendor, and should become fully aware of the nature and location of the work, the quantities of the work, and the conditions to be encountered in performing the work.

2.5 VENDOR QUESTIONS

The Exchange will accept written questions or concerns related to this Solicitation and/or its accompanying materials, instructions, or requirements, until the date and time specified in Section 2.2 – Solicitation Schedule. The only questions or concerns that will receive response are those submitted in accordance with Section 2.2 – Solicitation Schedule. **Vendors are encouraged to send questions on a flow basis.** The question and answer period will be ongoing until the question period ends. During this period, the Exchange will provide continual feedback. The Exchange will not respond to questions received after the deadline unless it is in the best interest of the Exchange to do so.

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Proposing Vendors must notify the Exchange of any ambiguity, conflict, discrepancy, exclusionary specification, omission, or other error in this Solicitation by the deadline for submitting questions and comments. If a Proposing Vendor fails to notify the Exchange of these issues, the Proposing Vendor will submit a Proposal at its own risk, and if awarded a Contract: 1) shall have waived any claim of error or ambiguity in this Solicitation or resultant Contract; 2) shall not contest the Exchange's interpretation of such provision(s); and 3) shall not be entitled to additional compensation, relief, or time by reason of the ambiguity, error, or it later correction.

If Vendor questions or concerns indicate significant problems with the requirements of this Solicitation, the Exchange may, at its sole discretion, amend this Solicitation accordingly.

Following the question submission deadline, the Exchange may summarize all general questions and issues raised and post to the Exchange website, mail, email, or fax the summary and responses to all Vendors that submitted a Notice of Intent to Respond. The Exchange will also post such questions and responses on its public website. To the extent practical, inquiries will remain as submitted. However, the Exchange may consolidate and/or paraphrase similar or related inquiries. No inference should be drawn from any questions to which the Exchange does not respond in writing.

2.6 WHAT TO INCLUDE IN AN INQUIRY

All questions and comments regarding this Solicitation must be sent to the Procurement Official (Section 2.7) and include the following elements:

- Vendor identification, including:
 - Vendor Name
 - Mailing Address
 - Inquirer's Name
 - Mailing Address
 - Email Address
 - Telephone and Fax Numbers
- A description of the subject or issue in question or discrepancy found.
- The Solicitation Section, page number, or other information useful in identifying the specific problem or issue in question.
- Remedy sought, if any.

Inquiries must be submitted and formatted as outlined in Table 2.2

Table 2.2 Inquiry Example

ID	Section	Page	Requirement	Question / Comment	Remedy Sought
1.	Indicate the section or sub-section number (e.g., 3.1) or indicate the appendix or attachment number	Indicate the page number (e.g., 3-5)	Indicate the requirement number (e.g., TR134), if applicable	Provide question or comment here, providing further identification of the paragraph or bullet number for accurate referencing and response. Use "General" if a general question or "Solicitation" if the question deals with a section, appendix, or attachment within the Solicitation.	Describe the remedy sought, if applicable.

2.7 PROCUREMENT OFFICIAL

The Procurement Official is the single point of contact for this Solicitation. Please submit all correspondence to:

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Kelly Long
Associate Governmental Program Analyst
California Health Benefit Exchange
560 J Street, Suite 290
Sacramento, CA 95814

E-mail: hbexSolicitation@hbex.ca.gov
Exchange Office: (916) 323-3539

2.8 INTERPRETATIONS AND ADDENDA

Any interpretation of or change in this Solicitation shall:

- Be made by addendum.
- Be sent to each Vendor that has submitted a Notice of Intent to Respond.
- Become a part of this Solicitation and of any Contract awarded.

The Exchange will respond to written questions or requests for clarifications submitted to the Exchange Contact by the deadline stated in Section 2.2 – Solicitation Schedule. If, as a result of a question, the Exchange determines a change to this Solicitation is warranted, an addendum to this Solicitation will be issued and sent to all Vendors that have submitted a Notice of Intent to Respond and posted on the Exchange public website. The Exchange will not be responsible for any other method of explanation or interpretation.

2.9 SOLICITATION LIBRARY

A Solicitation Library will be established for use by Vendors in developing their Proposals in response to the final release of this Solicitation. Vendors will be required to obtain access to the library by following instructions posted on the Exchange Website. Vendors should carefully examine the entire Solicitation and any Addenda thereto, and all related materials contained in the Administration of SHOP Operations Solicitation Library. The library is accessible at www.hbex.ca.gov.

The Administration of SHOP Operations Solicitation Library will continue to be updated as further Documentation related to this Solicitation becomes available. Amendments to this Solicitation will not be issued when new information is posted to the Solicitation Library. Vendors are encouraged to continuously monitor the Administration of SHOP Operations Solicitation Library.

2.10 CONFIDENTIALITY

During the term of Contract, the Vendor will have access to and may become acquainted with Confidential Information maintained in the records of the Exchange and/or its Stakeholders. The Vendor is required to protect from unauthorized use or disclosure names or other identifying information concerning persons receiving Services through the Exchange, the Exchange, and its stakeholders.

To preserve the integrity of the security and confidentiality measures integrated into the Exchange's information systems, each Proposing Vendor is required to sign the Confidentiality Statement (Attachment 1) and to submit it with its Proposal.

Similarly, any Vendor awarded a Contract as a result of this Solicitation will be required to exercise security precautions as described in the Contract to protect the confidentiality of information that may be acquired.

2.11 DETERMINATION OF CAPACITY/RESPONSIBILITY

Inquiries to determine the capacity of a Proposing Vendor may be conducted by the Exchange based upon information provided in the Proposal or as otherwise deemed necessary by the Exchange. The failure of a Vendor to supply information promptly in connection with such inquiry by the Exchange, including information regarding past performance and ability to perform on Schedule may be grounds for a determination of non-responsiveness and may result in elimination of the Vendor's Proposal from further consideration, as determined solely by the Exchange.

2.12 EXCLUSION FOR CONFLICT OF INTEREST

Each Vendor bidding on this Solicitation shall ensure that no conflict of interest exists between it and 1) its officers, employees, or subcontractors; 2) the Exchange; and 3) the Exchange and its Vendors or subcontractors; 4) Issuers, General Agents, Providers, Third Party Administrators or other Health Market Participants Vendors shall prevent employees, consultants, or members of governing bodies from using their positions for purposes that are, or give the appearance of, being motivated by a desire for private gain for themselves or others such as those with whom they have family, business, or other ties.

In the event that the Exchange determines that a conflict of interest situation exists, any increase in costs associated with the conflict of interest situation shall be disallowed by the Exchange, and such conflict shall in the Exchanges' discretion constitute grounds for termination of the Contract or disqualification from consideration of a bid.

This provision shall not be construed to prohibit employment of persons with whom Vendor's officers, employees, or agents have family, business, or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicant.

2.13 INACCURACIES OR MISREPRESENTATIONS

If, in the course of this Solicitation or in the administration of a resulting Contract, the Exchange determines that a Proposing Vendor has made a material misstatement or misrepresentation, or that materially inaccurate information has been provided to the Exchange, the Proposing Vendor may be terminated immediately from the Solicitation Process. In the event a Contract has been awarded, the Contract may be immediately terminated at the sole discretion of the Exchange.

2.14 IMPROPER CONSIDERATION

Vendors shall not offer (either directly or through an intermediary) any improper considerations including cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee, or agent of the Exchange, the Health and Human Services Agency, the Department of Health Care Services, the Managed Risk Medical Insurance Board, the Office of Systems Integration, the Department of Managed Health Care and the Department of Insurance in an attempt to secure favorable treatment regarding this Solicitation.

Vendors shall immediately report any attempt by an Exchange officer, employee, or agent to solicit (either directly or through an intermediary) improper consideration from the Vendor. The report shall be made to the Exchange's single point of contact as defined in Section 2.7 or a higher authority within the Exchange.

The Exchange, by written notice, may immediately terminate the Contract if it determines that any improper consideration, as described in the preceding paragraph, was offered to any officer, employee, or agent of the Exchange with respect to any amendment, extension, or evaluation process once a contract has been awarded.

2.15 NOTICE REGARDING PUBLIC DISCLOSURE OF PROPOSAL CONTENTS

All responses to this Solicitation shall become the exclusive property of the Exchange. At such time as the Exchange recommends a Vendor to the Exchange, all Proposals submitted in response to this Solicitation may at the Exchange's sole discretion become a matter of public record, subject to Government Code section 100508.

Information submitted in the Proposal or in response to a request for additional information may be subject to disclosure under the provisions of the California Public Records Act, Government Code section 6250. The Exchange assumes no responsibility for disclosure or use of data included in Vendor Proposals for any purpose. The Exchange will exercise care in applying this confidentiality standard but will not be held liable for any damage or injury that may result from any disclosure that may occur. The Proposing Vendor will indemnify, defend, and hold harmless the Exchange from any third party claims, actions, expenses, liabilities, action, and litigation arising from or regarding disclosure of such data or information.

2.16 RIGHT TO CHANGE OR TERMINATE THIS SOLICITATION

The Exchange reserves the right to change or terminate this Solicitation, in whole or in part, at any time and for any reason whatsoever without any liability resulting from such action.

2.17 LOSS LEADER ADMONITION

The following statement is made in accordance with California Public Contract Code 10344(e) (1):

"It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 10730 of the Business and Professions Code."

2.18 ACCEPTANCE OR REJECTION OF PROPOSALS

Proposals shall remain open, valid, and subject to Acceptance anytime within 180 calendar days after the scheduled Contract Award Date. The Exchange realizes that conditions other than price are important and will award a Contract based on the Proposal that best meets the needs of the Project Sponsors, Program Partners and Control Agencies. The Exchange may reject any or all Proposals, or any portion of a Proposal, and may waive any informality or immaterial irregularities in a Proposal. Any rejected portion of a Proposal will be deemed to be non-responsive for that Proposal only. If the Exchange determines there is non-responsiveness by all Proposing Vendors that appears to have been caused by a general misunderstanding of this Solicitation, the Exchange may, at its discretion, waive the related portion of all Proposals or issue a clarification and request a Best and Final Offer (BAFO).

2.19 PROPOSAL PREPARATION COSTS

Costs for developing Proposals are the responsibility entirely of the Vendor and shall not be chargeable to the Exchange.

2.20 RECYCLED PAPER PRODUCTS

Vendors are required to use recycled paper for any printed or photocopied material created as a result of this Solicitation or the resultant Contract with the Exchange. Vendors are also required to use both sides of paper sheets for deliverables and work products submitted to the Exchange whenever practical.

2.21 PROPOSING VENDOR AS PRIME

The Exchange requires that the Administration of SHOP Operations Contract be issued to one (1) Vendor who shall be responsible for successful performance of the work specified in this Solicitation. The selected Vendor, as Prime Contractor, must accept full responsibility for coordinating and controlling all aspects of the Contract, including support or activities to be performed by any Subcontractor, if applicable. The selected Prime Contractor shall be responsible for successful performance of all Subcontractors. The Prime Contractor shall be the sole point of contact with regard to contractual matters related to Subcontractors and payment of any and all charges resulting from work completed.

2.22 SUBCONTRACTOR CONTRACTS

If the Vendor intends to subcontract any part of the proposed effort, it must be clearly delineated in the Proposal. All requirements as set forth in this Solicitation shall apply to proposed Subcontractors in the same manner as to the Prime Contractor.

The tasks, or portions thereof, that are intended to be subcontracted must be identified and defined. The Subcontractor(s) responsible shall be identified by name, responsible point of contact, address, and phone number. The rationale for selection of the Subcontractor(s) must be stated. The exact type and amount of work to be done by each Subcontractor must be identified and defined. Copies of the subcontract(s) shall be submitted to the Exchange within ten (10) days of their execution.

2.23 FINAL AUTHORITY

The final authority to award a Contract resulting from this Solicitation rests solely with the Exchange.

2.24 PROTEST PROCESS

A protest may be submitted according to the procedures set forth below. If a Vendor has submitted a proposal that it believes to be totally responsive to the requirements of the solicitation process and believes the Vendor should have been selected, according to the Section 6.3 – Evaluation of Final Proposals, the Vendor may submit a protest of the selection as described below. Protests will be heard and resolved by the California Health Exchange's Executive Director.

All protests must be made in writing, signed by an individual who is authorized to contractually bind the Vendor, and contain a statement of the reason(s) for protest, citing the law, regulation or procedures on which the protest is based. The protester must provide facts and evidence to support its claim. Certified or registered mail must be used unless delivered in person, in which case the protestor should obtain a receipt of delivery. The final day to receive a protest is ten (10) calendar days after Vendor selection. Protests must be mailed or delivered to:

Street Address	Mailing Address
California Health Benefit Exchange Attn: Kelly Long 560 J Street, Suite # 290 Sacramento, CA 95814	California Health Benefit Exchange Attn: Kelly Long 560 J Street, Suite # 290 Sacramento, CA 95814

2.25 RELEASE OF INFORMATION

No news releases, advertisements, public announcements, or photographs arising out of this Solicitation, the resultant Contract or Vendor's relationship with the Exchange may be made or used without prior written approval of the Procurement Official indicated in Section 2.7.

2.26 RESTRICTIONS ON LOBBYING

The Vendor certifies, to the best of its knowledge and belief, that:

No Federal appropriated funds have been paid or will be paid, by or on behalf of the Vendor, to any person for influencing or attempting to influence an office or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal Contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Federal Standard Form-LLL "Disclosure Form to Report Lobbying," in accordance with its instructions.

The Vendor shall require that the contents of this Certification be collected from the recipients of all sub-awards, exceeding \$100,000, at all tiers (including subcontracts, sub-grants, etc.) and shall be maintained for three years following final payment/settlement of those agreements.

This Certification is a material representation of fact upon which reliance was placed when the Contract was made and/or entered into. The making of the above Certification is a prerequisite for making or entering into the Contract pursuant to 31 U.S.C. 1352 (45 CFR 93). Any person who fails to file the required Certification shall be subject to a civil penalty of not less \$10,000 and not more than \$100,000 for each such failure.

The Standard Form-LLL may be obtained from various agencies and Federally World Wide Web Internet Sites or from the Exchange upon request.

2.28 DISPOSITION OF PROPOSALS

All materials submitted in response to this Solicitation upon submission are the property of the Exchange and will be returned only at the Exchange's option and at the Proposing Vendor's expense. At a minimum, the Master Copy of the Proposal shall be retained for official files and will become a public record after the Notification of Intent to Enter into Negotiations. Materials that the Exchange

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considers to be Confidential Information may be returned to the Vendor upon the request of the Proposing Vendor.

3.0 VENDOR QUALIFICATIONS

3.1 MINIMUM VENDOR QUALIFICATIONS

The Vendor's ability to perform and successfully deliver the SHOP Operations program is, to a great extent, dependent on past experience in similar endeavors. Each proposing Vendor must meet the minimum qualifications for the Administration of SHOP Operations as detailed below in this section of the Solicitation.

The Vendor's qualifications may be met through a combination of years of experience of the Prime Vendor and subcontractors.

- Ability and commitment to meet the required State of California and Federal Exchange implementation timelines.
- Three (3) years of verifiable experience managing similar employer sponsored health insurance business functions in California or in states with an employer sponsored insurance market similar to California.
- At least three (3) years of verifiable successful experience managing the technical platform for a Third Party Administrator, private exchange, or similar employer-sponsored health insurance market program (if Vendor submits a Proposal for Option B).
- A deep understanding of the California employer-sponsored health insurance marketplace, including engagement with Agents in California.
- Verifiable experience reaching diverse and limited English proficient communities
- Significant experience establishing and managing one or more domestic Call Centers supporting the employer-sponsored health insurance marketplace.
- Verifiable successful experience leading a large complex program consisting of multiple partners and/or stakeholders, aggressive timelines, and different work streams.
- Evidence of financial wherewithal and stability as reflected in financial statements.
- Valid business license in the State of California.

3.2 VENDOR KEY STAFF QUALIFICATIONS

The Vendor Staff assigned to the Administration of SHOP Services Project is ultimately responsible for ensuring the sales growth, enrollment and general operations objectives of the Exchange and the requirements of this Solicitation are met. The Vendor Key Staff are expected to serve as trusted advisors to the Exchange team in their respective roles. The Exchange will be interacting with the Vendor Key Staff on a day-to-day basis for the next several years. For these reasons, the Exchange places a great deal of emphasis on the expertise, experience, and capabilities of the proposed Key Staff.

Table 3.1 presents a draft list of Key Vendor Staff. The Exchange welcomes modifications to this draft list to ensure alignment of Vendor proposed Key Staff to Vendor proposed approach to implementing and managing the scope of services contemplated in this Solicitation.

Vendors should delineate accountabilities for Development and Implementation versus Operations and Maintenance (post Go Live), and clearly identify any roles that are Optional Response (Option B) only.

The Exchange reserves the right to:

- a) Modify the list of required Key Staff in consultation with selected Vendor;
- b) Request replacement of Key Staff at any time during implementation for cause, and
- c) Provide internal or contracted resources to fulfill the Key Staff if Vendor is unable to replace Key Staff that meet Exchange requirements.

Table 3.1 Vendor Key Staff

No.	Key Vendor Staff Role	Development and Implementation Phase	Operations and Maintenance Phase (Post Go-Live)
1	Program Manager	X	X
2	Business Project Manager	X	X
3	Business Architect	X	
4	Technical Project Manager	X	X
5	Technology Integration Specialist	X	X
6	Application Maintenance Manager		X (Option B only)
7	Small Employer Market Sales Director	X	X
8	SHOP Marketing and Sales Support Manager	X	X
9	SHOP Service Center Operations Manager	X	X
10	SHOP Finance Manager	X	X

3.3 GENERAL KEY STAFF QUALIFICATIONS

The Vendor must provide convincing evidence that the proposed Key Staff can effectively carry out their duties and responsibilities. Convincing evidence includes substantiated resumes, Key Staff interviews, oral presentations, and reference checks.

3.4 PROGRAM MANAGER KEY STAFF QUALIFICATIONS

The proposed Vendor Program Manager must, at a minimum, meet the following qualifications:

- Demonstrated successful leadership experience as a Project Manager on one or more Projects of similar magnitude and complexity.
- Experience leading projects within the employee benefits market.
- Experience leading technology implementations (if Vendor Proposal is for Option B).
- Possess the authority within the Vendor organization to make and fulfill staffing commitments.
- Possess the authority within the Vendor organization to negotiate changes to requirements or other changes in scope.

3.5 STAFF QUALIFICATIONS - RESUMES

Vendors must provide a resume of not greater than two pages in length for each proposed team member. Resumes must provide a summary of the team member's experience and other qualifications. Resumes must include specific information on education, training and certifications, if applicable. Indicate whether the proposed team member is a subcontractor or employee of a subcontractor.

3.6 STAFF QUALIFICATIONS – KEY STAFF EXPERIENCE MATRIX

Vendors must complete the Key Staff Experience Matrix found in Attachment 4. Vendors must complete the form for each proposed team member, limiting the projects described to only those completed within the last ~~five~~-ten years, or currently in progress. The number of projects described for each team member must be limited to a maximum of three and shall be selected by the Vendor on the basis of the Vendor's own assessment of their relevance to the administration of SHOP solicitation scope of responsibilities and activities.

3.7 STAFF QUALIFICATIONS - REFERENCES

Vendors must complete the Client Reference Form found in Attachment 5. Two reference forms must be provided for each proposed Key Staff team member. Each reference must be linked to a project on the Staff Experience Summary Form. References must be individuals who managed or supervised the proposed team member and reviewed their work. References from a proposed staff member's current employer are not acceptable. References are required to complete Section B, sign and date the form. Any forms not signed and dated may be deemed non-responsive.

All references provided by the Vendor may be contacted via email or phone to verify the reference provided. If contacted, references will be contacted between 8:00 a.m. and 5:00 p.m. PST after submission of Final Responses. In the event references are contacted for verification, no more than two attempts will be made by telephone. If the reference is not reached directly on the first attempt, the State will leave a message with a date and time for the second attempt and a contact name and telephone number. If the reference will not be available at the date and time identified for the second attempt, that reference must contact the State to arrange a mutually agreeable date and time within the evaluation period of this Solicitation.

3.8 STAFF QUALIFICATIONS - KEY STAFF INTERVIEWS

The Exchange may elect to interview Key Staff from one or more Vendors based on the Evaluation process described in Section 6 in this Solicitation.

3.9 PROGRAM SCHEDULES

The Exchange expects the selected Vendor to develop and implement the SHOP Operational program within the timeframe outlined in Tables 3.2 and 3.3. This is not a complete listing of all milestones and dates. The Exchange would like the Proposed Vendor to propose an implementation schedule and understands that the implementation milestones and expected completion dates will be different between Option A and Option B as described in this Solicitation.

3.9.1 IMPLEMENTATION SCHEDULE

Table 3.2 Implementation Schedule – Vendor Initiation through Go-Live

Shop Administration Key Deployment & Implementation Milestones	Expected Completion
Vendor Starts Work	01/14/2013
Mandatory Milestone: Project Plan Developed (Options A & B)	Vendor Proposed
Mandatory Milestone: Concept of Operations (Options A & B)	Vendor Proposed
Mandatory Milestone: Business Process Maps developed (Options A & B)	Vendor Proposed
Mandatory Milestone: Desktop Procedures Developed (Options A & B)	Vendor Proposed
Mandatory Milestone: Operational Readiness Review (Options A & B)	Vendor Proposed
Mandatory Milestone: Technical Integration Requirements Identified (Option B)	Vendor Proposed
Mandatory Milestone: Technical Integration Testing & Certification (Options A & B)	Vendor Proposed
Initiate Agent Support (Options A & B)	07/01/13
Initiate General Agent Support (Options A & B)	07/01/13
Initiate Customer Service Support (Options A & B)	07/01/13

3.9.2 OPERATIONALIZATION SCHEDULE

Table 3.3 SHOP Administration Operational Periods

SHOP Administration Key Start-up Periods	Expected Start	Expected Completion
Initial Operations & Maintenance Period	07/01/13	12/31/13
Initial Enrollment Period	10/01/13	-
First Effective Date of Coverage	01/01/14	N/A

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In addition to the initial open enrollment period listed in the above table, the Exchange envisions seasonal fluctuations in enrollment as well as Small Business renewals, Small Business change requests, and Agent and General Agent support throughout the year. Unlike the Individual Exchange, the SHOP will accept new group enrollment throughout the calendar year, not a one-time annual open enrollment. SHOP enrollment will also be subject to anniversary renewal cycles which tend to peak in January and July. The Vendor should provide appropriate staffing for peak enrollment to account for this seasonality and also in response to SHOP Exchange updates to products, periodic rating (e.g. quarterly trend increases), advertising promotions and other external market factors.

3.10 PROJECT MANAGEMENT AND PROJECT REPORTING REQUIREMENTS

The Vendor will work closely with the Exchange's SHOP Director and other staff or contractors responsible for the successful implementation of the administration of SHOP Sales and Operations Services. The Exchange expects the Vendor to follow the project management guidelines outlined below.

3.10.1 PROJECT MANAGEMENT PRACTICES

The Exchange expects that the Vendor use formal project management practices. The Vendor is required to use formal, structured project management practices in managing the deployment of administration of SHOP Services capabilities:

- a) Develop and maintain a detailed procurement work plan.
- b) Confer (at least) weekly with the Exchange's Program Manager.
- c) Lead weekly project meetings.
- d) Provide the Exchange's Program Manager with weekly status reports.
- e) Provide the Exchange's Program Manager with information concerning procurement risks and issues, for inclusion in the project's risks and issues logs.
- f) Prepare ad hoc reports, as requested, and in a format approved by the Exchange.
- g) Ensure the quality of acquisition deliverables through quality control reviews. The quality control approach, including checklists, must be approved the Exchange.
- h) Maintain an acquisition document library, including relevant emails, memos, and other documents that provide a comprehensive audit history of the administration of SHOP Services procurement.

3.10.2 WEEKLY STATUS

The Vendor is required to prepare project status reports on a weekly basis. The report content must include, but not be limited to, the following sections. The final format and content areas will be approved by the Exchange prior to implementation of the project:

- a) Work completed within the reporting period - describes tasks accomplished within the reporting period and the status of associated deliverables.
- b) Work in progress - describes activities currently underway.
- c) Scheduled Status - compares completed tasks and deliverables against those scheduled to date, and includes explanations of schedule variances and recommendations for mitigating the variances.
- d) Work to be completed - describes activities and deliverables, contained in the acquisition procurement work plan, which are expected to be completed within the next reporting period.

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- e) Issues, risks, problems and resolutions - highlights key issues and concerns which may need to be prioritized and addressed by the Vendor and the Exchange's Program Manager. Resolutions to previous problems will be reported, as well as mitigation recommendations to new problems and risks.

3.10.3 PROJECT MEETINGS AND OTHER RELATED MEETINGS

The Vendor is required to participate in face-to-face or teleconference meetings, as needed to fulfill this Scope of Work, with the Exchange leadership, Exchange Board, and as directed by the Exchange, other stakeholder groups formed to facilitate the successful implementation of the administration of SHOP Services.

4.0 SCOPE OF WORK

4.1 STATEMENT OF PURPOSE

The California Health Benefit Exchange (“Exchange”) is seeking proposals from qualified Vendors (“Vendor”) to provide for the Administration of the Small Business Health Options Program (“SHOP”). The Vendor is expected to support the business functions of the Exchange in order to begin enrollment in health insurance coverage by the start of initial open enrollment in October 2013. While several business functions such as governance and policy management are considered “core” and will be maintained internally, the Exchange seeks to contract with a Vendor in the initial years of the program.

The Exchange seeks to contract with a Vendor for the following services:

- a) Sales Support and Fulfillment
- b) Agent and General Agent Management
- c) Eligibility and Enrollment
- d) Financial Management
- e) Customer Service
- f) Information Technology Services

This Solicitation requests proposals from qualified and experienced Vendors that have the demonstrated experience, expertise, leadership, and success in designing, implementing, and operating the services required to run the SHOP (Mandatory Response - Option A), and if so directed by the SHOP, the technology platform (Optional Response - Option B) required to enable small business exchange operations.

Proposing Vendors must demonstrate a deep understanding of the California employee benefits market, especially the management of Agents in the sales and renewal of employer-sponsored health insurance plans.

Proposing Vendors must act in a Prime Contractor capacity if their response involves multiple Vendors to deliver the scope and scale of services sought and proposed.

4.2 GLOBAL ASSUMPTIONS

4.2.1 GENERAL AGENT PARTICIPATION

Currently the Exchange plans to select multiple General Agents to operate within the Exchange. While a final decision and selection will be subject to a competitive bid process, Vendors should scope and size their proposed operation to support a minimum of four General Agents.

4.2.2 AGENT PARTICIPATION

The Exchange anticipates in its early months of operation a sizeable number of Agents to seek certification and registration with the SHOP, and the number of participating agents to grow consistently thereafter. The table below outlines scenarios for Low, Mid, and High levels of anticipated Exchange

participation by Agents by year. Vendors are instructed to submit proposals based on the Mid level of Agent Participations for Operations sizing and Financial purposes, and to describe their plans for and/or impacts if the Low or High scenarios occur in their narrative responses. In addition, Vendors are invited to comment on their market expectations if significantly different from the Exchange's.

Table 4.1 Estimated Agent Participation

2013	Low	Mid	High
Agents	750	2,625	6,750
% of Agents*	3%	9%	23%
2014	Low	Mid	High
Agents	2,250	7,500	16,875
% of Agents*	8%	25%	56%
2015	Low	Mid	High
Agents	3,750	11,500	20,250
% of Agents*	13%	38%	68%
2016	Low	Mid	High
Agents	7,500	15,000	22,500
% of Agents*	25%	50%	75%

* Total active California Licensed Agents for Small Business Market Segment estimated at 30,000

4.2.3 EMPLOYER / MEMBER PARTICIPATION

For the purposes of responding to this Solicitation, the Vendor should anticipate the SHOP Employer and Member participation rates listed below. Scenarios for Low, Mid, and High levels of anticipated Exchange participation by Employer and Members by year are indicated. Vendors are instructed to submit proposals based on the Mid level of these projections for Operations sizing and Financial purposes, and to describe their plans for and/or impacts if the Low or High scenarios occur in their narrative responses. In addition, Vendors are invited to comment on their market expectations if significantly different from the Exchange's.

Table 4.2 Estimated Employer / Member* Participation

2014	Low	Mid	High
Employer Groups	4,000	8,000	10,000
Members (Total Lives)	51,000	96,000	119,000
Subscribers	29,000	54,000	67,000
% of Small Group Market	1.5%	2.8%	3.5%
2015	Low	Mid	High
Employer Groups	6,000	11,000	16,000
Members (Total Lives)	85,000	161,000	238,000
Subscribers	48,000	91,000	134,000
% of Small Group Market	2.5%	4.7%	7.0%
2016	Low	Mid	High
Employer Groups	7,000	12,000	28,000
Members (Total Lives)	136,000	218,000	510,000
Subscribers	74,000	118,000	276,000
% of Small Group Market	4.0%	6.4%	15.0%

*Members = Total Lives, comprising both employees and family members enrolled in SHOP coverage.

4.2.4 EMPLOYER SELF-SERVICE ENROLLMENT

For purposes of completing this Solicitation, the Vendor should assume that up to 25% of all new SHOP membership (Employers and Members) will come through Self-Service Channels, unassisted by Agents and General Agents. The remaining enrollment will be enrolled through Agents and General Agents.

4.2.5 MARKETING & SALES

The Exchange, and not the Vendor, will retain responsibility for defining and updating a statewide marketing strategy ("Marketing Strategy"). Elements of the Marketing Strategy will include:

- Developing, implementing, and maintaining a multi-year plan that addresses all Exchange stakeholder constituencies, including consumers, interest groups, state agencies, Agents, General Agents, Navigators (Individual market only), and business organizations.
- Building overall consumer awareness of the Exchange's brand and services statewide, both for individual consumers and small business employers.

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- Planning and conducting consumer-oriented statewide media campaigns that generate general awareness for the Exchange, its mission, and how to access services and Customer Service.
- Establishing and maintaining brand guidelines and standards for the Exchange, including look-and-feel for print and electronic collateral, letter and notice templates, and application and change form templates (Creation, printing, and distribution of these items will be handled by the Vendor).
- Maintaining a library of general SHOP-specific branded content.

The Exchange currently plans to invest in Marketing Activity as outlined in Table 4.3.

Table 4.3: Marketing Budget (estimated)

	2013	2014	2015
Marketing Budget	\$2MM – \$3MM	\$3MM - \$5MM	\$3MM - \$5MM

The Marketing Budget is preliminary, and the Exchange reserves the right to increase or decrease the Marketing Budget based on additional analysis the Exchange may conduct prior to July 2013. Vendors should, however, for the purpose of responding to this Solicitation, assume that the entirety of the Market Budget will be available to the Vendor to support membership growth (Section 4.2.3) and Agent adoption (4.2.2) through a comprehensive list of sales and marketing tactics (“Sales Support Activities”) in the small business market.

The Exchange welcomes feedback from the Vendor on the viability and reasonableness of the preliminary Marketing Budget in Attachment 16.

Sales Support Activities may include, but are not limited to:

- Managing all small business sales channels.
- Implementing small business Agent acquisition and Member growth sales tactics.
- Supporting direct enrollment of small employers without the assistance of a licensed Agent.
- Defining and executing targeted regional, and/or product-specific, and/or population-targeted advertising campaigns in the small business market (e.g. placing advertisements in Business Journals).
- Recruiting, training, and managing a Sales Force that is accountable for delivering the Agent participation goals
- Recruiting and retaining a sales force that can meet California’s diverse linguistic needs and varied cultural contexts.
- Maximizing multiple channels to service the small employer market, including direct mail, phone, web, and mobile.
- Establishing and maintaining an electronic and direct-mail fulfillment capability for the printing and distribution of SHOP Agent sales support materials.
- Creation, printing and distribution of sales and marketing collateral in Medi-Cal Managed Care threshold languages including – Welcome Kits, Applications Forms, Product Brochures, Agent Sales Materials, etc.
- Reporting on Agent and General Agent sales performance.

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- Maintaining a Customer Relationship Management (CRM) software tool for managing a statewide small employer sales pipeline and book of business.
- Implementing a retention program such as Employer Welcome Calls and other “High Touch” programs to be defined at a future date.
- Developing dedicated service channels for Agents and General Agents based on criteria defined by the Exchange.
- Ensuring that SHOP products are current and integrated into third-party quoting engines.
- Supporting online web-based and paper-based enrollment.
- Lead generation and management

Outlined below in Table 4.4 is a delineation of Sales and Marketing Business Functions that will be retained by the Exchange versus managed by the Vendor.

Table 4.4 Ownership of Sales and Marketing Business Functions

Business Function	Activity	Accountability	
		Exchange (SHOP)	Vendor
Marketing Functions (Retained by the Exchange)	Exchange Marketing Strategy	✓	
	Global Marketing Oversight	✓	
	Brand Standards and Guidelines	✓	
	Exchange Awareness	✓	
	Communication Oversight	✓	
	Content Management	✓	
	Collateral Look-and Feel	✓	
	Enrollment Form Standards	✓	
Sales Support	Agent Marketing Strategy		✓
	Agent Marketing Oversight		✓
	Agent Campaign Planning		✓
	Agent Campaign Management		✓
	Agent campaign Communication and Training		✓
	Agent Communication Oversight		✓
	Customer Relationship Management (CRM) Software		✓
	Agent Content Management		✓
	New Agent and Employer Welcome Kits		✓
	Lead Generation		✓
	Lead Qualification		✓
	Lead Distribution		✓
	Employer Self-service Enrollment		✓

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Business Function	Activity	Accountability	
		Exchange (SHOP)	Vendor
	Support		
	Campaign Execution		✓
	Campaign Reporting		✓
	Channel Sales Reporting		✓
	Retention Programs – Agents		✓
	Retention Programs- - Employers		✓
Agent Management	Agent Application		✓
	Agent Selection		✓
	Agent Training		✓
	Agent Licensing Management		✓
	Agent Communications		✓
	Agent Data Management		✓
	Agent Reporting		✓
	Agent Rewards & Recognition		✓
General Agent Management	Agent Solicitation		✓
	General Agent Application		✓
	General Agent Selection		✓
	General Agent Training		✓
	General Agent Licensing Management		✓
	General Agent Communications		✓
	General Agent Data Management		✓
Fulfillment (addressed in Customer Service Requirements)	General Agent Reporting		✓
	Enrollment Material Distribution		✓
	Marketing and Sales Support Materials Distribution		✓
	Small Employer Materials		✓
	Agent Materials		✓
	General Agent Materials		✓
	Electronic Fulfillment Materials		✓
	Direct Mail Materials		✓
	Maintain Electronic and Paper Fulfillment Library		✓
QHP, Ancillary product, and Benefit Admin Fulfillment Materials		✓	

In Attachments 15 and 16 of this Solicitation, the Vendor is expected to identify and describe:

- The dollar amount of SHOP Marketing Funds requested by the Vendor to meet the Agent Participation and Membership Goals defined in Sections 4.2.2 and 4.2.3. Where the Vendor's experience or expectations of the required investment to meet adoption and sales is either significantly greater, or less than the Exchange's estimated Budget please comment.
- A Sales and Marketing Plan that details how the Vendor will deploy the Marketing Fund dollars on the Sales Support Activities.

4.3 REQUIREMENTS OVERVIEW

Sections 4.4 - 4.10 define the Requirements for Vendor responding to this Solicitation. Note that each Requirement has both an Option A and Option B response.

The Vendor should provide a narrative of how they will deliver the required functionality as an integral part of their response.

For Mandatory Option A responses, the Vendor should assume that the CalHEERS Exchange Platform will provide online and integrated capabilities which the Vendor will use.

For Optional Option B responses, the Vendor would deliver the entire functionality with their own web-based technology systems. The Vendor is expected to have mature systems that are demonstrably in active use to fulfill Option B requirements: the Vendor should be able to meet stated Option B requirements without a substantial Development and Implementation effort or period to customize or expand the base functionality of the proposed platform.

Vendor should confirm their ability to deliver the required Requirement, including whether this is a Vendor or Subcontractor capability, whether it is currently being offered to customers in the California Market or other states, and if not, whether the capability will be available by July 1, 2013. Optional (Option B) responses must address all required Technical Requirements.

4.4 SALES, AGENT, AND GENERAL AGENT SUPPORT

4.4.1 SALES SUPPORT

The Vendor is accountable for delivering the Agent Participation and Membership Goals as defined in this Solicitation. The Vendor will lead Sales and Sales Support for the SHOP through lead generation, lead qualification and distribution, campaign and channel reporting, and development of small employer and Member focused retention programs for the SHOP.

4.4.2 AGENT MANAGEMENT

The Vendor will manage the full lifecycle of Agent engagement, which will includes recruiting Agents, training and certifying Agents on SHOP products, services and values, supporting and tracking Agent sales pipeline and enrollment growth opportunities (including product training and the development / distribution of Agent Field Manuals). The Vendor will also support and track Agent-driven renewal activity. Vendor will manage all reporting required to manage the network of Agents, to development and implementation of Agent reward and recognition programs. This also includes providing Agents with tools and reports to manage their books of business (Quotes, Renewals, Enrollment Activities etc.)

Finally, the Vendor will develop a comprehensive set of managerial reports to track sufficient statewide Agent representation, participation, and sales forecast attainment.

4.4.3 GENERAL AGENT MANAGEMENT

The Vendor will support General Agents in their market efforts in a similar way that the Vendor supports Agents including “training the trainer” to enable the General Agent to train and certify their staff and support Agents with product training and support. Additionally, the Vendor will ensure that SHOP products and rates are available in General Agent and third-party quoting engines. Finally, the Vendor will develop, with Exchange input, a comprehensive set of managerial reports to track General Agent participation, and sales forecast attainment.

4.4.4 SALES, AGENT, AND GENERAL AGENT REQUIREMENTS

The following table describes the Sales, Agent, and General Agent requirements for the SHOP:

Table 4.5: Sales, Agent, and General Agent Requirements

Marketing, Sales and Agent / General Agent Support			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Sales	SA-1	Vendor shall report to the Exchange on the results and effectiveness of all Campaigns in accordance with the campaign plan.	✓	
Sales	SA-2	Vendor shall report to the Exchange on the results and effectiveness of all Campaigns in accordance with the campaign plan. REMOVED - Duplicate	✓	
Sales	SA-3	Vendor shall report on sales performance for direct, Agent, and General Agent channels as mutually developed with the Exchange.	✓	
Sales	SA-4	Vendor shall provide develop, manage, and report results on lead distribution.	✓	
Sales	SA-5	Vendor shall develop strategies to cultivate & develop Small Business sales opportunities that drive membership growth.	✓	
Sales	SA-6	Vendor shall qualify sales opportunities (i.e. eligible Small Business Prospects).		✓
Sales	SA-7	The Vendor shall maintain an online Agent Portal that allows an Agent to see the status of their group and individual applications, commission payment history, renewal dates and other criteria to be defined by the Exchange.	✓	✓
Sales	SA-8	The Vendor shall drive Agent adoption of the Agent Portal.	✓	
Sales	SA-9	The Vendor shall develop, track, and report on an Agent's sales pipeline.	✓	
Sales	SA-10	The Vendor shall maintain a Lead Management System for managing a SHOP book of business for prospects.		✓

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Marketing, Sales and Agent / General Agent Support			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Sales	SA-11	The Vendor will allow Agents to integrate their own appropriate content and communications into the system.	✓	✓
Sales	SA-12	The Vendor shall provide support for Agent education and training; both online and in-person.	✓	
Sales	SA-13	The Vendor shall offer to employers the following services: - IRS Section 125 "premium-only" plans, - Flexible Spending Accounts, - Health Reimbursement Accounts, and - COBRA Administration	✓	
Sales	SA-14	The Vendor shall recruit, train and maintain a licensed and Exchange Certified field sales force with sufficient capacity to support projected Agent participation rates throughout the California market.	✓	
Sales	SA-15	The Vendor shall provide proposal support (online and printed) to Agents.	✓	
Sales	SA-16	The Vendor shall provide field sales support (in person and telephonically) to Agents including sales presentations and open enrollments.	✓	
Sales	SA-17	The Vendor shall assist with the completion of employer and employee applications in the manner and place they require assistance (e.g. in person, web-chat, telephonically).	✓	
Sales	SA-18	The Vendor shall convert paper-based applications into electronic applications (e.g. data enter and set up employer / employee applications on the system).	✓	
Sales	SA-19	The Vendor shall deliver welcome packets (including self-service administrative instructions for employers e.g. enrollment add/deletes, billing etc.) to Agents or employers.	✓	
Sales	SA-20	The Vendor shall develop and manage a proactive retention strategy for Agents that meet business plan forecasts	✓	
Sales	SA-21	The Vendor shall develop and execute a proactive retention strategy for employers with no Agent that meets SHOP business plan retention rates.	✓	✓
Sales	SA-22	The Vendor shall support new small employer self-service sales inquiries without the assistance of a licensed Agent.	✓	✓
Sales	SA-23	The Vendor will support employer self-service registration and verification with the SHOP without the assistance of a licensed Agent	✓	✓
Sales	SA-24	The Vendor shall support employer self-service selection, without the assistance of a licensed Agent, of health and ancillary plans based on Exchange determined rules.	✓	

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Marketing, Sales and Agent / General Agent Support			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Sales	SA-25	The Vendor will support employer selection of an Agent upon request based on Exchange defined rules.	✓	
Sales	SA-26	The Vendor shall review Business Plan performance with the Exchange as mutually agreed per contract, and develop and execute remediation plans as required.	✓	
Sales	SA-27	Vendor shall develop tactics to cultivate and develop Small Business sales opportunities that drive membership growth.	✓	
Sales	SA-28	REMOVED - Duplicate The Vendor shall report to the Exchange on the results and effectiveness of all Campaigns in accordance with the campaign plan.	✓	✓
Sales	SA-29	During the start-up phase (pre-July 2013), and at a minimum annually thereafter, the Vendor shall develop a SHOP business plan that meets and manages the levels of activity required to achieve a) planned Agent and General Agent participation rates, and b) employer and employee membership growth	✓	✓
Agent Management	SA-30	The Vendor shall develop direct (1:1) Agent relationships, providing ongoing product training and SHOP support.	✓	✓
Agent Management	SA-31	The Vendor shall maintain a training program for Agents. The training program will address Exchange products, services, and utilization of Exchange tools.	✓	✓
Agent Management	SA-32	The Vendor System shall provide the functionality to provide an Agent with estimated earned commission based on applications completed or pending.		✓
Agent Management	SA-33	The Vendor System shall provide the functionality for an Agent portal login to view Small Employer active accounts.		✓
Agent Management	SA-34	The Vendor System shall provide the functionality to track and report on the progress of employer applications / proposals and enrollment completion.		✓
Agent Management	SA-35	The Vendor System shall provide the functionality to notify an Agent of pending enrollment deadlines.		✓
Agent Management	SA-36	The Vendor System shall provide account management and case management functions for the management of the employer's application information and processing.		✓
Agent Management	SA-37	The Vendor System shall provide detailed and summarized reports that include applications (that can be filtered by status) and/or estimated or earned commissions that can be filtered and sorted by Agent and by timeframe (e.g., last week, last month, this week, this month, custom dates).		✓

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Marketing, Sales and Agent / General Agent Support			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Agent Management	SA-38	The Vendor System shall provide the functionality to receive and display additional insurance for vision and dental for employer consideration and proposal.		✓
Agent Management	SA-39	The Vendor System shall provide the functionality to calculate and display Section 125 tax savings based on configurable rates for both employer and employee premiums.		✓
Agent Management	SA-40	The Vendor System shall provide the functionality for an Agent to securely log into the Web Portal to access and view their assigned employer information and received notices.		✓
Agent Management	SA-41	The Vendor System shall provide the functionality for authorized users to add approved Agent accounts.		✓
Agent Management	SA-42	The Vendor System shall provide the functionality for Agents to update their account information (contact name, mailing address, phone #, etc).		✓
Agent Management	SA-43	The Vendor System shall provide the functionality notify employers of Agents or Agents change to inactive status.		✓
Agent Management	SA-44	The Vendor System shall provide the functionality for an Agent to be added to multiple Agent accounts.	✓	✓
Agent Management	SA-45	The Vendor System shall provide the functionality for Agents to add and update account information, including employee size range/accepted, languages spoken, business hours, mobile designation, etc.	✓	✓
Agent Management	SA-46	The Vendor System shall provide the functionality to notify an Agent of a new employer account.	✓	
Agent Management	SA-47	The Vendor System shall provide the functionality to configure a fee for an Agent for a configured timeframe.	✓	
Agent Management	SA-48	The Vendor shall Generate Data and reports to Support management of Agents and General Agents	✓	
Agent Management	SA-49	The Vendor shall track and report on Agent performance, Agent geographic coverage, and other relevant data points required to effectively manage the SHOP presence and performance in the market.	✓	
Agent Management	SA-50	The Vendor shall provide and manage and track Agents that complete a SHOP Exchange Agent certification program sufficient to achieve Agent enrollment targets	✓	
Agent Management	SA-51	The Vendor shall ensure that certified Agents on the SHOP Exchange meet all state and federal licensing and insurance requirements	✓	
Agent Management	SA-52	The Vendor shall develop and implement an Agent Recruitment and retention strategy	✓	

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Marketing, Sales and Agent / General Agent Support			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Agent Management	SA-53	The Vendor shall implement Agent support tactics	✓	
Agent Management	SA-54	The Exchange shall oversee Vendor execution of Agent Marketing strategies	✓	
Agent Management	SA-55	The Vendor shall maintain visibility in the California small employer Insurance Marketplace by attending selective insurance industry trade shows and other events where Small Business / HR insurance buyers are present.	✓	
Agent Management	SA-56	The Vendor shall plan Agent Campaigns e.g. roadshows, contests, promotions etc.	✓	
Agent Management	SA-57	The Vendor shall develop and implement an Agent rewards and recognition program to promote Agent loyalty	✓	
Agent Management	SA-58	The Vendor shall follow Exchange guidelines to develop, employee/ employer collateral material: enrollment kits, paper application forms, change forms etc.		✓
Agent Management	SA-59	The Vendor shall develop New Agent welcome kits that include Agent agreements, terms, commissions schedules, brand rules, Exchange conduct requirements, etc.		✓
Agent Management	SA-60	The Vendor shall provide fulfillment services (printing / mailing) of New Agent welcome kits and product and campaign collateral sufficient to meet Agent demand in a timely manner		✓
Agent Marketing	SA-61	The Vendor shall develop and execute an Agent focused communication and engagement plan designed to: - create Agent awareness of the SHOP - drive Agent certification and active participation in the SHOP to planned levels, driving membership enrollment - maintain and grow Agent participation in the SHOP		✓
Agent Management	SA-62	The Vendor Solution shall provide the functionality to allow an Employer to select an Agent based on filtered criteria including proximity, mobility, employer size accepted and language.		✓
Agent Management	SA-63	The Vendor Solution shall provide the functionality for an Agent to enter employer applications and employee roster on behalf of the employer.		✓
Agent Management	SA-64	The Vendor Solution shall provide the functionality for an Agent to select plans based on Exchange defined parameters and limitations for employer as part of the Agent proposal to the employer.		✓
Agent Management	SA-65	The Vendor Solution shall provide the functionality for an Agent to enter plan selection for employees as part of the Agent services to the employer.		✓

Marketing, Sales and Agent / General Agent Support			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Agent Management	SA-66	The Vendor Solution shall provide the functionality to print a cost summary of employee plan selections as part of the Agent proposal to the employer.	✓	
Agent Management	SA-67	The Vendor Solution shall provide the functionality to export employee roster and selected QHP summary of benefits and premiums to a csv file. The Vendor Solution shall provide the functionality to export employee roster and selected QHP summary of benefits and premiums to a csv file.	✓	✓
Agent Management	SA-68	The Vendor Solution shall provide a dashboard report for Agents to review pending employer applications by date received, status, or alphabetical listing.	✓	
Agent Management	SA-69	The Vendor Solution shall provide the functionality to provide an Agent dashboard that summarizes the total cases by status (pending, complete, requires data, needs signature, renewal due, enrollment incomplete, tbd).	✓	✓
General Agent Management	SA-70	The Vendor shall maintain a training program for General Agents. Training programs will cover Exchange products, services, and utilization of Exchange tools	✓	
General Agent Management	SA-71	The Vendor shall provide and manage a General Agent training and SHOP Exchange Agent certification program sufficient for General Agents to train and guide Agents through Agent certification.	✓	
General Agent Management	SA-72	The Vendor shall track and report on General Agent performance, geographic coverage, and other relevant and similar performance metrics	✓	
General Agent Management	SA-73	The Vendor will be able to receive applications from General Agents (Vendor should describe current practices).	✓	
General Agent Management	SA-74	The Vendor shall provide a dedicated account executive to manage authorized General Agent relationships as defined by a General Agent/Exchange contract.	✓	
General Agent Management	SA-75	The Vendor shall develop, track, and report on a sales pipeline, managing against a sales forecast by General Agent	✓	

4.5 ELIGIBILITY AND ENROLLMENT

Eligibility and Enrollment in the SHOP occurs uniquely for employers. Employers (or Agents on their behalf) must register in the Exchange, select QHPs and contributions for their employees, load their employee rosters, and subsequently employees select from offered QHPs and Ancillary Plans (Dental, Vision) for themselves and their dependents.

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The Exchange estimates that up to 25% of all new SHOP membership (Employers and Members) may enroll through Self-Service Channels, with the remainder coming through General Agents and Agents.

If the employee chooses not to enroll eligible dependents under the employer-sponsored plan, the SHOP may provide access to alternate coverage under the individual Exchange. The SHOP may integrate enrollment to the Individual Exchange where waived dependents may also seek individual eligibility for subsidized and non-subsidized coverage including State and Federal programs such as Medi-Cal, Healthy Families and Medicare.

A central component of the Affordable Care Act is its expectation of immediate enrollment and maintenance of enrollment in whatever program individuals may be eligible. This is to be primarily achieved through a verification process in which an applicant or enrollee can declare, affirm, or document the eligibility requirements have been met so that enrollment in coverage occurs at the time of application or renewal.

A general overview of the Eligibility and Enrollment requirements that the Vendor shall support is outlined in Sections 4.5.1 – 4.5.8.

4.5.1 APPLICATION

- Support the application submission process for small business employers and employees, and their designated Agents
- Create an employer account for employers new to the SHOP Exchange and an account for each employee listed on employee roster.
- Create employer and employee communication preferences (email, mail and telephone).
- Support verified Agents to complete employer applications on behalf of the employer.
- Support verified Agents to complete employee applications on behalf of the employee.
- Notify the employer (or Agent or General Agent as appropriate) to correct errors or prompt the employer to complete the application (online if employer is online or via mail if application is received by mail).
- Support processing of both paper and electronic applications
- Provide online quoting tool

4.5.2 VERIFICATION

- Verify employer information (e.g., employer and tax identification numbers and employer size) with State and federal interface partners.
- Notify an employer (or Agent or General Agent as appropriate) in writing if there are reasons to doubt information submitted on the application.
- Process application exceptions.
- Provide notification to employers (or Agent or General Agent as appropriate) to supply additional, as-needed verifications.
- Determine if an employee is enrolling during an appropriate enrollment period.

4.5.3 ELIGIBILITY

- Utilize business rules to determine employer eligibility for the SHOP.

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- Verify that an employee is enrolling during an appropriate enrollment period or qualifying event.

4.5.4 APPEALS

- Process an employer appeal request and capture and track the disposition of appeals (including status, assignments, and relevant case notes).
- Process an employee appeal request and capture and track the disposition of appeals (including status, assignments, and relevant case notes).
- Notify the employer (in their preferred method of mail or electronic notification) and CMS in writing of the appeal decision.
- Record the detailed results and supporting documentation that result from or support an appeals decision.
- Send appeal cases to the agency hearing the appeal in a format compatible with that agency's tracking system.

4.5.5 ENROLLMENT

- Display a detailed quality and cost comparison of all available QHPs based on information (e.g., gender, age, and smoking) about employees and employee dependents listed in the employee roster.
- Make available a business tax calculator to small business employers and a calculator for individual applicants to compare costs across plan options.
- Display to the employer the employer enrollment information (i.e., employee health plan election, premium amounts, and employer contribution percentage).
- ~~Notify an employer in writing that an employee has been determined eligible for advance payments of the premium tax credit or cost-sharing reductions.~~
- Generate on-screen notifications to employers who select a Small Business Tax Credit of the possibility of tax penalties/liabilities at time of tax filing should their business size or income change.

4.5.6 RENEWALS

- Notify the employer and Agent of upcoming annual renewal time period.
- Determine the employer eligibility to renew participation in the SHOP.
- Determine whether the QHP in which an enrollee is enrolled will be available for the upcoming year. If the QHP will not be available, the enrollee shall be directed to select a new QHP. If the QHP will be available in the coming year, the enrollee shall be provided with the opportunity to either stay in his or her QHP or select a new QHP.
- Notify the QHP(s) of the employer's renewal plan selection(s).
- Automatically enroll an employee in the currently enrolled health plan if it is still available for the employee and he or she has not selected a plan within the timeframe allowed.
- Notify employees of employer renewed QHPs via preferred contact method (email or mail) and ability to update their account with changes (e.g., family or employment status)
- Notify the Issuer of any employee account changes and process any QHP enrollment changes.
- Support Agent action on behalf of the employer or employee in all of the above.

4.5.7 DISENROLLMENT

- Enable employers to request to terminate SHOP or QHP participation at any time.
- Notify CMS and the employer in writing of:
 - Employer-directed termination and provide employer with their options
 - Decision for terminate employer due to non-payment of premiums or negligence.
- Enable employers to request to terminate employees from participation.
- Process disenrollment of an employee from a QHP from a request received from the Issuer, employee, or employer.

4.5.8 CASE MANAGEMENT

- Enable authorized users to manage the employer’s application information and processing and update accounts/cases with updated information.
- Enable the assignment of staff to case work based on flexible criteria (e.g., type, caseload, task, queue, etc.), monitoring of caseload size per assigned Staff, and the creation of caseload reports and statistics.
- ~~Enable the online retention of health coverage history by type of health coverage (e.g., subsidized, non-subsidized) and enrollment effective dates for a period of 36 months.~~
- ~~Optional Response Only~~
- Uniquely record and track employers and provide the ability to associate employers with one or more cases in a manner that facilitates case management yet allows for both duplicated and unduplicated caseload counts.

4.5.9 MAINTENANCE

- Add new members or dependents outside of open enrollment as a result of a life events (marriage, birth, etc)
- Change status outside of open enrollment (e.g. aging off a parent’s plan, no longer eligible)
- Delete a member or dependent no long eligible or enrolled in the plan
- Update and manage QHPs, including quality ratings
- Set-up and modify new QHPs, ancillary, or benefit administration Issuers and products

4.5.10 ELIGIBILITY AND ENROLLMENT REQUIREMENTS

The following table details the Eligibility and Enrollment requirements for the SHOP.

Table 4.6 Eligibility and Enrollment Requirements

Eligibility and Enrollment			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		

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Eligibility and Enrollment			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Consumer Assistance	EE-1	The Vendor shall provide a user-friendly, web-based, self-service customer service experience and provide online assistance to all customer user types via a range of web browsers and various mobile applications.		✓
Appeals	EE-2	The Vendor shall process an employee appeal request and capture and track the disposition of appeals (including status, assignments, and relevant case notes).	✓	✓
Appeals	EE-3	The Vendor shall notify the employer or authorized Agent (in their preferred method of mail or electronic notification) and CMS in writing of the appeal decision.	✓	✓
Appeals	EE-4	The Vendor shall record the detailed results and Supporting Documentation that result from or Support an appeals decision.	✓	✓
Appeals	EE-5	The Vendor shall send appeal cases via interface to the CDSS State Hearing Division case tracking System.		✓
Application	EE-6	The Vendor shall support the employee choice requirement. - Indicate the different ways Vendor can present rates and options to employers and employees while ensuring that plans are reimbursed based on their actual enrolment.		✓
Application	EE-7	The Vendor shall manage defined-contribution plans in the SHOP Exchange. - Describe Vendor's current and/or planned approach to managing this, including operational and technical considerations.	✓	✓
Application	EE-8	The Vendor shall accept and process employer and employee applications electronically as well as manually. - Describe current business practices for processing each.	✓	✓
Application	EE-9	The Vendor shall allow consumers to select a plan based on whether specific providers are in the plan and whether they are still taking new patients	✓	✓
Application	EE-10	The Vendor shall allow employees to determine if the coverage offered by their employers is considered "affordable" based on their situation and direct that employee to other options including purchasing on the Individual exchange	✓	✓
Application	EE-11	The Vendor shall allow employees to apply for coverage through their channel of choice (e.g. web, mail, phone, fax etc.)Option B - Using a web based interface	✓	✓

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Eligibility and Enrollment			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Application	EE-12	The Vendor shall create an employer account for employers new to the SHOP Exchange and an account for each employee listed on employee roster. Option B - Using a web based interface	✓	✓
Application	EE-13	Using a web based interface, the Vendor shall create employer and employee communication preferences (email, mail and telephone)	✓	✓
Application	EE-14	The Vendor shall allow verified Agents and General Agents to complete employer applications on behalf of the employer. Option B - Using a web based interface	✓	✓
Application	EE-15	The Vendor shall notify the employer or authorized Agent to correct errors or complete the application (online if employer is online or via mail if application is received by mail). Option B - Using a web based interface	✓	✓
Case Management	EE-16	The Vendor shall Enable authorized Users to manage the employer's application information and process and update accounts/cases with updated information. Option B - Using a web based interface	✓	✓
Case Management	EE-17	The Vendor shall enable the assignment of Staff to case work based on flexible criteria (e.g., type, caseload, task, queue, etc.), monitoring of caseload size per assigned Staff, and the creation of caseload reports and statistics. Option B - Using a web based interface	✓	✓
Case Management	EE-18	The Vendor shall enable the online retention of health coverage history by type of health coverage (e.g., subsidized, non-subsidized) and enrollment effective dates for a period of 36 months or greater as required by state or federal law.		✓
Case Management	EE-19	The Vendor shall uniquely record and track employers and provide the ability to associate employers with one or more cases in a manner that facilitates case management yet allows for both duplicated and unduplicated caseload counts. Option B - Using a web based interface	✓	✓

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Eligibility and Enrollment			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Consumer Assistance	EE-20	<p>The Vendor shall provide real-time guidance, navigation, and help and include a limited set of live customer service features. Core functionality includes customer correspondence and IVR in being provided in English and Spanish. <u>Translation services must be provided upon request, in the Medi-Cal Managed Care Threshold Languages. Functionality includes providing these elements in the threshold languages identified in the Core business</u> Functionality includes customer correspondence and IVR in being provided, at a minimum, in the Medi-Cal Managed Care Threshold:</p> <p>— Spoken Languages — English, Arabic, Armenian, Farsi, Cambodian, Cantonese, Mandarin, Hmong, Korean, Russian, Spanish, Tagalog, and Vietnamese.</p> <p>— Written languages — English, Arabic, Armenian, Farsi, Cambodian, Traditional Chinese character, Hmong, Korean, Russian, Spanish, Tagalog, and Vietnamese.</p>	✓	✓
Consumer Assistance	EE-21	<p>The Vendor shall provide on-line help to customers including the content, format, and presentation of the following Online Help features:</p> <ul style="list-style-type: none"> · Demonstration videos to assist consumers in the Web Portal application, eligibility determination, and enrollment processes Help screens. · Demonstration videos used in the Web Portal to assist consumers. · Help screens and question icons to assist consumers with navigation and questions. · An on-screen indicator to show the consumer the progress in the application process as the application is being completed by the consumer. · Information to identify other entity websites that deliver other benefits (e.g., C4Yourself, Benefits CalWIN, and YourBenefitsNow). · Online e-chat Function to assist consumers through application process or answer questions. 	✓	

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Eligibility and Enrollment			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Consumer Assistance	EE-22	The Vendor shall provide Plan and Benefit assistance to customers including: <ul style="list-style-type: none"> · Field-level help for employer and employee application Data entry. · Navigation indicators throughout shop and compare process. · Links to a list of local Assistors that includes interactive maps, addresses, and phone numbers. · Timely responses to written and electronic in-coming correspondence. · Generation of outgoing correspondence such as forms, inserts, and other documents (e.g., Open Enrollment Packet) based on specified business rules. 	✓	
Disenrollment	EE-23	The Vendor shall enable employers or authorized Agent to request to terminate SHOP or QHP participation at any time. The Exchange will establish reasonable guidelines for the termination of SHOP or QHP participation during Contract negotiations.	✓	
Disenrollment	EE-24	The Vendor shall Notify CMS and the employer in writing of: <ul style="list-style-type: none"> · Employer-directed termination and provide employer with their options · Decision for terminate employer due to non-payment of premiums or negligence. 	✓	
Disenrollment	EE-25	The Vendor shall enable employers to request to terminate employees from participation and synchronize these changes with back-end Exchange systems	✓	
Disenrollment	EE-26	The Vendor shall process disenrollment of an employee from a QHP from a request received from the Issuer, employee, or employer.	✓	
Eligibility	EE-27	The Vendor shall utilize Exchange defined business rules to determine employer eligibility for the SHOP.	✓	
Eligibility	EE-28	The Vendor shall verify that an employee is enrolling during an appropriate enrolment period or qualifying event.	✓	
Eligibility	EE-29	The Vendor shall confirm eligibility, in real-time, with state-managed programs, including Medi-Cal and Health Families.		✓
Eligibility	EE-30	The Vendor shall be able to identify aging applications (e.g. pending and requiring follow-up) and send messages to employers, employees, and assistors articulating and requesting follow-up action.	✓	✓

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Eligibility and Enrollment			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Eligibility	EE-31	The Vendor shall display QHP according to the SBC format created by the NAIC and mandated by federal regulations. This will include comparable fact labels for certain conditions and episodes such as diabetes or new maternity care. Vendor should describe how QHPs will be displayed.	✓	✓
Eligibility	EE-32	Until 2017, only employer groups meeting the federal definition of a small business may purchase on the Exchange. The Vendor shall maintain an employer verification process whereby the Exchange is able to determine and manage eligibility of allowing only small businesses to purchase coverage on the Exchange. This includes managing how part-time and seasonal employees are "counted" to determine small business eligibility	✓	✓
Eligibility	EE-33	The Vendor shall display plan quality ratings from a federally-approved quality rating source such as NCQA. Vendor should describe experience doing this today.		✓
Eligibility	EE-34	The Vendor shall have the capability to follow-up with Agents, general Agents, or employers to "track down" missing or incomplete information on an employer's master application Option B - Using a web based interface	✓	✓
Eligibility	EE-35	The Vendor shall be able to receive and process Quarterly Wage and Tax statements (e.g. Form DE6) electronically or on paper	✓	✓
Eligibility	EE-36	The Vendor shall integrate with HFP and SCHIP		✓
Eligibility	EE-37	The Vendor shall facilitate subsidy re-qualification at time of renewal, or as appropriate Requirement deleted	✓	
Employer Tools	EE-38	The Vendor shall enable the employer to create and update an employee roster through the online application process using multiple methods (e.g., manual entry or file upload) and track employee-specific information (e.g., full- or part-time employment).	✓	✓
Employer Tools	EE-39	The Vendor shall enable the employer maintain multiple enrollment periods. Option B - Using a web based interface	✓	✓
Employer Tools	EE-40	The Vendor shall enable an employee to update their account with changes in status (e.g., family or employment). Option B - Using a web based interface	✓	✓

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Eligibility and Enrollment			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Employer Tools	EE-41	The Vendor shall enable the employer to select an employer premium contribution level(s) for employees and/or their dependents (including detailing percentages of premiums or fixed dollar amounts, differential contributions for different employment start dates, and for dependents). Option B - Using a web based interface	✓	✓
Employer Tools	EE-42	The Vendor shall enable employers to utilize decision-tools and related online resources to assist employers in the selection of a QHP and coverage level most appropriate for their group population. Option B - Using a web based interface	✓	✓
Enrollment	EE-43	The Vendor shall display a detailed quality and cost comparison of all available QHPs based on information (e.g., gender, age, and smoking) about employees and employee dependents listed in the employee roster.		✓
Enrollment	EE-44	The Vendor shall make available a business tax calculator to small business employers and a calculator for individual applicants to compare costs across plan options.		✓
Enrollment	EE-45	The Vendor shall display to the employer the employer enrollment information (i.e., employee health plan election, premium amounts, and employer contribution percentage).		✓
Enrollment	EE-46	The Vendor shall notify an employer or authorized Agent in writing that an employee has been determined eligible for advance payments of the premium tax credit or cost-sharing reductions.	✓	✓
Enrollment	EE-47	The Vendor shall generate on-screen notifications to employers who select a Small Business Tax Credit of the possibility of tax penalties/liabilities at time of tax filing should their business size or income change.		✓
Enrollment	EE-48	The Vendor shall notify employers if they qualify for tax credit subsidies based on group size, average income, and other conditions. Vendor should describe its approach toward addressing this capability.		✓
Enrollment	EE-49	The Vendor shall accommodate a personalized enrollment experience for small business employees (consumers)	✓	
Enrollment	EE-50	The Vendor shall be able to process disenrollments at any time at request of employer. Option B - Using a web based interface	✓	✓

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Eligibility and Enrollment			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Enrollment	EE-51	Enrollment - The Vendor shall provide reports to employers and assisters on employee eligibility and enrollment status. Option B - Using a web based interface	✓	✓
Enrollment	EE-52	The Vendor shall be able to send approval or "welcome letters" to new employers	✓	✓
Enrollment	EE-53	The Vendor shall maintain an audit function of eligibility and enrollment activities	✓	✓
Enrollment	EE-54	The Vendor shall support the sales of standalone dental and vision products through the Exchange Option B - Using a web based interface	✓	✓
Enrollment	EE-55	The Vendor shall support employer selection of IRS Section 125 Premium only plans	✓	✓
Enrollment	EE-56	The Vendor shall maintain subsidized care calculators for eligible enrollees (e.g. dependents who waive employer-sponsored coverage).		✓
Enrollment	EE-57	The Vendor shall maintain a comprehensive outreach program that may include outreach to community organizations, advocacy groups and insurance Agent community.	✓	
Exception Processing	EE-58	The Vendor shall provide the ability to process Issuer discrepancies with enrollment reports.	✓	
Membership Maintenance	EE-59	The Vendor shall be able to provide reports on enrollments by assister type and individual assister. Option B - Using a web based interface	✓	✓
Membership Maintenance	EE-60	The Vendor shall process renewals as required by state and federal requirements. Option B - Using a web based interface	✓	✓
Membership Maintenance	EE-61	The Vendor shall administer Cal-COBRA and COBRA, as applicable.	✓	✓
Membership Maintenance	EE-62	The Vendor shall collect and display enrollee satisfaction results with QHPs for new consumers to review when making their purchase / enrolment decisions. Option B - Using a web based interface	✓	✓
Membership Maintenance	EE-63	The Vendor shall manage ongoing eligibility and enrollment (employee adds, deletes, life changes, etc.) Option B - Using a web based interface	✓	✓
Premium Processing	EE-64	The Vendor shall aggregate employee premiums and provide monthly invoicing of the employer. (Note Financial Management detailed requirements for this requirement)	✓	
Premium Processing	EE-65	The Vendor shall direct employer premium payment to appropriate designated Processing center/address.	✓	
Premium Processing	EE-66	The Vendor shall receive and process premium payments via paper check, online ACH transfer, and credit and debit cards.	✓	

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Eligibility and Enrollment			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Premium Processing	EE-67	The Vendor shall reconcile premium payments to Issuers and allow authorized Users to make manual adjustments.	✓	
Premium Processing	EE-68	The Vendor shall submit a payment request to the designated financial institution for net premiums due to the Issuers.	✓	
QHP Maintenance	EE-69	The Vendor shall set up QHP or qualified stand-alone ancillary (dental, vision) plan Issuer agreement information regarding the SHOP Issuer and the QHP(s) and upload the information into the System (either at the time of application or at agreement signing).		✓
QHP Maintenance	EE-70	The Vendor shall assign an initial SHOP QHP quality rating based on data from the Exchange.		✓
QHP Maintenance	EE-71	The Vendor shall update the SHOP QHP quality rating based on data from the Exchange.		✓
Renewals	EE-72	The Vendor shall notify the employer and authorized Agent in writing of their annual renewal time period.	✓	
Renewals	EE-73	The Vendor shall determine the employer eligibility to renew participation in the SHOP.	✓	
Renewals	EE-74	The Vendor shall determine whether the QHP in which an enrollee is enrolled will be available for the upcoming year. If the QHP will not be available, the enrollee shall be directed to select a new QHP. If the QHP will be available in the coming year, the enrollee shall be provided with the opportunity to either stay in his or her QHP or select a new QHP.	✓	✓
Renewals	EE-75	The Vendor shall electronically notify the QHP(s) of the employer's renewal plan selection(s).	✓	✓
Renewals	EE-76	The Vendor shall automatically enroll an employee in the currently enrolled health plan if it is still available for the employee and he or she has not selected a plan within the timeframe allowed.	✓	✓
Renewals	EE-77	The Vendor shall notify employees of employer renewed QHPs via preferred contact method (email or mail) and ability to update their account with changes (e.g., family or employment status)	✓	✓
Renewals	EE-78	The Vendor shall notify the Issuer of any employee account changes and process any QHP enrollment changes.	✓	

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Business Function	No.	Requirement		
Reporting	EE-79	The Vendor shall Generate Data and reports on federal audit and oversight requirements, federal exchange, Medicaid and CHIP quality control initiatives and performance standards, administrative costs of the Exchange and waste, fraud and abuse as required by the Affordable Care Act, enrollment trends, eligibility determination outcomes, and consumer experience related to average elapsed time for application completion, application withdrawals, page review timeframes, QHP evaluation, etc.	✓	✓
Reporting	EE-80	The Vendor shall Generate Data and reports to Support management of Assistors, Agents and General Agents	✓	✓
Reporting	EE-81	The Vendor shall Provide monthly reports on Exchange enrollees, including unique individual identifier, plan enrolled in, type of coverage purchased, rating criteria information, demographic Data, and effective dates for individual and small group market non-grandfathered plans.	✓	✓
Reporting	EE-82	The Vendor shall generate all reports required by federal, State, and local laws, rules, regulations, ordinances, guidelines, directives, policies, and procedures, including statistical, Operational, workload, and fiscal reports	✓	
Reporting	EE-83	The Vendor shall report to the IRS and enrollees each year certain information regarding the enrollee's coverage provided through the exchange.	✓	✓
Reporting	EE-84	The Vendor shall generate Data and reports needed for relevant Program Sponsors, Program Partners, and Control Agencies.	✓	✓
Reporting	EE-85	The Vendor shall generate Data and reports needed to comply with federal audit and oversight requirements and federal exchange, Medicaid, and CHIP Quality Control initiatives (e.g., PERM).	✓	✓
Reporting	EE-86	The Vendor shall generate Data and reports needed to apply for and demonstrate appropriate use of federal grant funding.	✓	✓

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Eligibility and Enrollment			Mandatory Response (A)	Optional Response (B)
Business Function	No.	Requirement		
Reporting	EE-87	The Vendor shall Generate reports for California policymakers as defined by the Exchange including, but not limited to: <ul style="list-style-type: none"> · Enrollment Trends · Eligibility Determination Outcomes · Premium Trends · Consumer Experience · Consumer Feedback · Assister Support · Service Center Processing (e.g., call volumes and metrics, print and mail metrics, application Processing, etc.) · Appeal Trends and Outcomes 	✓	
Reporting	EE-88	The Vendor shall generate reports on the participation rates of an employer's employees and share information with the Issuers and employers.	✓	
Reporting	EE-89	The Vendor shall generate reports (ad-hoc, monthly, quarterly and annually) summarizing the numbers of: <ul style="list-style-type: none"> · Employer applications received, the number of applications that resulted in enrollment, and the timeframe from application to enrollment. · Employers enrolled, their average premium contribution per employee, and enrollment by employers and employees by benefit level. · Employers receive tax credits by region, zip code and SIC code. 	✓	
Shopping	EE-90	The Vendor shall maintain an online quoting tool which meets the criteria specified in the ACA and as defined my state and federal statute.		✓
Verification	EE-91	The Vendor shall verify employer information (e.g., employer and tax identification numbers and employer size) with State and federal interface partners.		✓
Verification	EE-92	The Vendor shall notify an employer or authorized Agent in writing if there are reasons to doubt information submitted on the application.	✓	
Verification	EE-93	The Vendor shall process application exceptions.	✓	✓
Verification	EE-94	The Vendor shall provide on-screen notification to employers or authorized Agent to supply additional, as-needed verifications.		✓
Verification	EE-95	The Vendor shall determine if an employee is enrolling during an appropriate enrolment period.	✓	✓

4.6 FINANCIAL MANAGEMENT

The Vendor shall support the requirements for the SHOP to process financial transactions for Employers (Premium Billing and Reconciliation), Insurers (Employer and Aggregate Billing and Exchange Fees), and Agents (Commissions) while providing the ability to monitor, report on and take corrective action as required. Vendor shall manage and provide data required for reinsurance and risk adjustment reporting, general accounting, premium aggregation and processing and related support outlined below:

4.6.1 EXCHANGE ACCOUNTING

- Maintaining accounts receivable to track Issuer Plan Assessment Fees due to the Exchange.
- Accounts receivable Functionality to allow for automated reconciliation of Employer and Issuer receivable balances.
- Maintaining accounts payable of all commissions due to Agents and General Agents.

4.6.2 PREMIUM PROCESSING

- Invoice and track consolidated employer premiums.
- Receive, process, remit, and reconcile employer premium payments.
- Receive payment history from the Issuer and reconcile Issuer premium payment history.
- Reconcile premium payments to Issuers and allow authorized Users to make manual adjustments.

4.6.3 PREMIUM AGGREGATION

- Aggregate employee premiums and monthly invoicing of the employer.
- Direct employer premium payment to appropriate designated Processing center/address.
- Receive and process premium payments via paper check, online ACH transfer, and credit and debit cards.
- Reconcile premium payments to Issuers and allow authorized users to make manual adjustments.
- Submit a payment request to the designated financial institution for net premiums due to the Issuers.

4.6.4 RISK SHARING

- Extract, print, and electronically send enrollee and plan data (including premium information) to appropriate State entities and CMS for reinsurance and risk adjustment calculations.

4.6.5 PLAN ASSESSMENT FEES

- Configure Plan Assessment fees by Issuer and /or QHP for defined time periods.
- Invoice for and receive Plan Assessment fees from Issuers.
- Electronically deduct Plan Assessment fees due to the Exchange from premium payments due to the Issuer.

4.6.6 AGENT FINANCIAL TRANSACTIONS

- Track applications and enrollments for which an Agent is assigned.
- Configure and calculate a commission structure for an Agent for a configured timeframe for enrollment and renewals based on State policy.
- Issue, track, and reconcile Agent and General commissions.

4.6.7 FINANCIAL MANAGEMENT REPORTING OVERVIEW

Additional Vendor Financial Management requirements include supporting the requirements for the SHOP to process, store, retain, report and generate notifications regarding financial transactions for

- Employer invoicing;
- Agent, and General Agent payments and settlements; and
- Payments and fees for Exchange Health Plan Issuers

In addition to financial transaction requirements, the Vendor shall provide the necessary reporting capabilities required by Affordable Care Act, the Exchange, and the State of California to support the SHOP. While guidance from the federal government and California policymakers is still forthcoming, it is anticipated reporting will be needed to meet audit requirements, support operational efficiencies, provide Decision Support, gather and present user feedback, and respond to ad hoc queries. SHOP Reporting Functionality requirements include the ability to use case, account, Issuer, Agent, plan, and other information to generate specific reports and notices, including:

4.6.8 FINANCIAL MANAGEMENT REPORTS

- Generate data and reports on federal audit and oversight requirements, Federal and State Exchange, Medicaid and CHIP quality control initiatives and performance standards, administrative costs of the SHOP and waste, fraud and abuse as required by the Affordable Care Act including the analysis and identification of potential fraud and abuse risks to support program integrity efforts, enrollment trends, eligibility determination outcomes, and consumer experience related to average elapsed time for application completion, application withdrawals, page review timeframes, QHP evaluation, etc. Generate data and reports to support management of Agents.
- Provide monthly reports on SHOP enrollees, including employer and individual identifiers, plans enrolled in, type of coverage purchased, rating criteria information, demographic data, and effective dates for small business market non-grandfathered plans.
- Generate all reports required by federal, State, and local laws, rules, regulations, ordinances, guidelines, directives, policies, and procedures, including statistical, operational, workload, and fiscal reports
- Report to the Internal Revenue Service (IRS) and employers each year certain information regarding the employers' participation in the Exchange.
- Generate data and reports needed for relevant Program Sponsors, Program Partners, and Control Agencies.
- Generate data and reports needed to comply with federal audit and oversight requirements and federal Exchange programs.
- Generate data and reports needed to apply for and demonstrate appropriate use of federal grant funding.

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- The Vendor shall generate reports useful for The Exchange and California policymakers including, but not limited to:
 - Enrollment Trends
 - Eligibility Determination Outcomes
 - Premium Trends
 - Consumer Experience
 - Consumer Feedback
 - Agent Support
 - Service Center Processing (e.g., call volumes and metrics, print and mail metrics, application Processing, etc.)
 - Appeal Trends and Outcomes
 - Fiscal Reports
- Generate reports on the participation rates of an employer's employees and share information with the Issuers and employers.
- Generate reports (ad-hoc, monthly, quarterly and annually) summarizing the numbers of:
 - Employer applications received, the number of applications that resulted in enrollment, and the timeframe from application to enrollment.
 - Employer enrolled, their average premium contribution per employee, and enrollment by employers and employees by benefit level.
 - Employers receive tax credits by region, zip code and Standard Industrial Classification (SIC) code.
- Generate reports on complaints received, forwarded, resolved, and pending resolution.

4.6.9 FINANCIAL MANAGEMENT NOTICES

- Notify employer of eligibility regarding approval/ denial/change/discontinuance.
- Notify employer of payment discrepancies.
- Send an electronic, real-time transmission of information necessary for the qualified health plan Issuer to provide a welcome package and identification card to the individual.
- Retain notice history and viewing capability of all sent notices, including the ability to:
 - Designate notices to be kept indefinitely as a permanent part of the case record (e.g., notices related to claims).
 - Retrieve notices in their final completed format so the exact version sent to the recipient can be viewed and reproduced.

4.6.10 FINANCIAL MANAGEMENT REQUIREMENTS

The following table describes the Financial Management requirements for the SHOP.

Table 4.7: Financial Management Requirements

Financial Management			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
Exchange Accounting	FM-1	The Vendor shall provide accounts receivables required to track Issuer Plan Assessment Fees due the Exchange.	✓	✓
Exchange Accounting	FM-2	The Vendor shall provide accounts receivable functionality required to allow for automated and manual reconciliation of Employer and Issuer receivable balances.	✓	✓
Exchange Accounting	FM-3	The Vendor shall maintain accounts payable of all fees due to Agents and General Agents.	✓	✓
Exchange Accounting	FM-4	The Vendor shall provide an audit trail of all adjustments and write-offs made.	✓	✓
Exchange Accounting	FM-5	The Vendor shall track all premium and Issuer Plan Assessment Fee invoices, receipts, adjustments and write-offs for a minimum of 10 years..	✓	✓
Exchange Accounting	FM-6	The Vendor shall track all premium refunds and Agent and General Agent commission invoices, payments, adjustments and write-offs for a minimum of 10 years..	✓	✓
Premium Processing	FM-7	The Vendor shall determine the monthly Employer premium contribution. The Employer enrollment information includes employee health plan election, premium amounts, and the Employer contribution percentage or amount.	✓	✓
Premium Processing	FM-8	The Vendor shall issue the monthly premium invoice to the Employer of aggregated employee amounts. The invoice includes the monthly balance due and any outstanding premium payments or past due amounts due, and any adjustments. The invoice also provides payment options available with the designated financial institution.	✓	✓
Premium Processing	FM-9	The Vendor shall possess the capability to electronically receive and record premium payment details (warrant number, date) from the designated financial institution.		✓
Premium Processing	FM-10	The Vendor shall automatically and or manually reconcile and adjust the employer premium amounts.	✓	✓
Premium Processing	FM-11	The Vendor shall automatically and/or manually reconcile employer premium payments with CalHEERS or other designated system of record enrollment data.	✓	✓
Premium Processing	FM-12	The Vendor shall have authorized users to automatically or manually resolve employer invoice discrepancies.	✓	✓
Premium Processing	FM-13	The Vendor shall notify the employer of a premium payment discrepancy.	✓	

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Financial Management			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
Premium Processing	FM-14	The Vendor shall possess the capability to submit a payment request to the designated financial institution of net premiums due to the SHOP QHP Issuers.	✓	
Premium Processing	FM-15	The Vendor shall possess the capability to receive payment history from the Issuer, and to reconcile Issuer premium payment history.	✓	
Premium Processing	FM-16	The Vendor shall ensure authorized users automatically or manually resolve issuer invoice discrepancies.	✓	✓
Premium Processing	FM-17	The Vendor shall automatically and manually reconcile the issuer premium amounts due with premium amounts paid, inclusive of any past due amounts.	✓	✓
Premium Processing	FM-18	The Vendor shall process issuer discrepancies with enrollment reports.	✓	
Premium Processing	FM-19	The Vendor shall reconcile premium payments to Issuers and allow authorized users to make manual adjustments.	✓	
Premium Processing	FM-20	The Vendor shall receive and process employer notice (via mail, telephone, email or online) of premium discrepancy.	✓	✓
Premium Processing	FM-21	The Vendor shall receive and process issuer notice (via mail, email, telephone or online) of premium discrepancy.	✓	✓
Premium Processing	FM-22	The Vendor shall process non-payment of premium and utilize Exchange defined grace periods for termination notices, and notify the employers of the termination.	✓	
Premium Processing	FM-23	The Vendor shall have capacity for employers to view and download invoice (PDF, CSV, Txt) and payment history including any adjustments to their account within 3 days of the bill generation cut off		✓
Premium Processing	FM-24	The Vendor shall utilize / configure Plan Assessment Fees by Issuer and /or QHP and / or qualified stand-alone ancillary (Vision / Dental) plan for defined time periods and transmit this data monthly to the Exchange.	✓	✓
Premium Processing	FM-25	The Vendor shall invoice Issuer QHP and / or qualified stand-alone ancillary plan for Assessment Fees that are due the Exchange	✓	
Premium Processing	FM-26	The Vendor shall provide the capability for accounts receivable to track Issuer Plan Assessment Fees due to the Exchange.	✓	✓
Premium Processing	FM-27	The Vendor shall calculate the net premiums due to Issuers after deducting Issuer fees, or other deductions due to the Exchange.	✓	✓

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Financial Management			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
Premium Processing	FM-28	The Vendor shall track for audit purposes all manual and automatic adjustments.	✓	✓
Agent Transactions	FM-29	The Vendor shall provide the capability to configure a commission schedule for an Agent for a configured timeframe for enrollment and renewal activities based on policies to be determined by the Exchange, DHCS or other regulatory agency.		✓
Agent Transactions	FM-30	The Vendor shall provide the capability to administer a commission schedule for an Agent for a defined timeframe for enrollment and renewal activities based on policies to be determined by the Exchange, DHCS or other regulatory agency.	✓	
Agent Transactions	FM-31	The Vendor shall possess the capability to calculate Agent commissions	✓	✓
Agent Transactions	FM-32	The Vendor shall possess the capability to pay Agent commissions	✓	
Agent Transactions	FM-33	The Vendor shall possess the capability to track and report Agent commissions due	✓	✓
Agent Transactions	FM-34	The Vendor shall possess the capability to produce annual 1099s for Agent commissions.	✓	✓
Risk Sharing	FM-35	The Vendor shall to extract, print and electronically send monthly enrollee and plan data (including premium information) to appropriate State entities and CMS for reinsurance and risk adjustment calculations.	✓	✓
Plan Assessment Fees	FM-36	The Vendor shall possess the capability to administer Plan Assessment fees by Issuer and /or QHP for defined time periods.	✓	
Plan Assessment Fees	FM-37	The Vendor shall possess the capability to configure Plan Assessment fees by Issuer and /or QHP for defined time periods.		✓
Plan Assessment Fees	FM-38	Plan Assessment Fees – The Vendor shall invoice for and receive Plan Assessment fees from Issuers. Plan Assessment Fees will be paid to the Exchange to the designated financial institution.	✓	✓
Plan Assessment Fees	FM-39	The Vendor shall have the ability to electronically or manually deduct Plan Assessment fees due to the Exchange from premium payments due to the Issuer.	✓	✓
Reporting	FM-40	The Vendor shall provide the capability to Generate and send monthly reports to CMS about required information for Qualified Health Plans.	✓	✓

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Financial Management			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
Reporting	FM-41	The Vendor shall generate data and reports on federal audit and oversight requirements, federal and state Exchange quality control initiatives and performance standards, administrative costs of the SHOP and waste, fraud and abuse as required by the Affordable Care Act including the analysis and identification of potential fraud and abuse risks to support program integrity efforts, enrollment trends, eligibility determination outcomes, and consumer experience related to average elapsed time for application completion, application withdrawals, page review timeframes, QHP evaluation, etc. Generate data and reports to Support management of Agents and General Agents	✓	
Reporting	FM-42	The Vendor shall provide monthly reports on SHOP enrollees, including unique individual identifier, plan enrolled in, type of coverage purchased, rating criteria information, demographic Data, and effective dates for small business market non-grandfathered plans.	✓	
Reporting	FM-43	The Vendor shall generate all reports required by federal, state, and local laws, rules, regulations, ordinances, guidelines, directives, policies, and procedures, including statistical, operational, workload, and fiscal reports according to their deadline requirements and ad hoc as required.	✓	
Reporting	FM-44	The Vendor shall report employee Qualified Health Plan enrollment status to the Internal Revenue Service (IRS) and employers each year in accordance with federal and state laws.	✓	
Reporting	FM-45	The Vendor shall generate data and reports needed to comply with state and federal audit and oversight requirements and federal Exchange, Medicaid, and CHIP Quality Control initiatives (e.g., Payment Error Rate Measurement, or PERM, programs).	✓	
Reporting	FM-46	The Vendor shall generate data and reports needed to apply for and demonstrate appropriate use of federal grant funding as defined by the Exchange.	✓	

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Financial Management			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
Reporting	FM-47	The Vendor shall generate reports in electronic (e.g. .xls., .doc, .pdf, etc) and physical form for Exchange staff and/or California policymakers including, but not limited to: <ul style="list-style-type: none"> • Enrollment Trends • Eligibility Determination Outcomes • Eligibility Determination Outcomes • Premium Trends • Consumer Experience • Consumer Feedback • Agent Support • General Agent Support • Service Center Processing (e.g., call volumes and metrics, print and mail metrics, application Processing, etc.) • Appeal Trends and Outcomes • Fiscal Reports 	✓	
Reporting	FM-48	The Vendor shall generate reports on the participation rates of an employer's employees and share information with the Issuers and employers.	✓	
Reporting	FM-49	The Vendor shall generate reports (ad-hoc, monthly, quarterly and annually) summarizing the numbers of: <ul style="list-style-type: none"> • Employer applications received, the number of applications that resulted in enrollment, and the timeframe from application to enrollment. • Employers enrolled, their average premium contribution per employee, and enrollment by employers and employees by benefit level. • Employers receiving tax credits by region, zip code and Standard Industrial Classification (SIC) code. 	✓	
Reporting	FM-50	The Vendor shall generate reports on complaints received, forwarded, resolved, and pending resolution.	✓	
Reporting	FM-51	The Vendor shall notify employer of eligibility regarding approval/denial/change/discontinuance.	✓	
Reporting	FM-52	The Vendor shall notify employer of payment discrepancies	✓	
Reporting	FM-53	The Vendor shall send an electronic, real-time transmission of information necessary for the qualified health plan Issuer to provide a welcome package and identification card to the individual.		✓

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Financial Management			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
Reporting	FM-54	The Vendor shall send notices to CMS regarding reconciled periodic enrollment information, about a non-renewal or decertification of a plan, and an individual's disenrollment from a qualified health plan through the Exchange.	✓	
Reporting	FM-55	The Vendor shall retain notice history and viewing capability of all sent notices, including the ability to: <ul style="list-style-type: none"> Designate notices to be kept indefinitely as a permanent part of the case record (e.g., notices related to claims). Retrieve notices in their final completed format so the exact version sent to the recipient can be viewed and reproduced. 	✓	✓
Premium Processing	FM-56	The Vendor shall aggregate employee premiums and provide monthly invoicing of the employer. (Note Financial Management detailed requirements for this requirement)	✓	
Premium Processing	FM-57	The Vendor shall direct employer premium payment to appropriate designated Processing center/address.	✓	
Premium Processing	FM-58	The Vendor shall receive and process premium payments via paper check, online ACH transfer, and credit and debit cards.	✓	
Premium Processing	FM-59	The Vendor shall reconcile premium payments to Issuers and allow authorized Users to make manual adjustments.	✓	
Premium Processing	FM-60	The Vendor shall submit a payment request to the designated financial institution for net premiums due to the Issuers.	✓	

4.7 CUSTOMER SERVICE

The Vendor will deliver a turn-key, best-in-class Customer Service capability including all systems, policies, procedures, and personnel capable of handling the projected volumes of Agents, general Agents, employers, and employees, and having sufficient redundancies and fail-over capability to remain in operations during a natural disaster.

Customer Service Functionality must support one or more high-volume Service Center(s) with the objectives of providing “real help” either by phone or via online e-chat (method of engagement defined by the User), including education about the different program benefits and policies, application completion assistance, and assistance managing their account, coverage, and care once enrolled. The Service Center(s) shall provide a complete range of bilingual customer service, printed materials, and caseload workflow Support to all User types. The Vendor shall plan, establish, operate, and maintain the SHOP Service Center Functionality and provide information to Support the following Service Center Functions: Call Center, Fulfillment, and Imaging and Document Management System.

4.7.1 CUSTOMER SERVICE REQUIREMENTS

Table 4.8 Customer Service Requirements

Customer Service			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
Call Center	CS-1	The Vendor shall monitor and review the customer service representatives' work regularly to monitor and manage quality, with a scored call sampling of no less than 3% of calls/CSR/Month	✓	
Call Center	CS-2	The Vendor shall accommodate the use of multiple channels for employee application submission, enrollment, and account management (e.g. web, mobile, phone, email, chat & walk-in) If Vendor has developed platform-specific solutions (e.g. applications for tablet or smartphone devices), please describe those in the Comments Section	✓	✓
Call Center	CS-3	The Vendor shall be able to receive and resolve inquiries and complaints, including the ability to handle inquiries and complaints in multiple languages per federal and state guidelines including at a minimum Medi-Cal threshold languages..	✓	
Call Center	CS-4	The Vendor shall develop escalation rules approved by the Exchange for inquiries that cannot be resolved by customer service and need to be routed to appropriate work streams for resolution or escalation to the Exchange. All such inquiries shall be tracked and trended, by issue type.	✓	✓
Call Center	CS-5	The Vendor shall define a process for handling complaints and disputes, complaint documentation protocols and criteria for escalation. All such inquiries shall be tracked and trended, by issue type.	✓	✓
Call Center	CS-6	The Vendor shall use complaints to identify opportunities by learning about beneficiary expectations, identifying benefit shortcomings and possible improvements, and educating beneficiaries about the Exchange's dedication to meeting its beneficiaries' needs	✓	
Call Center	CS-7	The Vendor shall train customer service representatives with soft skills, FAQs, on-line repository materials and core functions, with the unique needs of multiple constituents identified through the training process.	✓	
Call Center	CS-8	Vendor will create and maintain knowledge base that has information about the policies, procedures, manuals, work flows, tutorials and FAQs. Vendor shall also provide clear and well-documented processes for updating such materials as programs and customers	✓	

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Customer Service			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
		needs evolve.		
Call Center	CS-9	The Vendor shall triage customers (consumers/members) and Agents seamlessly from small business to individual service centers in the case of uncovered dependents seeking coverage, e.g. through warm transfer to the Individual Exchange	✓	
Call Center	CS-10	The Vendor shall facilitate employee eligibility in an Individual QHP if employee is not eligible for coverage through the SHOP	✓	
Call Center	CS-11	Vendor will provide a custom point of access number for inquiries for individual employers, Agents, or General Agents if requested by the Exchange. This may be a unique phone number, email address, fax number, or online portal.	✓	✓
Call Center	CS-12	The Vendor shall maintain a customer satisfaction program for achieving highly satisfied small business enrolled members.	✓	
Call Center	CS-13	The Vendor shall maintain differentiated service for Agents if requested by the Exchange (e.g. dedicated 800 number and/or service team for specific Agents or General Agents) and shall work in partnership with field representatives who serve as liaisons to the Agent community	✓	
Call Center	CS-14	The Vendor shall provide interactive employee enrollment support tools (e.g. text, click-to-call, click-to-chat) Integrated with the Exchange website.		✓
Call Center	CS-15	The Vendor shall provide training (via web-based support or teleconference) for Agents on interactive employee enrollment support tools (e.g. text, click-to-call, click-to-chat)	✓	✓
Fulfillment	CS-16	The Vendor shall maintain the capability to send fulfillment items electronically (e-mail) and to different user types according to Exchange-defined business rules. User types will include Agents, General Agents, consumers, employers, employees, state and federal agencies. Fulfillment items may include but are not limited to the following: <ul style="list-style-type: none"> · Product brochures · Employer Welcome Kits · Quotes · Employer applications · Employee applications · QHP benefit summary descriptions · Sales campaign materials · Agent Newsletters 	✓	✓

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Customer Service			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
Call Center	CS-17	The Vendor shall manage incoming phone calls, faxes, email, text messages, and web-based interactions (online chat originating from Web portal) to targeted service levels	✓	✓
Call Center	CS-18	The Vendor shall manage outgoing phone calls, faxes, email, text messages, and web-based interactions (online chat originating from Web portal)	✓	✓
Call Center	CS-19	The Vendor shall be able to route callers to specific customer service operations based on user type and role (e.g. Agent, General Agent, issuer, Employer, Employee) for specific questions and assistance	✓	
Call Center	CS-20	The Vendor shall support Interactive Voice Response (IVR) System that supports SHOP Operations by providing information to standard requests (e.g., premium payment status, correspondence address, application status and plan contact information	✓	
Call Center	CS-21	The Vendor shall create functionality for telephonic signatures and document imaging to Support telephone enrollment or electronically transmitted documents.	✓	
Call Center	CS-22	The Vendor shall provide toll-free telephone hotlines for incoming calls and faxes.	✓	
Call Center	CS-23	The Vendor shall enable outbound calls to assist new enrollees in the selection of a health plan and physician, as appropriate, depending on the program.	✓	
Call Center	CS-24	The Vendor shall support a Call Center Management System that monitors and provides real-time reporting and forecasting, and shall allow Exchange staff to have direct access to reporting portal via a web-based tool. Vendor shall develop scheduled reports set in accordance with Exchange requirements.	✓	
Call Center	CS-25	The Vendor shall develop the procedures, processes, metrics, and Documentation that shall support a successful transition of the Call Center to the Exchange, in the event that the Exchange obtains operational control at the end of the Contract.	✓	
Call Center	CS-26	The Vendor shall be able to scan, track and link incoming mail (paper) and faxes to an employee or employer application or case file – available for online review	✓	✓
Call Center	CS-27	The Vendor shall allow the capability to route incoming mail and faxes to the appropriate constituent for processing	✓	
Call Center	CS-28	The Vendor shall collect mail received at a central post office location. Mail may be undelivered or returned mail.	✓	

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Customer Service			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
Fulfillment	CS-29	The Vendor shall be able to send dynamically or on-demand generated correspondence via US mail. Correspondence may include but are not limited to the following categories: <ul style="list-style-type: none"> Plan Management, including annual eligibility review materials. Eligibility and Enrollment, including the request for eligible small business employees to verify eligibility factors (e.g. tax credit eligibility) Financial Management, including reports and notifications regarding premium payments and other financial transactions by user type 	✓	✓
Fulfillment	CS-30	The Vendor shall have the ability to generate correspondence as print media	✓	
Fulfillment	CS-31	The Vendor shall be able to print all notices, forms, letters, postcards, flyers, brochures, enrollment packages, and ad hoc mass mailings. Printed documents shall include basic black printing on white paper to full-color glossy multifold brochures and presentation materials.	✓	
Fulfillment	CS-32	The Vendor shall be able to access a history of fulfillment items sent to user type (item, date, requestor) within a centralized knowledge repository.	✓	
Fulfillment	CS-33	The Vendor shall maintain controls and processes to manage "expired" fulfillment items (e.g. outdated QHP collateral) within a centralized knowledge repository	✓	
Imaging and Document Management	CS-34	The Vendor shall maintain an imaging and document management system that will perform electronic document capture, management, and distribution. The System will receive scanned, faxed, or online information and associate them with an account and store the links to the appropriate Data Services.		✓
Call Center	CS-35	The Vendor shall agree to a baseline period where the initial SLAs are established during a pilot program	✓	✓
Fulfillment	CS-36	The Vendor is responsible for the incorporation of Exchange specific materials and development of the SHOP specific training package and on-going sales and product training materials	✓	
Call Center	CS-37	The Vendor shall participate in an independent 3 rd party measurement of customer satisfaction as defined by the Exchange	✓	

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Customer Service			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
Call Center	CS-38	The Vendor shall develop and maintain business continuity and disaster recovery plans for operations and system recovery / continuity in conjunction with, and meeting Exchange requirements	✓	✓
Call Center	CS-39	Vendor shall agree to a first-call-resolution measurement that aligns with a Vendor provided over-arching continuous improvement program	✓	✓
Call Center	CS-40	The Vendor shall provide sufficient office and/or workstations for Exchange staff for oversight of the Service Center operations.	✓	
Call Center	CS-41	The Vendor shall establish and provide a toll-free consumer service telephone and fax number for all applicants and enrollees.	✓	
Call Center	CS-42	The Vendor shall provide the capability within the Service Center to transfer callers to Healthy Families or County Welfare Departments call centers.	✓	
Call Center	CS-43	The Vendor shall provide the capability within the Service Center to transfer callers to the Individual Health Benefit Exchange call centers.	✓	
Call Center	CS-44	The Vendor shall provide the Equipment, Software and Network to support a Service Center that will provide services in English and Spanish; including but not limited to the IVR and printed collateral such as correspondences, mail, notices, and product brochures.	✓	
Call Center	CS - 45	The Vendor shall provide an automated Interactive Voice Response System (IVR) as part of the toll-free line.	✓	
Call Center	CS - 46	The Vendor shall provide telephonic translation services in the Threshold Languages for Medi-Cal.	✓	
Call Center	CS-47	The IVR functionality shall interact with a customer who is using a touch-tone phone and provide multiple authentication means for authenticating a user into the IVR System. The IVR functionality shall support the ability to authenticate a user by using a provided PIN number and have the ability to modify that number by the request of the customer. The IVR shall provide the functionality for telephonic signatures and document imaging to support telephone self-certifications or electronically transmitted documents.	✓	

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Customer Service			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
Call Center	CS-48	The IVR System shall include routing options including, but not limited to: premium payment status, open enrollment and annual eligibility and enrollment renewal information, correspondence address, application status, and plan contact information.	✓	
Call Center	CS-49	The Vendor shall maintain all IVR solution Software throughout the term of the Contract, inclusive of any application, customized and/or off-the-shelf software components that comprise the Imaging solution or related infrastructure.	✓	
Call Center	CS-50	The IVR functionality must be able to recognize within query results and speak person and organization names, telephone numbers, dates and times, and dollars and cents amounts.	✓	
Call Center	CS-51	The Vendor shall coordinate all IVR Equipment and Software warranty services for the IVR Equipment and Software that may be in use.	✓	
Call Center	CS-52	The IVR functionality must support text to speech (i.e., query results to speech) capability for all System supported languages (English and Spanish)	✓	
Call Center	CS-53	The Vendor shall provide a development IVR environment to help develop code related to scripts, menu trees, caller decision points and call flow.	✓	
Call Center	CS-54	The IVR functionality must be able to receive inbound calls and send outbound calls utilizing data from the CalHEERS database.	✓	
Call Center	CS-55	The IVR functionality must provide reports to analyze incoming call information and System usage. Report data must include, but is not limited to, call counts and duration, frequency of selected options, and points where customers end the call or exit the System.	✓	
Call Center	CS-56	The Vendor shall be responsible for providing all Facilities that house IVR servers or data and must have, at a minimum, basic physical security measures to protect the IVR solution.	✓	
Call Center	CS-57	The IVR functionality shall allow for a customer to be transferred to the appropriate office and/or worker.	✓	
Call Center	CS-58	The IVR functionality shall provide the capability for customers to query information on various programs within their cases or accounts (e.g., premium payment status, correspondence address, application status, and plan contact information).	✓	

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Customer Service			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
Call Center	CS-59	The Vendor shall notify the appropriate Exchange staff, Help Desks, and all impacted Vendors of any incident (limited access, outages, and security violations). The Exchange shall have the ability to select who receives security violation notices.	✓	
Call Center	CS-60	The IVR functionality shall allow for customers to request a form, which will be determined by the Exchange, to be mailed to their primary / mailing addresses.	✓	
Call Center	CS-61	The Vendor shall provide a Customer Relationship Management (CRM) System that shall log, track, refer, and record resolution to customer contracts within its operation. The contact types shall include telephone, IVR, email, and web-based interactions (online chat).	✓	
Call Center	CS-62	The CRM Shall provide the following but not limited to tracking reports (see Section 4.10 – Performance Metrics): a) Abandonment Rate b) Average Speed of Answer c) On Hold Time	✓	
Call Center	CS-63	The Vendor shall provide a Telecommunications Device for the Deaf (TDD) - Teletype (TTY) alternative phone number to provide service for hearing-impaired callers.	✓	
Various	CS-64	The Vendor is required to provide the Equipment, Software, training, and Facilities to support the processing of high-volume, incoming mail, outgoing mail, and print processing functionality; specifically: A) Incoming Mail and Fax shall be: I) Scanned, tracked, and linked to the consumer application or case file in CalHEERS. II) Available online for review by multiple people III) Routed for the appropriate type of processing IV) Received Mail shall include the following sources: V) All mailed applications received at the central post office box – including attached customer verification and Documentation. VI) Undelivered/returned mail received at the central post office box. B) Incoming Email and Text messages shall be routed for the appropriate type of processing and/or to a specific Call Center Operator. I) Outgoing Correspondence shall be	✓	

Customer Service			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
		able to be generated dynamically or on-demand and be viewable through the presentation layer. CalHEERS is expected to issue mailings in the following categories: II) Eligibility and Enrollment, including the request for individuals to verify key eligibility factors (e.g., income, household composition, residency, etc.) for the purposes of annual eligibility and enrollment renewal and reporting changes, if necessary. III) Plan Management, including annual eligibility review materials. IV) Financial Management including reports and notifications regarding premium payments and other financial transactions per user type. V) Have the ability for correspondence to be generated as: a) Print Media, which shall be bundled for printing and sent through the mail or faxed. b) Email, text messages, or online account notifications. VI) Print processing, which includes, but is not limited to, the printing of all notices, forms, letters, postcards, flyers, brochures, enrollment packages, and ad hoc mass mailings. Printed documents shall include basic black printing on white paper to full-color glossy multifold brochures.		

4.8 INFORMATION TECHNOLOGY AND SECURITY SERVICES

Note: Technical requirements for the Service Center are found in the Service Center Requirements section and are considered an integral part of the Option A response.

Note: Requirements Identified as Option A apply to the business practices, facilities, and vendor owned equipment utilized in running the SHOP on the CalHEERS platform including the Service Center and are predominantly found in the Facilities and Security sections of these requirements.

4.8.1 TECHNICAL SYSTEM AND ENVIRONMENTS

The Vendor shall be responsible for hosting and operating their technical systems and environments. At a high-level, the Vendor is expected comply with Key Exchange Architectural Goals and Objectives including:

Provide Single Point of Entry for Eligibility Services – Vendor’s Technical solution shall serve as the Single Point of Entry by providing various applications for System Users and consumers to access SHOP Services. Access to the SHOP point of entry will be provided by the following applications utilized by various CalHEERS Users:

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- **Web Portal** – Provides access to SHOP business Services through web-based Interfaces.
- **IVR** – Provides access to SHOP business Services through the telephone. (see Customer Service Requirements)
- **Mobile** – Provides access to SHOP business Services through various smart mobile devices.
- **Fax Interface** - Allows Users to forward applications and additional Documentation.

Mitigate Risks – The Vendor business, technology and information architecture shall gear towards mitigating the following risks:

- **Business Continuity Risk** – Vendor technology architecture and infrastructure shall mitigate business continuity risks by supporting necessary architectural elements, infrastructure, process and best practices for disaster recovery (DR), while incorporating automated fail over and scalability (horizontal and vertical) capabilities.
- **Compliance and Security Risks** – Vendor security and privacy framework shall provide infrastructure and supporting processes to centrally manage and govern security and privacy policies. The Vendor Security and Privacy Framework shall ensure the management and monitoring of various security and compliance policies, including but not limited to:
 - Federal Information Security Management Act (FISMA) of 2002
 - Health Insurance Portability and Accountability Act (HIPAA)/ Health Information Technology for Economic and Clinical Health Act (HITECH) of 1996
 - Privacy Act of 1974
 - Patient Protection and Affordable Care Act (ACA) of 2010, Section 1561 Recommendations, Safeguarding and Protecting Tax Returns and Return Information (26 U. S. C. 6130 and related provisions)
 - e-Government Act of 2002, National Institution of Standards and Technology (NIST)
 - California Department of Health Care Services (DHCS) - Information Technology Projects Security Requirements 1 (SR1), etc.

Vendor's security and privacy framework should be based on the MITA 2.0 Security and Privacy model with the following fundamental security architectural elements:

- Multi-Level Security
- Identity Management
- Role Based Access Control (RBAC)
- Decentralized Label Model (DLM)

4.8.2 USABILITY

Proposed Vendor technical solutions need to provide a user-friendly, culturally sensitive experience for Employers, Employees and their Dependents, and Agents that complies with state, federal, and industry standards and regulations. The Vendor System must provide a first-class consumer experience and delivery of Services through a Web Portal format that:

- Accommodates different consumers' access needs and facilitates and simplifies the end-to-end process to attain and maintain health coverage.

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- Takes advantage of and/or exceeds the consumer experience and framework defined by the UX2014 Project (<http://www.ux2014.org>).
- Presents content in a format that is culturally sensitive, navigation that is straightforward, and simple tools or methods to enable consumers to provide and obtain information.
- Is presented in English and Spanish.
- Enables access for persons with disabilities and Limited English Proficiency (LEP) and meets all Americans with Disabilities Act (ADA) requirements.
- Provides a mechanism for the webmaster to obtain feedback regarding accessibility improvements, general comments, and other recommendations.

Regardless of the entry point (i.e., web portal, Service Center, IVR, or printed correspondence), the SHOP must be accessible to multiple constituents including Employers, Employees and their Dependents, Agents, and qualified entities for determining eligibility, QHP plan selection, processing enrollments, summarized billing while providing multiple accessibility channels that anticipate how the constituent wants to interact with the SHOP. The Vendor System shall accommodate Users with varying levels of computer skills, reading levels, English proficiencies, and physical abilities to access to:

Accessibility –

Comply with the Affordable Care Act §155.210 and be designed to meet the standards and guidelines outlined in the:

- American Disabilities Act (ADA)
- Older Americans Act
- Rehabilitation Act
- California Accessibility
 - Be fully accessible from smart mobile devices
 - Be developed and remain in compliance with:
 - Section 508 of the Federal Rehabilitation Act and the World Wide Web Consortium (W3C) Web Accessibility Initiative, Section 508, (a)(1)(A)
 - California policy regarding accessibility (Cal Gov Code 11135 and regulations implementing that act as set forth in Part 1194 of Title 36 of the Federal Code of Regulations.)
 - Allow Employers, Employees and their Dependents to submit applications electronically with an electronic signature that complies with State, federal, and agency requirements and standards.
 - Allow Registered Agents to act on the behalf of Employers, Employees and their Dependents.

Content – Key content requirements include:

Web Portal – The following content for the Web Portal must be provided in English and Spanish languages and at a sixth-grade reading level:

- Website text, instructions, links, field-level help, and navigation guidance
- Education Materials
- Online Assistance
- Online Chat
- Web-Videos
- Frequently Asked Questions (FAQs)
- Guided Self Help Tools

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- QHP Information
- Forms
- Information and links to other health benefit programs

Case Management – The following content shall be available to support Agents in accordance to each Agent's role and security authorization:

- Case management information
- Reporting, Forms, and Notices
- Appeal case information
- Issuer, Agent, and General Agent information
- Staff Schedule and caseload management information

Ease of Use – Key Functionality includes the ability to:

- Pre-populate screens if the consumer information already exists in SHOP, or other Exchange-approved sources.
- Identify mandatory fields that require completion before accepting.
- Determine employer eligibility in real time.
- Notify the consumer throughout the application process regarding data saves, mandatory fields, and expiration of incomplete applications.
- Confirm successful transmission of submitted customer information (e.g., application, verification, or information update) and include confirmation number and contact information for the receiving location(s) via email when consumer email is available.
- Enable the customer to download forms and notices from the Web Portal.
- Provide print options to format for printing the application, correspondence, notices, and any stored images.
- Provide multiple options for customer correspondence (e.g., e-mail, print, save file).
- Automatically expire incomplete applications saved but not completed within a defined timeline.
- Notify the consumer prior to expiration that their incomplete work will be deleted.

Format – Key formatting requirements include:

- Providing web-based access that requires no desktop software except for the commercially available web browsers Internet Explorer, Firefox, Chrome and Safari.
- Displaying each process within SHOP in consistent format (e.g., color, layout, font, menus, navigation, graphics, and information location).
- Utilizing recognized presentation standards for displaying User, plan, and payment information.
- Displaying information in a culturally sensitive manner, taking into consideration color, symbols, format, and overall presentation.

4.8.3 SECURITY

The Vendor shall utilize a single, comprehensive, integrated risk based framework with process, tools, technology, standards and best practices to design, implement, manage, administer, govern the Security and Privacy of the SHOP System and Data, hereafter called the SHOP Security and Privacy Framework.

SHOP Security and Privacy (S&P) focus – Vendor shall ensure that the SHOP Security and Privacy focus is aligned with the MITA 2.0 S&P focus by supporting the following capabilities:

- Security and Privacy integration to the overall business, information and technology architecture from the beginning

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- Business driven Security and Privacy Framework
- Providing Protection with Low Maintenance - agile S&P framework
- Consistency Across Medicaid
- Adaptable/Responsive
- Platform/Software Independent
- Cross-Agency Integration and Alignment
- Continuing efforts to Implement, Manage, Monitor and Govern State and Federal Security and Privacy requirements, guidance and best practices

SHOP Security Standards – Vendor's technology solution should be compliant with Federal and California State security and privacy policies including but not limited to:

- Federal Information Security Management Act (FISMA) of 2002
- Health Insurance Portability and Accountability Act (HIPAA)/ Health Information Technology for Economic and Clinical Health Act (HITECH) of 1996
- Privacy Act of 1974
- Affordable Care Act (ACA) of 2010, Section 1561 Recommendations
- Safeguarding and Protecting Tax Returns and Return Information (26 U. S. C. 6130 and related provisions)
- e-Government Act of 2002
- National Institution of Standards and Technology (NIST) Special Publications (SP). NIST's Special Publications are available at: <http://csrc.nist.gov/publications/PubsSPs.html> and a guide to implementing the HIPAA Security Rule can be found at: <http://csrc.nist.gov/publications/PubsFIPS.html>
- National Security Agency (NSA) Security Recommendation Guides
- NIST SP 800-41 Guidelines on Firewalls and Firewall Policy
- NIST SP 800-44 Guidelines for Securing Public Web Servers
- NIST SP 800-45 Guidelines for Electronic Mail Security
- SP 800-55 Security Metrics Guide for Information Technology Systems
- NIST SP 800-83 Guide to Malware Incident Prevention and Handling
- NIST SP 800-100 Information Security Handbook
- NIST SP 800-88 Media Sanitization Guide
- NIST SP 800-100 Information Security Handbook

DHCS Security Standards - Vendor's technology solution should be compliant with California Department of Health Care Services security and privacy policies including but not limited to:

- California Department of Health Care Services (DHCS) - Information Technology Projects Security Requirements 1 (SR1)
- DHCS Information System Security Plan Template
- HIPAA Business Associate Addendum

Interoperable, Secure Standards, and Protocols – The Vendor shall ensure that their Security and Privacy Framework complies with the Affordable Care Act, Section 1561 requirements and enable building interoperable and secure standards and protocols to facilitate secure enrollment of individuals, transmit and/or process individual's financial information (FTI) and minimize the risk of security and privacy vulnerabilities.

Risk Management Framework – The Vendor solution should comply with the general guidance for managing risk in NIST SP 800-37, Guide for Applying the Risk Management Framework to Federal Information Systems.

Security Model – Vendor’s security architecture should be based on MITA 2.0 S&P model with the following three fundamental security architectural elements:

- Identity Management
- Multi Level Security
- Role-Based Access Control (RBAC)
- Decentralized Label Model (DLM)

Security and Privacy – The Vendor’s solution should be compliant with Federal guidance and requirements for those with whom SHOP Data are shared, and to enable effective security and privacy Implementation and operation by the State of California in the following areas including, but not limited to:

- **System and Data Classification** – Vendor’s solution should comply with the security classification guidelines for IT Data and systems (Low, Moderate and High) and use the security controls established at level as defined by NIST Federal Information Processing Standards (FIPS) Publication 199, Standards for Security Categorization of Federal Information and Information Systems. The Data and the System categorization shall follow the guidance and standards defined in NIST SP 800-60, Guidance for Mapping Types of Information and Information Systems to Security Categories.
- **Security Controls** – CalHEERS Security and Privacy Framework shall identify a minimum set of security controls commensurate with the sensitivity of Data stored and exchanged that will be adapted by all entities implementing and operating the CalHEERS. The minimum set of security control identified and defined shall follow the requirements of HIPAA, HITECH, FISMA, Tax Information Safeguarding Requirements and California’s security and privacy framework.
- **Identity, Credential and Access Management** – Vendor’s Security and Privacy Framework should be able to identify, verify, authorize, and authenticate Users before allowing access to sensitive resources such as PII, PHI or FTI Data, capable of:
 - **Identity Proofing** – Provide a minimum set of administrative controls and requirements for identity proofing (User proofing who they say they are) and for periodic management of authenticators.
 - **Authorization** – Users will be assigned roles to ensure that they have access to Data that is needed to get the job done and nothing more (least privilege).
 - **Authentication** – Enabling increasing complexity of authentication as the sensitivity of the System and Data increases.
- **Secured Infrastructure and Managed Services Computing** – Vendor’s Security and Privacy Framework should employ a defense-in-depth, multi-zone computing architecture that physically separates the layers between the System component; each layer is protected by firewalls and appropriate security devices based on the sensitivity of Data and computation.
- **Data Encryption** – Vendor’s Security and Privacy Framework shall utilize an appropriate Data encryption mechanism to protect Data confidentiality and integrity. Vendor’s Security and Privacy Framework should utilize the following Data encryption mechanisms:
- **Sensitive Data in Transit (including emails)** – Sensitive Data in transit shall be encrypted to protect Data confidentiality and integrity as appropriate based on the sensitivity of Data. FTI shall be encrypted based on IRS guidelines. If encryption is not used for FTI Data, appropriate compensating security mechanism shall be in place such as switched Virtual Local Area Network (VLAN) etc.

- **Encrypted Data Storage** – Servers or server storage containing PHI or PI shall have sufficient administrative, physical, and technical controls in place to protect that Data, based upon a risk assessment/System security review, or shall be encrypted using FIPS 140-2 validated Software.
- **Workstation/Laptop Encryption** – All workstations and laptops that process and/or store PHI or PI shall be encrypted using FIPS 140-2 validated Software. The encryption solution shall be full-disk unless otherwise approved by the Exchange.
- **Portable storage media** – All electronic files that contain PHI or PI Data shall be encrypted using FIPS 140-2 validated Software when stored on any removable media or portable device (i.e., USB thumb drives, floppies, CD/DVD, Blackberry, backup tapes, etc.).
- **Secure Application Connectivity** – All transmissions and Data-links sending PHI or PI Data between the application and System and the DBMS shall be encrypted using FIPS 140-2 validated Software.
- **PHI, PI Data Transmission** – All Data transmissions of PHI or PI shall be encrypted end-to-end using FIPS 140-2 validated Software. Encryption can be end to end between hosts, or the Data files containing PHI can be encrypted. This requirement pertains to any type of PHI or PI in motion such as website access, file transfer, and E-Mail.
- **Public Key Infrastructure** – The Public Key Infrastructure (PKI) shall follow standard practices such as the use of accepted Certification Authorities (CA), documented Certificate Policies (CP), and Certificate Practice Statements (CPS) which will include key escrow strategy. Implementation shall use fundamental technical standards such as X.509 certificate format and Public Cryptographic Standards (PKCS). PKI used across entities shall address interoperability requirements.

Audit Trails – Vendor Security and Privacy Framework shall support necessary auditing mechanism to track and monitor access to all sensitive Data, specifically PII and PHI information in compliance with Privacy Act, HIPAA and the Audit requirements defined in the Technical/Operational Safeguard section of California DHCS ISO Information Technology Project Security Requirements 1 (SR1) November 2011.

Continuity of Operations and Disaster Recovery – Vendor Security and Privacy Framework shall provide the following Functionality to minimize loss and facilitate effective disaster recovery:

- Systems shall be "fail-safe" to ensure that the System in failed state doesn't reveal any sensitive information or leave any access controls open for attack
- Fully redundant Network and Equipment components
- Off-Site storage in the event of physical disaster
- Build in contingencies for the storage of transactions where there is dependency on availability of Data from business partners that provide authoritative Data (e.g. the IRS, DHS and SSA)
- Leverage Virtualization to expedite disaster recovery

Privacy – The Vendor shall monitor and maintain security and privacy standards to protect consumer privacy and continually add best practices to ensure consumer privacy is consistently maintained. Vendor Security and Privacy Framework shall build appropriate privacy protections into the design of the SHOP to control the collection, use, dissemination and disposition of PII, PHI, and FTI Data. Vendor Security and Privacy Framework shall implement the following privacy principles in guidance with DHCS:

- Individual Access
- Correction
- Openness and Transparency

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- Individual Choice
- Collection
- Use and Disclosure Limitation
- Data Integrity
- Accountability

The Vendor shall ensure that the Vendor Security and Privacy Framework complies with the following requirements mandated by California DHCS ISO as defined in Information Technology Projects Security Requirements 1 (SR1) document:

- Technical/Operational Safeguard
- Administrative/Management Safeguard
- Physical Safeguard

Security Threat Challenges (STRIDE) – As part of Vendor Security and Privacy Framework, the Vendor shall utilize appropriate security architecture and control to address various security attacks such as Spoofing, Tampering, Repudiation, Information (disclosure), Denial (of service), Elevation (of privilege).

Breach of Personal Information – In the event of a breach of any amount of personal information for any individual managed within SHOP (i.e., State of California consumers, Exchange Staff, SHOP User, trusted partners, etc.) the Vendor shall adhere to State of California guidelines related to a breach of personal information as outlined by the State. Current guidelines can be found in the Privacy Breach 101 link on the Web page:

<http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/default.aspx>.

The Vendor shall be responsible for educating themselves as to the proper State of California-required actions to respond to a breach, including, but not limited to, the timeframe for reporting a breach, who to report the breach to (i.e., agencies and individuals), research and investigation activities and mitigation of the circumstances that resulted in the breach. Currently, all breaches are reported to the Chief of the Privacy Office, part of the DHCS Office of HIPAA Compliance according to the guidance provided in the document accessible via the Privacy Breach 101 link on the Web page:

<http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/default.aspx>.

The contact information for the Chief of the Privacy Office is accessible via:

<http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/PrivacyOfficeContacts.aspx>.

PII, PHI Disclosure Report – For purposes of providing disclosure information to beneficiaries upon request according to new HIPAA regulations, the Vendor shall provide the functionality to provide a report which articulates a complete list of who saw beneficiaries' Personal Identifiable Information (PII) and Personal Health Information (PHI), what they viewed, and when they viewed this data.

4.8.4 INFORMATION TECHNOLOGY SERVICES REQUIREMENTS

The following table describes the Information Technology Services requirements for the SHOP. Requirements Identified as Option A apply to the business practices, facilities, and vendor owned equipment utilized in running the SHOP on the CalHEERS platform including the Service Center.

Table 4.9 Information Technology Services Requirements

Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
Accessibility	IT-1	The Vendor's SHOP system shall provide web-based Exchange access that complies with the following recognized usability standards (Reference: Affordable Care Act §155.210): A) American Disabilities Act (ADA) B) Older Americans Act, C) Rehabilitation Act D) California Accessibility		✓
Accessibility	IT-2	The Vendor's SHOP system shall be fully accessible from smart mobile devices		✓
Accessibility	IT-3	The Vendor's SHOP system shall be developed and remain in compliance with Section 508 of the Federal Rehabilitation Act and the World Wide Web Consortium (W3C) Web Accessibility Initiative, Section 508, (a)(1)(A)		✓
Accessibility	IT-4	The Vendor's SHOP system shall be developed and remain in compliance with California policy regarding accessibility per Cal Gov Code 11135: Accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. Sec 794d), and regulations implementing that act as set forth in Part 1194 of Title 36 of the Federal Code of Regulations.		✓
Accessibility	IT-5	The Vendor shall report its compliance with Section 508 of the Federal Rehabilitation Act and the World Wide Web Consortium (W3C) Web Accessibility Initiative, Section 508, (a)(1)(A)		✓
Accessibility	IT-6	The Vendor shall report compliance with California policy regarding accessibility per Cal Gov Code 11135: Accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. Sec 794d), and regulations implementing that act as set forth in Part 1194 of Title 36 of the Federal Code of Regulations.		✓
Accessibility	IT-7	The Vendor's SHOP system shall allow customers to submit applications and appropriate documentation electronically with an electronic signature that complies with state, federal and agency requirements and standards.		✓
Accessibility	IT-8	The Vendor shall provide real-time access to System job and maintenance schedules, submission and processing statistics, and System performance tools for designated staff.		✓
Content	IT-9	The following content for the Web Portal shall be provided in English and Spanish languages: A) Website text, instructions, links, field-level help, and navigation guidance B) Education Materials C) Online Assistance D) Online Chat E) Web-Videos		✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
		F) Frequently Asked Questions (FAQs) G) Guided Self Help Tools H) QHP Information I) Forms J) Information and links to other health benefit programs		
Content	IT-10	The following case management content shall be provided in English and Spanish languages to support Agents in accordance to each Agent's role and security authorization: A) Case management information B) Reporting, Forms, and Notices C) Appeal case information D) Issuer and Agent information E) Staff schedule and caseload management information		✓
Content	IT-11	The Vendor's SHOP system shall associate and manage consumer content from various sources: consumer, Agent, and General Agent		✓
Ease of Use	IT-12	The Vendor's SHOP system shall pre-populate screens if the consumer information already exists in The Vendor's SHOP system.		✓
Ease of Use	IT-13	The Vendor's SHOP system shall identify mandatory fields that require completion before accepting.		✓
Ease of Use	IT-14	The Vendor's SHOP system shall determine Employee eligibility for enrollment in employer offered SHOP Qualified Health Plans, and determine start of coverage in real time.		✓
Ease of Use	IT-15	The Vendor's SHOP system shall determine Employer eligibility to register with the SHOP in real time.		✓
Ease of Use	IT-16	The Vendor's SHOP system shall notify the consumer throughout the application process regarding Data saves, mandatory fields, and expiration of incomplete applications.		✓
Ease of Use	IT-17	The Vendor's SHOP system shall confirm successful transmission of submitted customer information (e.g., application, verification, or information update) and include confirmation number and contact information for the receiving location(s) via email when consumer email is available.		✓
Ease of Use	IT-18	The Vendor's SHOP system shall enable the customer to download forms and notices from the Web Portal.		✓
Ease of Use	IT-19	The Vendor's SHOP system shall allow navigation between multiple, related input screens without losing information input from the original screen and consumer to print each screen with a print layout that is formatting for printing.		✓
Ease of Use	IT-20	The Vendor's SHOP system shall provide print options to format for printing the application, correspondence, notices and any stored images.		✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
Ease of Use	IT-21	The Vendor's SHOP system shall provide multiple options for customer correspondence (e.g., e-mail, print, save file)		✓
Ease of Use	IT-22	The Vendor's SHOP system shall be designed to enable navigation to all information and functionality using no more than three clicks.		✓
Ease of Use	IT-23	The Vendor's SHOP system shall support role-based workflow routing in which tasks are assigned to job functions.		✓
Ease of Use	IT-24	The Vendor's SHOP system shall automatically expire incomplete applications saved but not completed within 30 calendar days.		✓
Ease of Use	IT-25	The Vendor's SHOP system shall have the ability to notify the consumer prior to expiration that their incomplete work will be deleted.		✓
Format	IT-26	The Vendor's SHOP system shall provide web-based access that requires no desktop software except commercially available web-browsers Internet Explorer, Firefox, Chrome, and Safari.		✓
Format	IT-27	The Vendor's SHOP system shall display each process in consistent format (e.g., color, layout, font, menus, navigation, graphics, and information location).		✓
Format	IT-28	The Vendor's SHOP system shall utilize recognized presentation standards for displaying user, plan, and payment information.		✓
Format	IT-29	The Vendor's SHOP system shall display information in a culturally sensitive manner, taking into consideration color, symbols, format, and overall presentation.		✓
Architecture	IT-30	The Vendor shall develop and expose web services to consumers using the following open standards: A) XML B) WSDL C) SOAP D) WS-I Web Services E) WS-Security		✓
Architecture	IT-31	The Vendor's Service Architecture shall provide the following connectivity services at a minimum: A) Web Services Connectivity: SOAP, REST B) Transport Services: (S)FTP, HTTP(s), JMS providers, RMI, web services, CORBA, DCOM, and e-mail (POP, SMTP, IMAP)		✓
Architecture	IT-32	The Vendor's Access Channel/Application Layer shall provide access by the following methods: A) Web Portal B) Smart Mobile Device C) Interactive Voice Response (IVR) D) Fax Interface		✓
Architecture	IT-33	The Vendor's Business Processes shall comply with the following Business Transaction standards as mandated by Affordable Care Act: A) HIPAA Transaction Standards: Adopt HIPAA	✓	✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
		<p>transaction standards for electronic health care transactions.</p> <p>B) Electronic Eligibility and Enrollment rules: Vendor Electronic Eligibility and Enrollment transactions shall comply to the set of operating rules as described in HIT Policy and Standards found at http://healthit.hhs.gov/portal/server.pt?open=512&mode=2&objID=3161.</p> <p>C) Exchange Data Standard: Standardize Information Exchange Model based on NIEM as required by the Affordable Care Act. The details can be found at: Appendix B Core Data Analysis: http://healthit.hhs.gov/pdf/electronic-eligibility/appendix-b.pdf</p>		
Architecture	IT-34	The Vendor shall provide a Business Activity Monitoring (BAM) tool to design, implement and manage business performance analytics.		✓
Architecture	IT-35	<p>The Vendor shall define, document and implement process tools and technologies for a comprehensive Data Management Strategy covering at a minimum the following topics:</p> <p>A) Data Governance B) Data Architecture C) Storage Architecture D) Master Data Management (MDM) E) Data Sharing Architecture F) Data Warehouse and Decision Support System Business Intelligence</p> <p>Refer to Vendor's library: MITA 3.0, MITA Part II Chapter 2 Data Management Strategy</p> <p>The link to MITA 3.0 can be found here:</p> <p>http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/MITA/Medicaid-Information-Technology-Architecture-MITA-30.html</p>		✓
Architecture	IT-36	The Vendor's web portal shall have the ability to collect feedback from users regarding (functionality, features, web portal problems, performance, accessibility (ADA and languages, etc.)		✓
Auditing	IT-37	<p>The Vendor shall maintain records and supporting documentation under audit or involved in litigation for a period of three (3) years, or as directed the Exchange following the conclusion of the litigation or audit and the date that the Exchange submits the last expenditure report to the Federal Department of Health and Human Services (DHHS).</p> <p>The Vendor shall verify this period with the Exchange prior to storing any confidential information.</p>		✓
Auditing	IT-38	The Vendor shall conduct monthly physical security audit of selected requirements to ensure HIPAA		✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
		compliance.		
Auditing	IT-39	The Vendor System shall implement PHI access audit capability (e.g. monitor PHI received, access, and purpose for use).		✓
Auditing	IT-40	The Vendor System shall log and examine System activity in accordance with audit policies and procedures adopted by the Exchange, state and federal healthcare agencies.		✓
Auditing	IT-41	The Vendor System shall provide audit reports to the Exchange for the purpose of tracking users and associated security groups, roles, settings, passwords, and duplicate IDs.		✓
Auditing	IT-42	The Vendor shall ensure that Exchange's third-party auditors shall have security access at the Vendor's Facility as authorized in writing by the Exchange.		✓
Auditing	IT-43	The Vendor shall provide written explanation, cause, resolution, and timeframe for correction of the any audit discrepancies.		✓
Auditing	IT-44	The Vendor System shall have the capability to provide the following program checks: A) Record counts B) Total records C) Limit checks D) Dollar totals		✓
Backup/ Recovery	IT-45	The Vendor System shall provide Real Time Replication of Data from the Production location to a backup location. All data shall be synchronized in real time in order to minimize recovery periods.		✓
Backup/ Recovery	IT-46	The Vendor shall provide a Backup Facility that replicates the Primary Data Center Facility via continuous configuration management.		✓
Backup/ Recovery	IT-47	The Vendor shall retain and manage complete copies of System Software backups of the two most recent major versions at the Backup Facility.		✓
Backup/ Recovery	IT-48	The Vendor shall develop and maintain a business resumption plan for recovering from a service outage at the PDC Facility and/or Backup Facility.		✓
Backup/ Recovery	IT-49	The Vendor shall develop and maintain appropriate processes and procedures for handling the following situations at the PDC Facility and/or Backup Facility: A) Fire B) Water intrusion C) Explosion D) Other emergencies		✓
Batch	IT-50	The Vendor System shall provide automatic program checks for: A) Controlling data files B) Verifying correct processing C) Ensuring data integrity		✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
Capacity	IT-51	The Vendor's solution shall be able to accommodate varying retention periods for data, images, documents, and all other exchange related content.		✓
Capacity	IT-52	The Vendor's solution shall have the ability to change or update retention periods for data, images, documents, etc.		✓
Capacity	IT-53	The Vendor's System shall have configurable retention periods for online and offline storage for the following information categories: A) Data B) Images C) Documents E) Other exchange-related content		✓
Capacity	IT-54	The Vendor shall report and address all capacity issues that impact System performance requirements.		✓
Capacity	IT-55	The Vendor's System shall have the capability to retain all data online and in offline storage for the life of the relationship (including optional extension period).		✓
Facilities	IT-56	The Vendor shall plan, equip, provide and manage the appropriate number and type of Facilities to successfully operate the System. The Vendor must provide all Facilities necessary in order to support all required System functions: A) Production Data Center (PDC) - must be located in California. B) Backup Data Center (BDC) - must be located in the Continental United States. C) Service Center Facility - must be located within California. Vendors are free to propose a single Facility to house multiple functions. For example, Vendors may propose one Facility that will accommodate the Call/Service Center and the Production Data Center.		✓
Facilities	IT-57	All Sites/Facilities shall be subject to the Exchange acceptance.		✓
Facilities	IT-58	Any change in Facility locations from those specified in the Proposal shall be subject to prior written acceptance by the Exchange.		✓
Facilities	IT-59	The Vendor shall propose a solution that complies with Data center and architecture requirements, standards, and federal, State, and Exchange regulations.		✓
Facilities	IT-60	The Vendor shall be responsible for the purchase, lease/rental, and operation of the SHOP Facilities, including, the following goods and Services, as appropriate for each Facility: A) Leasehold improvements and ongoing maintenance and repairs B) Utilities C) Telephone System, including communication lines		✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
		with service providers D) LAN/WAN installation and maintenance E) Secured wireless and remote connectivity and Access F) Office Equipment installation and maintenance G) Office supplies H) Furniture installation and maintenance I) Coordinated Facility maintenance with the Facility manager J) Janitorial Services K) Security L) Adequate parking M) Storage N) Insurance		
Facilities	IT-61	The Vendor shall designate a point of contact for each Exchange Project Facility.	✓	✓
Facilities	IT-62	The Vendor shall be responsible for ensuring that Exchange Project Facilities meet all applicable local, State, and federal laws, Codes, and Requirements.	✓	✓
Facilities	IT-63	The Vendor shall be responsible for development, maintenance, and distribution of an Emergency Evacuation Plan in full compliance of local ordinance, state and federal laws for each proposed Facility.	✓	✓
Facilities	IT-64	The Vendor shall provide and maintain a Backup Facility geographically separate from the PDC Facility. The location of the Backup Facility proposed by the Vendor shall mitigate the risk of both the PDC Facility and Backup Facility being impacted by the same disaster.		✓
Facilities	IT-65	The Vendor shall provide a Backup Facility that includes, but is not limited to: A) Daily backups of the System shall be stored at the Backup Facility B) At least two major versions of the System Software shall be retained at the Backup Facility C) Mirrors the PDC Facility via continuous configuration management D) Interfaces with other System that interface with the PDC Facility		✓
Facilities	IT-66	The PDC Facility and Backup Facility shall be equipped with adequate measures and means to ensure prompt detection of any disaster. The Vendor shall maintain appropriate processes and procedures for reporting disasters at the PDC Facility and/or Backup Facility to appropriate authorities and the emergency handling of fire, water intrusion, explosion, or other disasters.		✓
Facilities	IT-67	The Vendor PDC Facility and Backup Facility shall meet with the Uptime Institute TIER III – Concurrently Maintainable Site Infrastructure requirements. The Exchange encourages PDC and Backup Facility compliance with U.S. Building Council Leadership in Energy and Environmental Design (LEED)		✓

Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
		requirements for a Silver rating.		
Facilities	IT-68	All Vendor SHOP Facilities that host Exchange Data, and central print Equipment shall have, at a minimum, physical security measures including secured doors and entry mechanisms and locked Server rooms with floor-to-ceiling walls. Site entrance doors and doors to Server rooms must be secured at all times and shall have an Auditable entry mechanism (e.g., card reader) that records all entries and departures.		✓
Facilities	IT-69	During non-working hours, all Vendor SHOP Facilities shall be protected against intrusion by appropriate surveillance System (e.g., security cameras). The required level of surveillance may vary by Facility, as appropriate.		✓
Facilities	IT-70	PDC Servers and other essential devices (e.g., Routers and primary Switches) shall be protected from the effect of electrical power outages and fluctuations by the installation of Uninterrupted Power Supply (UPS) devices.		✓
Facilities	IT-71	The Vendor shall have System application and Data available at all times for production use at the Backup Facility. The Vendor shall provide automated failover to the Backup Facility. The Vendor shall provide redundant power supply to support operations for a minimum of 48 hours in the event of an extended power outage at the PDC Facility.		✓
Hosting	IT-72	Vendor data center locations shall meet physical security standards found in 508/504 Accessibility standards. http://www.access-board.gov/sec508/guide/index.html		✓
Hosting	IT-73	Vendor data center locations shall meet physical security standards found in the NIST security standards: http://csrc.nist.gov/publications/PubsFIPS.html		✓
Network	IT-74	The Vendor shall provide a comprehensive network infrastructure, which leverages automatic notifications.		✓
Network	IT-75	The Vendor shall develop procedures for notifying the Exchange designee and the uses of outages and affected locations.		✓
Network	IT-76	The Vendor network infrastructure shall support automated failover capabilities.		✓
Security	IT-77	The Vendor shall complete the annual ITEC security assessment.		✓
Security	IT-78	The Vendor System shall generate alerts for conditions that violate security rules at a minimum: A) Unauthorized access attempts on data and System function		✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
		B) Logon attempts that exceed the maximum allowed C) Termination of authorized sessions after a specified time of no activity		
Security	IT-79	The Vendor System shall provide security incident reporting and mitigation mechanisms, including at a minimum: A) Generate warning or report on System activity based on security parameters B) Terminate access and/or generate report when potential security violation detected C) Preserve and report specified audit data when potential security violation detected		✓
Security	IT-80	The Vendor System Security and Privacy Framework shall comply with the following Federal and California state security and privacy policies: A) Federal Information Security Management Act (FISMA) of 2002 B) Health Insurance Portability and Accountability Act (HIPAA) http://csrc.nist.gov/publications/PubsFIPS.html C) Health Information Technology for Economic and Clinical Health Act of 1996 D) Privacy Act of 1974 E) Patient Protection and Affordable Care Act (ACA) of 2010, Section 1561 F) Safeguarding and Protecting Tax Returns and Return Information (26 U. S. C. 6130 and related provisions) G) E-Government Act of 2002 H) National Institution of Standards & Technology (NIST) Special Publications. NIST's Special Publications are available at: http://csrc.nist.gov/publications/PubsSPs.html I) National Security Agency (NSA) Security Recommendation Guides J) California Department of Health Care Services (DHCS) - Information Technology Projects Security Requirements 1 (SR1)	✓	✓
Security	IT-81	The Vendor System Security and Privacy Framework shall comply with federal guidance and requirements for those with whom Exchange data are shared, and to enable effective security and privacy implementation and operation by the state of California in the following areas (but not limited to): A) System and Data Classification B) Security Controls C) OCIO Federated Identity Management Standards including WS Security, SAML 2.0 or greater, Liberty ID-FF and WS* Identity Standards D) Secured Infrastructure and Managed Services computing E) Data Encryption F) Audit Trails G) Continuity of Operations and Disaster Recovery	✓	✓

Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
		H) Compliance Oversight I) Privacy		
Security	IT-82	The Vendor System shall comply with HIPAA and HITECH security requirements for Creating, Collecting, Transporting and Processing of PHI, PII, IIII, and FTI data.	✓	✓
Security	IT-83	Vendor Security and Privacy Framework shall comply with the general guidance for managing risk in National Institute of Standards and Technology (NIST) Special Publication (SP) 800-37, Guide for Applying the Risk Management Framework to Federal Information Systems.	✓	✓
Security	IT-84	Vendor Security and Privacy Framework shall comply with the security classification guidelines for IT data and Systems (Low, Moderate and High) and use the security controls established at level as defined by NIST Federal Information Processing Standards (FIPS) Publication 199, Standards for Security Categorization of Federal Information and Information Systems. The data and the System categorization shall follow the guidance and standards defined in NIST SP 800-60, Guidance for Mapping Types of Information and Information Systems to Security Categories.		✓
Security	IT-85	Vendor Security and Privacy Framework shall identify a minimum set of security controls commensurate with the sensitivity of data stored and exchanged that will be adapted by all entities implementing and operating the Exchange. The minimum set of security control identified and defined shall follow the requirements of HIPAA, HITECH, FISMA, Tax Information Safeguarding Requirements and California state's security and privacy framework.	✓	✓
Security	IT-86	Vendor Security and Privacy Framework shall implement appropriate security constructs to identify, verify, authorize, and authenticate users before allowing access to sensitive resources such as PII, PHI or FTI data.	✓	✓
Security	IT-87	Vendor Security and Privacy Framework shall implement a defense-in-depth, multi-zone computing architecture that physically separates the layers between the System component; each layer is protected by firewalls and appropriate security devices based on the sensitivity of data and computation.		✓
Security	IT-88	The Vendor Security and Privacy Framework shall utilize data encryption mechanism for sensitive data in transit shall be encrypted to protect data confidentiality and integrity as appropriate based on the sensitivity of	✓	✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
		data. FTI shall be encrypted based on IRS guidelines. If encryption is not used for FTI data, appropriate compensating security mechanism shall be in place such as switched Virtual Local Area Network (VLAN) etc.		
Security	IT-89	The Vendor Security and Privacy Framework shall utilize data encryption mechanism for Servers or server storage containing PHI or PI shall have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/System security review, or shall be encrypted using FIPS 140-2 validated Software	✓	✓
Security	IT-90	Vendor Security and Privacy Framework, in compliance with the HITECH requirements and FISMA Continuous Monitoring Guidelines, shall utilize necessary process, tools and technology to implement, manage, administer, monitor and govern all the compliance policies that are required to be implemented by the exchange very efficiently.	✓	✓
Security	IT-91	The Vendor shall monitor and maintain security and privacy standards to protect consumer privacy and continually add best practices to ensure consumer privacy is consistently maintained.	✓	✓
Security	IT-92	The Vendors System Security and Privacy Framework shall build appropriate privacy protections into the design of the Exchange to control the collection, use, dissemination and disposition of PII, PHI and FTI data.		✓
Security	IT-93	Vendor Security and Privacy Framework shall utilize appropriate security architecture and control to address various security attacks such as Spoofing, Tampering, Repudiation, Information (disclosure), Denial (of service), Elevation (of privilege) (STRIDE).		✓
Security	IT-94	Vendor Security and Privacy Framework shall comply with the Administrative/Management Safeguard requirements mandated by California DHCS ISO as defined in Information Technology Projects Security Requirements 1 (SR1) document.	✓	✓
Security	IT-95	Vendor Security and Privacy Framework shall comply with the Technical/Operational Safeguard requirements mandated by California DHCS ISO as defined in Information Technology Projects Security Requirements 1 (SR1) document.	✓	✓
Security	IT-96	Vendor Security and Privacy Framework shall comply with the Physical Safeguard requirements mandated by California DHCS ISO as defined in Information Technology Projects Security Requirements 1 (SR1) document.	✓	✓
Security	IT-97	The Vendor System shall provide the functionality to report Personal Identifiable Information (PII) and Personal Health Information (PHI) viewing through an audit log that includes at a minimum, login ID and timestamp.		✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
Security	IT-98	The Vendor System shall adhere to Tax Return security: IRS Section 6103	✓	✓
Security	IT-99	The Vendor shall design, document and implement a Risk-Based Security & Privacy Framework.	✓	✓
Security	IT-100	The Vendor System shall have the capability to receive faxed application materials on secured fax servers.	✓	✓
Security	IT-101	The Vendor IVR System shall have the capability to accept telephonic signatures.	✓	✓
Security	IT-102	Vendor web portal shall include timed out functionality configurable time out.	✓	✓
Security	IT-103	Vendor Security and Privacy Framework shall utilize a comprehensive process and centralized service for Identity, Credential and Access Management (ICAM).	✓	✓
Security	IT-104	The Vendor Security and Privacy Framework shall utilize data encryption mechanisms for all equipment, workstations and laptops that process and/or store PHI or PI shall be encrypted using FIPS 140-2 validated Software. The encryption solution shall be full-disk unless otherwise approved by the Exchange	✓	✓
Security	IT-105	The Vendor Security and Privacy Framework shall utilize data encryption mechanism for all electronic files that contain PHI or PI data using FIPS 140-2 validated Software when stored on any removable media or portable device (i.e., USB thumb drives, floppies, CD/DVD, Blackberry, backup tapes, etc.)..	✓	✓
Security	IT-106	The Vendor's Security and Privacy Framework shall implement data encryption mechanism for all transmissions and data-links sending PHI or PI data between the application/ System and the Database Management System (DBMS) shall be encrypted using FIPS 140-2 validated Software.	✓	✓
Security	IT-107	Vendor Security and Privacy Framework shall provide an auditing mechanism to track and monitor access to all sensitive data, specifically PII and PHI information in compliance with Privacy Act, HIPAA and the Audit requirements defined in the Technical/Operational Safeguard section of (California DHCS ISO) Information Technology Project Security Requirements 1 (SR1) November 2011.	✓	✓
Security	IT-108	The Vendor Security and Privacy Framework shall adhere to the following privacy principle in guidance with DHHS: A) Individual Access B) Correction C) Openness and Transparency D) Individual Choice E) Collection F) Use and Disclosure Limitation G) Data Integrity H) Accountability	✓	✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
Security	IT-109	The Vendor System shall have the ability to time-out users using the web portal after a period of inactivity. The period of time shall be defined / agreed to by the Exchange.		✓
Service Center Operations	IT-110	The Vendor shall support the Service Center operations by troubleshooting, identifying, resolving, Equipment, Network, Software and Facilities issues.		✓
Service Center Operations	IT-111	The Vendor may be responsible to log all calls utilizing an automated problem tracking and management System approved by the Exchange.		✓
Tools	IT-112	The Vendor shall configure all fax servers to apply a unique identifier (e.g., document number) to each application and all related application materials for each specific application.		✓
Tools	IT-113	The Vendor System database shall provide automatic replication and synchronization of table updates to multiple databases.		✓
Tools	IT-114	The Vendor System shall integrate error messages with on-line help function.		✓
Tools	IT-115	The Vendor shall provide server monitoring tools and shall monitor vital statistics including, but not limited to, request times and errors, user wait times, user hits, request hierarchy, user wait spectrum, volume and bandwidth, and open requests.		✓
Tools	IT-116	The Vendor shall provide the necessary industry standard tools and technologies to support deployment, runtime operations, administration, monitoring, alerting and on-demand provisioning of resources.		✓
Tools	IT-117	The Vendor shall provide all the necessary industry standard tools and technologies to support all storage requirements including, but not limited to: file storage, content management, data warehouse, business intelligence, and reporting, relational database, business rules repository, identity storage, and certificate storage.		✓
Development and Testing	IT-118	The Vendor shall provide a library of test cases, use cases, and supporting documentation that the Exchange may audit.		✓
Backup/ Recovery	IT-119	The Vendor shall retain the backup media for the following timeframes at a minimum or longer if requested by Exchange Project Owner: A) Daily backups for fourteen (14) days B) Weekly backups for six (6) weeks C) Monthly backups for eighteen (18) months		✓

Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
Backup/ Recovery	IT-120	The Vendor shall restore Data from backup media within 24 hours or sooner if requested by the Exchange Project Owner. The Vendor shall encrypt the Data on backup media. The Vendor shall provide secure storage and transportation of the backup media. The Vendor shall verify and validate that the moveable backup media are functional by testing the backup and restoration processes on a quarterly basis.		✓
Backup/ Recovery	IT-121	The Vendor shall identify in process and last fully processed transactions and make the Data available to designated Exchange staff, who will validate the transactions. The Vendor shall recover all Databases and transactions to the last fully processed transaction as they were before the loss of the System(s). The Vendor shall support the Exchange with validating the transactions.		✓
Backup/ Recovery	IT-122	The Vendor shall recover all Databases and transactions to the last fully processed transaction as they were before the loss of the System(s). The Vendor shall support the Exchange with validating the transactions.		✓
Backup/ Recovery	IT-123	Six (6) months after the Operations Effective Date, the Vendor shall provide an annual report of all failed backup and necessary restoration events in the previous reporting year to the Exchange Project Owner. This report shall include details of each event including date and time, full description of the event, actions taken and impact. At the request of the Exchange Project Owner, the Vendor shall be required to provide all backup and recovery logs for the past 12 months.		✓
Backup/ Recovery	IT-124	The Vendor shall design and implement the capability to restart Network communications and associated applications following a non-Disaster System failure as quickly as possible and within the parameters established in the SLAs. The restart capability shall at a minimum: A) Restore all Exchange files to their State of completion as of the last fully Processed transaction B) Provide a notification Capability to broadcast to all active devices that the System is once again Operational in accordance with established notification protocols C) Provide for this notification to be initiated automatically and manually		✓
Backup/ Recovery	IT-125	Restoration of Databases shall automatically Process all possible transactions completed prior to the loss of the Exchange.		✓
Backup/ Recovery	IT-126	Backup Operations shall support the critical and essential business function identified by the Exchange in the SLAs and shall allow for non-critical functions to be postponed or rescheduled.		✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
Backup/ Recovery	IT-127	The System shall provide for all Databases to be completely restored as they were before the loss of the System.		✓
Backup/ Recovery	IT-128	The Vendor shall administer business continuity/disaster recovery procedures through the Term of the Contract in the event of a disaster. The Vendor shall demonstrate to the Exchange Project Owner on an annual basis that all business continuity/disaster recovery components, procedures and activities described in the System Operations Plan have been fully tested. These tests and demonstrations shall be conducted from the Application Development Facility (ADF) and shall include, but not be limited to: A) Procedures and activities to support Backup Site Facility becoming functional B) Procedures and activities to support the ADF becoming functional		✓
Backup/ Recovery	IT-129	In the event that the Vendor's PDC Site Facility is impacted by a major disaster, the Vendor shall provide an initial assessment of the damage and include initial restoration/replacement plans. This report shall be submitted within ten (10) workdays of the disaster to the Exchange Project Owner for review and Acceptance. Within thirty (30) workdays of the major disaster, the Vendor shall provide to the Exchange Project Owner a comprehensive assessment and include a restoration/replacement plan for the Vendor's PDC Site Facility.		✓
Backup/ Recovery	IT-130	In the event that the ADF is impacted and rendered non-functional for more than two (2) business days, the Vendor shall coordinate with the Exchange SHOP Director on identifying and making operational an alternate location to provide ADF services.		✓
Backup/ Recovery	IT-131	The Vendor shall successfully conduct a complete test of the business continuity/disaster recovery procedures once every two years. The Vendor shall conduct a desktop simulation of the business continuity/ disaster recovery procedures once every two years alternating with the complete test. The Vendor shall update the business continuity/disaster recovery processes and procedures in the System Operations Plan and present for review and Acceptance to the Exchange SHOP Director on annual basis.		✓
Backup/ Recovery	IT-132	The Vendor shall be responsible for defining and maintaining authentication processes for various users based on role categories and access mechanisms including roles for Employers, Employees, Agents, Vendor and Exchange Users, Vendor and Exchange Management and Auditors		✓

Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
Backup/ Recovery	IT-133	The Vendor shall utilize a PDC Site Facility and BDC Site Facility that meet the Uptime Institute Tier III – Concurrently Maintainable Site Infrastructure requirements. The Exchange encourages the Vendor to utilize Facilities that comply with U.S. Building Council Leadership in Energy and Environmental Design (LEED) requirements for a Silver rating.		✓
Backup/ Recovery	IT-134	The Vendor System shall have sufficient redundancy and modularity to prevent down time due to failure of any single component or part of a component fails.		✓
Backup/ Recovery	IT-135	The Vendor architecture shall support rapid failover or redeployment in the event of interruptions (planned or unplanned).		✓
Backup/ Recovery	IT-136	The Vendor System shall provide complete, incremental, nightly schedule and on-demand database backups.		✓
Backup/ Recovery	IT-137	All Vendor back-up files shall be encrypted. The key for encryption shall not be stored with the backup files and data. The encryption process shall be performed and verified prior to shipping the files and data backups off-site. The Exchange reserves the right to audit the back-up process at its discretion.		✓
Backup/ Recovery	IT-138	The Vendor shall perform an annual review of the disaster recovery back-up site, procedures for all off-site storage, and validation of security procedures. A report of the back-up site review shall be submitted within 15 calendar days of the review. The Exchange reserves the right to inspect the disaster recovery back-up site at any time with 24-hour notification.		✓
Backup/ Recovery	IT-139	The Vendor shall demonstrate the execution of the disaster recovery/business continuity plan for all critical System components at a remote site once during the first year of the Contract period and annually thereafter. The demonstration at the remote site shall be performed for all functions.		✓
Backup/ Recovery	IT-140	The Vendor shall be responsible to perform the disaster recovery / business continuity plan demonstrations at no additional cost to the Exchange. A successful demonstration, as determined by the State, shall be considered a key decision criteria factor for Implementation/Go-Live. Failure to successfully demonstrate the procedures may be considered grounds for termination of this contract. The Exchange reserves the right to waive part or all of the demonstrations. In the event the Vendor's demonstration is deemed by the Exchange to be unsuccessful, the Vendor shall continue to perform the demonstration until satisfactory to the Exchange, at no additional cost.		✓
Operations	IT-141	The System shall be available and accessible to multiple users 24X7, except for the Exchange-approved time for System maintenance.		✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
Operations	IT-142	The System database(s) shall be up and running (with no downtime) and available to users on 24X7 basis		✓
Operations	IT-143	The Vendor shall notify the Exchange immediately of any unscheduled downtime. Any unscheduled downtime shall also be documented and explained in writing per the Exchange requirements and approval.		✓
Operations	IT-144	The Vendor shall provide 24x7 availability for the web portal, and other ancillary System components as required by the Exchange, except for the Exchange-approved time for System maintenance.		✓
Operations	IT-145	The Vendor shall formally request approval for scheduled maintenance periods at least seventy-two (72) hours prior to the maintenance activity. Scheduled maintenance periods shall be mutually agreed upon and approved by the Exchange and the Vendor.		✓
Operations	IT-146	The Vendor shall make their Network management and control System and all resultant Data and reports accessible to Exchange for review and independent analysis within 24 hours of being requested.		✓
Operations	IT-147	The Network management and control System tool shall be made available to three (3) designated member of the Exchange, with read only access for independent analysis and verification.		✓
Operations	IT-148	The Vendor shall procure and manage the licenses for all Software components and renew them as needed through the Term of the Contract.		✓
Operations	IT-149	The Vendor shall identify any open source software currently used; or planned to be to be implemented as a component of their System. The Vendor shall request Acceptance of any open source Software implementation from the Exchange 30 (thirty) calendar days prior to implementation.		✓
Operations	IT-150	The Vendor shall be responsible for all System backups and restoration processes.		✓
Operations	IT-151	The Vendor shall perform backups of the System without impacting the System Production environment's performance and/or availability		✓
Operations	IT-152	The Vendor shall deploy a secure backup and restoration solution to prevent unauthorized access to System Data.		✓
Operations	IT-153	The Vendor shall be responsible for managing security of logging Data and Equipment used for security logging services. The Vendor shall be responsible for routine monitoring of security logs and to identify threats and trends. The Vendor shall also be responsible for recommending and/or taking immediate remedial action based on the severity of the threat.		✓
Operations	IT-154	The Vendor shall be responsible for defining, configuring and monitoring security events and System notifications. The Vendor shall be responsible for managing all security incidents through its standard		✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
		lifecycle including, but not limited to: A) Identification B) Collection and preservation of evidence C) Containment D) Eradication E) Recovery F) Follow-up		
Operations	IT-155	The Vendor shall conduct semi-annual audits of the System or more as requested by the Exchange Project Owner.		✓
Operations	IT-156	Ten (10) months after the Operations Effective Date, and every six months thereafter, the Vendor shall prepare and deliver a semi-annual briefing (presentation) and written summary to the Exchange on the overall security of the System including, but not limited to: A) The current status of information security of the System B) New threats identified in the six (6) months prior C) Findings of the Vendor's Security and Confidentiality audits D) New information security-related laws, regulations or standards that shall be met by the System E) Description of each information security incident that occurred in the prior six (6) months and what actions the Vendor has taken as a result of each incident		✓
Operations	IT-157	The Vendor System shall have production operation availability 24 hours a day, 7 days a week.		✓
Operations	IT-158	The Vendor shall be responsible to promptly document reported problems upon receipt, and monitor, control, communicate, and report the Exchange SHOP Director on each problem until it is resolved and/or completely corrected.		✓
Operations	IT-159	The Vendor shall be responsible to maintain appropriate and timely communications with the Exchange and affected users on all problems through resolution.		✓
Operations	IT-160	The Vendor shall be responsible to provide a mechanism for expedited handling of problems that are of high business priority.		✓
Operations	IT-161	The Vendor shall be responsible to correct all problems within the scope of Vendor responsibility. A problem will not be considered to be corrected until the Vendor receives validation from the Exchange that the issue is resolved to Exchange's satisfaction (confirmation from the individual that first reported the problem or an appropriate designee).		✓
Operations	IT-162	The Vendor shall be responsible to proactively provide reports on problems, including statistics on total number of problems, outstanding problems, and resolution time. Investigate, verify, record, and report hardware and System non-performance or downtime,		✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
		and software errors.		
Operations	IT-163	The Vendor shall be responsible to conduct weekly problem review meetings to assess status, areas of process improvement, and overall ongoing activities as required by the Exchange SHOP Director		✓
Operations	IT-164	When categorizing problem reports (PR), the following priority levels shall be used: A) 1. High Priority - This may include instances when the server is not operational or a major function of the server is not operational for multiple users during scheduled availability. B) 2. Normal Priority - This may include instances when a minor function of the server is not operational for one or more users (and the users may continue to utilize other application functions despite the outage) or an authorized user has questions about specific web server functionality or needs assistance using the service. C) 3. Low Priority - This may include instances when the server is not operational for one or more users during scheduled unavailability (either a scheduled downtime or during the regularly scheduled hours of unavailability) or a major function of the server is reported as non-operational during the time for which normal service is not available. All enhancement requests received after hours by the Vendor are automatically logged as Low Priority, but are reviewed by the Vendor and relayed to the appropriate The Exchange for prioritization and authorization, as applicable.		✓
Operations	IT-165	PR severity level definitions are based on the loss of System functionality and customer impact. The severity levels are as follows: A) Severity 1 – Critical. The System is inoperable and the inability to use the System has a critical impact on program operations. Severity 1 problems apply to production environments unless mutually agreed upon by the Exchange and the Vendor. B) Severity 2 – Severe. The System is usable, but an essential component of the System is malfunctioning and substantially impacts program operations. Severity 2 problems apply to production environments unless mutually agreed upon by the Exchange and the Vendor. C) Severity 3 – Moderate. The System is usable but is not functioning in accordance with specifications and the then-current user documentation for the applicable release of software, and the error condition has no substantial impact on program operations.		✓
Operations	IT-166	PR Acknowledgement – Problem Reports shall be acknowledged by a Vendor technical consultant during normal State business hours and during non-standard hours. Acknowledgement means that the Vendor has received, categorized, and logged the PR. The		✓

Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
		<p>acknowledgement time for a PR is dependent on its severity.</p> <p>A) Severity 1 – Critical. During normal State business hours: Severity 1 problems must be acknowledged within 15 minutes on a weekly average, not to exceed 30 minutes in any specific instance. During non-standard hours: Severity 1 problems must be acknowledged within 1 hour on a weekly average, not to exceed 90 minutes in any specific instance.</p> <p>B) Severity 2 – Severe. During normal State business hours: Severity 2 problems must be acknowledged within 1 hour on a weekly average, not to exceed 2 hours in any specific instance. During non-standard hours: Severity 2 problems must be acknowledged within the next 1 standard working hour on a weekly average of the next business day, not to exceed 2 hours in any specific instance.</p> <p>C) Severity 3 – Moderate. During normal State business hours: Severity 3 problems must be acknowledged within 2 hours on a weekly average, not to exceed 3 hours in any specific instance. During non-standard hours: Severity 3 problems must be acknowledged within the next 2 normal State business hours on average of the next business day, not to exceed 3 hours in any specific instance.</p>		
Operations	IT-167	<p>PR Resolution – Problem Reports shall be acknowledged by a Vendor technical consultant during normal State business hours and during non-standard hours. Resolution to a problem report means (1) a software fix has been tested and implemented, (2) a work-around has been provided that allows normal System functionality and program operations, (3) an answer or solution to non-software related issues has been given, or (4) the PR is determined not to be a problem. The resolution time for a PR is dependent on its severity.</p> <p>A) Severity 1 – Critical. The Vendor must work on the critical problem continuously until resolved and must have a resolution within 24 hours of acknowledgement.</p> <p>B) Severity 2 – Severe. The Vendor must have a resolution within five (5) business days of acknowledgement.</p> <p>C) Severity 3 – Moderate. The Vendor must have a resolution within 20 business days of notification. Generally, moderate problems that result in software resolutions are provided in the next scheduled Vendor production release of the software.</p> <p>D) Notification Procedures – On Severity 1 and Severity 2 PRs, the Exchange must be notified immediately via telephone or cell phone by the Vendor.</p>		✓
Performance	IT-168	The Vendor shall be responsible for tuning and optimizing the performance of the System.		✓

Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
Performance	IT-169	The Vendor shall conduct periodic and on-request performance tests, analyze issues and take corrective actions to operate the System at optimal levels of performance through the term of the Contract.		✓
Help Desk	IT-170	The Vendor shall provide on-call technical and functional Help Desk support during the time periods defined in the SLAs.		✓
Help Desk	IT-171	The Vendor shall utilize an automated call distribution (ACD) System to queue and route calls to Help Desk personnel. The ACD shall include, at a minimum, the following: A) Real-time Monitoring of the following: I) Peak call intervals II) Talk time III) Time to answer IV) Count of incoming calls B) Reporting for Call Tracking C) ACD Toolbox Setup		✓
Help Desk	IT-172	The Vendor shall be responsible for maintenance activity documentation and reporting in order to determine compliance with SLAs. Such documentation and reporting shall include, at a minimum, the following metrics: 1. Associated Help Desk Ticket number 2. Dispatch date/time		✓
Transition Management	IT-173	The Vendor shall perform all contractual obligations through the end of the Term of Contract, including Production and delivery of a Project Closeout Report.		✓
Transition Management	IT-174	The Vendor shall maintain sufficient staff throughout the Transition Out period to satisfy and maintain compliance with all Performance Standards and Requirements identified in this SOLICITATION and the Contract.		✓
Transition Management	IT-175	At the onset of the Transition Out activities, the Vendor shall submit a letter to the Exchange indicating which individuals have been identified to serve on a Transition Out Management Team and the start/stop timeframes they will serve.		✓
Transition Management	IT-176	The Transition Out Management Team shall oversee the activities, completion, and implementation of all Transition Out tasks listed in the Contract and/or subsequent Change Orders, including the assessment and update of Exchange Project Documentation and the submission of a Transition Out Project Plan.		✓
Transition Management	IT-177	Eight (8) months prior to the end of the Term the Vendor shall submit a Transition Out Plan for Exchange Acceptance. The Transition Out Plan shall include all tasks and Deliverables necessary to complete the termination of the Contract and transfer of Exchange operations to the Exchange or successor contractor.		✓

Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
Transition Management	IT-178	Upon approval of the Transition Out Plan, the Vendor shall submit a baseline of the Transition Out timeline. The baseline shall be utilized to provide any variances.		✓
Transition Management	IT-179	At the onset of the Transition Out Period, the Vendor shall include Transition Out status reporting in the Weekly Status Report. The Transition Out portion of the Weekly Project Status Report shall include at a minimum a description of the progress made on each Task, Deliverable, and/or Milestone, including any variance from the baseline.		✓
Transition Management	IT-180	Transition Out activities shall begin six (6) months prior to the end of the Term and shall conclude at the end of the Contract.		✓
Transition Management	IT-181	If the Exchange exercises its option to extend the Term, the extension shall result in a delay of all Transition Out activities for a commensurate period of time. The Exchange will work closely with the Vendor during this Process and must approve all updates to the Vendor's Transition Out approach and plans.		✓
Transition Management	IT-182	Transition Out activities of the Vendor shall overlap with the Transition activities of the successor contractor or the Exchange		✓
Transition Management	IT-183	At the onset of the Transition Out activities, the Vendor shall submit a letter to the Exchange indicating which individuals have been identified to serve on a Transition Out Management Team and the start/stop timeframes they will serve.		✓
Transition Management	IT-184	The Transition Out Management Team shall oversee the activities, completion, and implementation of all Transition Out tasks listed in the Contract and/or subsequent Change Orders, including the assessment and update of Exchange Project Documentation and the submission of a Transition Out Project Plan.		✓
Transition Management	IT-185	Eight (8) months prior to the end of the Term the Vendor shall submit a Transition Out Plan for Exchange Acceptance. The Transition Out Plan shall include all tasks and Deliverables necessary to complete the termination of the Contract and transfer of Exchange operations to the Exchange or successor contractor.		✓
Transition Management	IT-186	Upon approval of the Transition Out Plan, the Vendor shall submit a baseline of the Transition Out timeline. The baseline shall be utilized to provide any variances.		✓
Transition Management	IT-187	At the onset of the Transition Out Period, the Vendor shall include Transition Out status reporting in the Weekly Status Report. The Transition Out portion of the Weekly Project Status Report shall include at a minimum a description of the progress made on each Task, Deliverable, and/or Milestone, including any variance from the baseline.		✓

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Information Technology Services			Mandatory Response (A)	Optional Response (B)
Technical Function	No.	Requirement		
Transition Management	IT-188	Transition Out activities shall begin six (6) months prior to the end of the Term and shall conclude at the end of the Contract.		✓
Transition Management	IT-189	If the Exchange exercises its option to extend the Term, the extension shall result in a delay of all Transition Out activities for a commensurate period of time. The Exchange will work closely with the Vendor during this Process and must approve all updates to the Vendor's Transition Out approach and plans.		✓
Transition Management	IT-190	Transition Out activities of the Vendor shall overlap with the Transition activities of the successor contractor or the Exchange		✓

4.9 INTEGRATION STRATEGY AND INTERFACE CATEGORIES

Only Vendors submitting a response to Option B need to respond to this section.

If the Exchange chooses to select a Vendor and their platform to provide the scope of this Solicitation (Options A and B), the Exchange anticipates needing to initiate operations without all required automated interfaces in place and expects that manual processes may exist for an initial period of time after go-live of the SHOP. A critical number of interfaces will need to be constructed however for key internal (e.g. CalHEERS) and external (e.g. Federal, State and Private) systems to meet forecasted activity within months of initiating operations.

4.9.1 INTEGRATION STRATEGY

These interfaces are not yet clearly defined to require Vendor specification of the creation and maintenance of these interfaces. Nevertheless, the Exchange would like to understand the Vendor's perspective on the level of effort and challenges associated with constructing anticipated interfaces. The Vendor should complete Attachment 26 – Integration Strategy.

4.9.2 INTERFACE CATEGORIES

The following interface requirements have been identified with the federal, State, and private entity external partners:

- The federal Data Services hub to connect the SHOP to federal Data sources, including but not limited to:
 - Internal Revenue Service (IRS)
 - CMS Data Hub
- State System Interfaces – The SHOP shall interface with multiple State systems, including but not limited to:
 - CalHEERS
 - Employment Development Department (EDD) – The SHOP shall interface with EDD to verify State Employer ID number and other appropriate information.
- Private Interfaces - The SHOP shall interface with multiple private systems, including but not limited to:
 - Insurance Carriers – The SHOP shall interface with Insurance Carriers to receive qualified health plan (QHP) information and submit and reconcile premium payments received from Employers.
 - Financial Institution(s) – The SHOP shall interface with designated financial institution or other payment Issuers for the issuance of payments and receipt of payment information for reconciliations.

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- General Agents –The SHOP may interface with quoting engines and other tools that the General Agent provides to their Agents. Additionally, the SHOP may interface with the General Agent Enrollment engines to transfer enrollment data into the SHOP.

The following table provides a summary of the Interfaces within the core Services, indicates if the interface is online (real-time) or batch, and indicates the anticipated flow of information to and/or from CalHEERS.

Table 4.10 Anticipated Interface Categories

Interfaces	Online / Batch	Direction*
Federal System Interfaces		
Internal Revenue Service	Online / Batch	One-way
CMS Data Hub	Online	One-way
State System Interfaces		
CalHEERS	Online / Batch	Two-way
EDD	Online	One-Way
Private Entity Interfaces		
Insurance Carriers	Online and Batch	One-Way
Financial Institution(s)	Online and Batch	Two-Way
General Agents	Online and Batch	Two-Way

* Direction: One-Way Interfaces indicate that The SHOP sends a request and receives a response from the target interface, or pushes information to the target entity. Two-way Interfaces indicate that both the SHOP and the target System send requests and receive responses from the requesting System.

4.10 PERFORMANCE METRICS AND REPORTING

4.10.1 PERFORMANCE METRICS

The Exchange requests that Vendors provide their measurement approaches and standards for Performance Metrics. All Performance Metrics will apply to the Prime Vendor as well as the Vendor's subcontractors. The Vendor must indicate whether the Vendor or the Subcontractor (if applicable) will be accountable for achieving the performance metrics.

The Vendor shall describe their Service Management Process that includes how the Vendor monitors their processes and/or system for health, performance, and availability including drill-down analysis, reporting, and resolution against Performance Metrics. The Exchange expects the monitoring tools to have online interactive viewing as well as ad hoc reporting capability. The Vendor shall also describe any software used to monitor Performance Metrics. In order for the Exchange to perform monitoring of Performance Metrics, the Vendor should note when the Exchange will be required to purchase licenses.

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The Performance Metrics listed below is a starter list. The Vendor should complete Attachment 20 – Performance Metrics, to address how it will be able to achieve each of these measures.

The Vendor (or Subcontractor) may also suggest additional performance measures not listed in the table below. Vendor should address:

- Definition of each metric
- Vendor's performance history for each metric
- Proposed performance target
- Dependencies between the target and enrollment volume
- Measurement approach for each metric (e.g. software tool, manual)
- Responsible party to achieve performance metric (i.e. Vendor or Subcontractor)

Table 4.11 Performance Metrics

	Type	Performance Metric	Preliminary Performance Requirement (Service Level)	Mandatory Response (Option A)	Optional Response (Option B)
1	Service Center	Answer within Standard	Greater than eighty percent (80%) of all calls answered within thirty (30) seconds	✓	
2	Service Center	Abandonment Rate	Less than three percent (3%) of calls abandoned after ten (10) seconds in queue	✓	
3	Service Center	Blockage Rate	Less than two percent (<4%) of calls receiving busy signal at the ACD	✓	
4	Service Center	Service Center Availability	99.999% availability during operating hours (Monday – Friday, 8am to 5pm PST). Saturdays and Sundays closed. System availability is 24 x 7, 365 days per year. 99.999% availability during peak operating hours (Monday – Friday 8AM – 8PM Pacific), 99.5% during non-peak hours	✓	✓
5	Service Center	Mean time to restore	Less than two (2) hours	✓	
6	Eligibility & Enrollment	Application Completeness	At least 80% of completed applications are considered "clean and complete"	✓	
7	Eligibility & Enrollment	Electronic Submission	At least 75% of employer and employee applications will be submitted by the employer or Agent electronically	✓	
8	Finance	Premium payment reconciliation	98% of all invoices reconciled at the member level monthly between Vendor, Employer, and Carriers within 30 days of effective coverage month.	✓	✓
9	Finance	Premium Payment reconciliation	No more than 2% of member level discrepancies > 30 days past effective month of coverage.	✓	✓
10	Finance	Paid as billed	97% of accounts will pay as billed (PAB) as measured by # accounts billed per	✓	

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	Type	Performance Metric	Preliminary Performance Requirement (Service Level)	Mandatory Response (Option A)	Optional Response (Option B)
			month/# accounts PAB. Quarterly metric.		
11	Finance	Premium invoices	99% of all invoices will be generated no later than 24 hours after bill cut-off date and mailed within 72 hours of bill run cut off.	✓	
12	Finance	Premium payment discrepancy resolution timeliness	98% of eligibility and premium payment discrepancies will be resolved no later than 30 days past effective coverage month of billing invoice. (i.e. invoice is for February will be resolved by end of month March.)	✓	
13	Information Technology Services	System Availability	99.999% system availability during peak operating hours (Monday – Friday 8AM – 8PM Pacific), 99.9% during non peak hours.		✓

4.10.2 REPORTING

The Vendor will create, maintain, and distribute reports on operational performance, service-level agreements, and performance metrics, indicated in 4.9.1. Specific reporting requirements will be identified during Implementation. A preliminary list of Reporting Requirements is listed in the table below.

For Option A, it is assumed that the Vendor will be utilizing the CalHEERS platform, which will provide reporting capability to fulfil the reporting requirements. For Option B, the Vendor's technical solution must provide auditable reporting capabilities as detailed in the below requirements.

The Vendor should describe its capabilities for supporting real-time reporting and should provide illustrative sample reports and dashboards that demonstrate these capabilities.

Financial Management reporting requirements are detailed in Section 4.6.8 – Financial Management Reports. The Vendor should address Financial Management reporting requirements in that section.

Table 4.12 Reporting Requirements

Reporting Business Function			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
Reporting	R-1	The Vendor shall Generate Data and reports on federal audit and oversight requirements, federal exchange, Medicaid and CHIP quality control initiatives and performance standards, administrative costs of the Exchange and waste, fraud and abuse as required by the Affordable Care Act, enrollment trends, eligibility determination outcomes, and consumer experience related to average elapsed time for application completion, application withdrawals, page review timeframes, QHP evaluation, etc.	✓	✓
Reporting	R-2	The Vendor shall provide monthly reports on Exchange enrollees, including unique individual identifier, plan enrolled in, type of coverage purchased, rating criteria information, demographic Data, and effective dates for individual and small business market non-grandfathered plans.	✓	✓
Reporting	R-3	The Vendor shall generate all reports required by federal, State, and local laws, rules, regulations, ordinances, guidelines, directives, policies, and procedures, including statistical, operational, workload, and fiscal reports	✓	✓
Reporting	R-4	The Vendor shall report to the IRS and enrollees each year certain information regarding the enrollee's coverage provided through the exchange.	✓	✓
Reporting	R-5	The Vendor shall generate Data and reports needed for relevant Program Sponsors, Program Partners, and Control Agencies.	✓	✓
Reporting	R-6	The Vendor shall generate Data and reports needed to comply with federal audit and oversight requirements and federal exchange, Medicaid, and CHIP Quality Control initiatives (e.g., PERM).	✓	✓
Reporting	R-7	The Vendor shall generate Data and reports needed to apply for and demonstrate appropriate use of federal grant funding.	✓	✓

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Reporting Business Function			Mandatory Requirement (Option A)	Optional Requirement (Option B)
Business Function	No.	Requirement		
Reporting	R-8	<p>The Vendor shall Generate reports for California policymakers as defined by the Exchange including, but not limited to</p> <ul style="list-style-type: none"> • Enrollment Trends • Eligibility Determination Outcomes • Premium Trends • Consumer Experience • Consumer Feedback • Service Center Processing (e.g., call volumes and metrics, print and mail metrics, application Processing, etc.) • Appeal Trends and Outcomes 	✓	
Reporting	R-9	<p>The Vendor shall generate reports on the participation rates of an employer's employees and share information with the Issuers and employers.</p>	✓	
Reporting	R-10	<p>The Vendor shall generate reports (ad-hoc, monthly, quarterly and annually) summarizing the numbers of:</p> <ul style="list-style-type: none"> • Employer applications received, the number of applications that resulted in enrollment, and the timeframe from application to enrollment. • Employers enrolled, their average premium contribution per employee, and enrollment by employers and employees by benefit level. • Employers receive tax credits by region, zip code and SIC code. 	✓	

5.0 PROPOSAL PREPARATION INSTRUCTIONS

5.1 PROPOSAL SUBMISSION

All interested Vendors are invited to submit a Proposal for consideration. Responding to this Solicitation requires thoroughness, the ability to recognize and understand all the details necessary for performing the required work, and a detailed evaluation of the personnel requirements and costs for providing the Administration of SHOP Operations. Submission of a Proposal indicates that the Vendor has read and understands this entire Solicitation, including all Schedules, Requirements, Attachments, and Addenda.

Each firm must submit a proposal for the Mandatory response Option A. Additionally, the Vendor may also submit a response for the Optional Response, Option B.

For the purposes of this section, "Vendor" includes a parent corporation of a firm and any other subsidiary of that parent corporation. If a firm or individual submits more than one response, the State will reject all responses submitted by that firm or individual.

A Vendor or individual proposing to act as a prime contractor may be named as a subcontractor in another Vendor's response. Similarly, more than one Vendor may use the same subcontractors and/or independent consultants.

1. Develop responses by following all solicitation instructions and/or clarifications issued by the State in the form of question and answer notices, clarification notices or Solicitation addenda.
2. Before submitting a response, seek timely written clarification of any requirements or instructions that are believed to be vague, unclear or that are not fully understood.
3. In preparing a response, all narrative portions should be straightforward, detailed and precise. The State will determine the responsiveness of a proposal by its quality, not its volume, packaging or colored displays.

The Vendor's Proposal shall be provided in three volumes:

- Volume I: Corporate and General
- Volume II: Requirements
- Volume III: Cost Bid

Each volume shall comprise a combination of MS-Word Templates, Free Form MS-Word Narratives and MS-Excel Templates.

5.2 SUBCONTRACTOR AGREEMENTS

If a prospective Vendor plans to subcontract any part of this effort, the Proposal must include the information detailed in Attachment 1 – Corporate Information and Experience Matrix. All Requirements set forth in this Solicitation shall apply to proposed Subcontractors in the same manner as the Proposing Vendor if the proposed Subcontractor's corresponding percentage of the bid price equals or exceeds 20% of the Vendor's proposed price.

The tasks, or portions thereof, that are intended to be subcontracted must be identified and defined. The Subcontractor(s) responsible shall be identified by name, responsible point of contact, address, and phone number. The rationale for selection of the Subcontractor(s) must be stated. The exact type

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and amount of work to be done by each Subcontractor must be identified and defined. Copies of the subcontract(s) are to be submitted to the Exchange within ten (10) business days of their execution.

5.3 PROPOSING REALISTICALLY

Proposals must sufficiently assure the Exchange that the Vendor Subcontractor(s) can and will perform the work as described in this Solicitation within the proposed price and Schedule. Proposals must reflect a realistic job to be performed at a price within the limits described herein.

The Exchange emphasizes the importance of the best-value approach to this Solicitation process, and expects proposals that clearly demonstrate the following:

- An understanding of the needs of the Exchange and its stakeholders
- Proven experience in effectively designing, developing, implementing, operating and maintaining similar systems
- Critical success factors, assumptions, risks and plans for mitigating risk areas
- A clear plan for meeting the aggressive Schedule
- Realistic and well considered costs reflective of the proposed solution

5.4 PROPOSAL ORGANIZATION AND FORMAT

This section prescribes the required organization and format for the Proposal. The Proposal must adhere to the format described in the following subsection. Proposals should be prepared in such a way as to provide a straightforward, concise description of the proposing Vendor's capabilities to satisfy the requirements of this Solicitation. Expensive bindings, colored displays, or promotional materials are not necessary or desired. Submission of sales materials or brochures is not permitted. Emphasis should be concentrated on conformance to the instructions contained in this Solicitation, responsiveness to the Requirements contained in this Solicitation, and the completeness and clarity of content.

5.5 PROPOSAL SUBMISSION INSTRUCTIONS

Each response container must be sealed and labeled as follows:

- Name of Vendor
- Return Address
- California Health Benefit Exchange – HBEX 11: Administration of the Small Business Health Options Program Proposal

The following must be shown on each page of the response:

- Name of Vendor
- California Health Benefit Exchange – HBEX 11: Administration of the Small Business Health Options Program Proposal
- Response Volume Number
- Page Number

In addition, Vendors must meet the following requirements:

1. All response containers must be completely sealed. All copies must be marked appropriately and submitted by the dates and times specified in Section 2.2, Solicitation Schedule.
2. The cost information must be sealed separately from the rest of the response.

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The Vendor must submit five (5) hard copies of Volume I, five (5) hard copies of Volume II, and five (5) hard copies of Volume III. One (1) complete set of required volumes must be clearly marked "MASTER COPY." **The MASTER COPY must contain an original signature or initials wherever a signature or initials are required.** Vendors must provide signature and/or initials in blue ink on the Master Copy. Only the signature and/or initials of a person authorized to bind the bidding firm contractually is acceptable. Response attachments and other documentation placed in the extra response copies may reflect photocopied signatures.

1. One (1) copy of the entire Volume I (Corporate and General) response, in Microsoft Word 2003 or later, or in searchable PDF format, must be submitted on Compact Disc (CD) and enclosed with the Master Copy of Volume I. The CD must be identical to, and contain everything included in, the Master Copy of Volume I. However, signatures may be omitted from the CD. The CD must *not* contain any cost information.
2. One (1) copy of the entire Volume II (Requirements) response, in Microsoft Word 2003 or later, Microsoft Excel 2003 or later, or in searchable PDF format, must be submitted on Compact Disc (CD) and enclosed with the Master Copy of Volume II. The CD must be identical to, and contain everything included in, the Master Copy of Volume II. However, signatures may be omitted from the CD. The CD must *not* contain any cost information.
3. One (1) copy of the Volume III (Cost Bid) response, in Microsoft Word 2003 or later and Excel 2003 or later, must be submitted on CD and enclosed with the Master Copy of Volume III. The CD must be identical to, and contain everything included in, the Master Copy of Volume III. However, signatures may be omitted from the accompanying CD.
4. Do not mark any portion of the response, any attachment or other item of required documentation as "Confidential" or "Proprietary." The State will disregard any language purporting to render all or portions of a response confidential.

All responses must be delivered to the Procurement Official listed in Section 2.7 by the date and time listed in Section 2.2, Solicitation Schedule for response submission.

5.6 DELIVERABLE CHECKLIST

A list of deliverables that the Vendor must provide, the format of the deliverable, and the Attachment number of each deliverable are listed in the table below. The deliverables are organized into three volumes as listed in the table below.

Table 5.1 Solicitation Deliverables

Attachment No.	Solicitation Deliverable
Volume 1	
1	Confidentiality Statement
2	Certification Checklist
3	Corporate Information and Experience Matrix
4	Key Staff Experience Matrix
5	Client Reference Form
6	Resume Form
7	Model Contract Exception Matrix
8	Darfur Contracting Act Certification
9	DVBE and Small Business Participation Forms
10	Workers Compensation Certification Form
11	Economic Interest Schedules
12	Iran Contracting Act of 2010
13	Payee Data Record Std. 204
14	Implementation Overview and Plan
15	Agent Participation Plan
16	Sales Plan
17	Employer Self-service Support Plan
18	Financial Management Plan
19	Concept of Operations
20	Performance Metrics
26	Integration Plan
Volume 2	
21	Requirements Response
22	Requirements Narrative
Volume 3	
23	Cost Bid Schedules
24	Cost Bid Narrative
Inquiries	
25	Inquiry Form

5.7 VOLUME 1 RESPONSE INSTRUCTIONS: CORPORATE AND GENERAL

5.7.1 ATTACHMENT 1- CONFIDENTIALITY STATEMENT

The Confidentiality Statement is a statement that must be signed by an authorized representative of the Proposing Vendor and submitted as part of the Attachments to the Vendor proposal.

5.7.2 ATTACHMENT 2- CERTIFICATION CHECKLIST

The Certification Checklist must be completed, signed by a representative of the proposing Vendor who has the authority to bind the firm, and submitted as part of the Attachments to the Vendor proposal.

5.7.3 ATTACHMENT 3- CORPORATE INFORMATION AND EXPERIENCE MATRIX

The Corporate Information and Experience Matrix must be completed and submitted as part of the Attachments to the Vendor Proposal. There are three sections to this Attachment:

- Section 1: Corporate Information
- Section 2: Financial Information
- Section 3: Corporate Experience Matrix. For each category of experience, Vendors should describe their relevant experience, the Vendor or Subcontractor responsible for the relevant experience, and the duration (start and if applicable end dates) for this experience.

5.7.4 ATTACHMENT 4- KEY STAFF EXPERIENCE MATRIX

The Key Staff Experience Matrix must be completed and is a form that captures information about specific work experience for each proposed Key Staff person as requested in Section 3.2 (*submitted by Proposing Vendor for all proposed Key Staff*). The Key Staff Experience Matrix is identified for the Development and Implementation (D&I) phase as well as the Operations and Maintenance Phase (O&M) of the contract engagement. Key Staff should only be listed in the table below when applicable to the Vendor's Response, i.e. the Mandatory Option A Response, or the Optional Option B) Response.

The Exchange welcomes modifications to this draft list to ensure alignment of Vendor proposed Key Staff to Vendor proposed approach to implementing and managing the scope of services contemplated in this Solicitation.

There are five Tabs in the Matrix spreadsheet:

- Attachment 4 - Instructions
- 1 Key Staff Names (D&I)
- 2 Key Staff Experience (D&I)
- 3 Key Staff Names (O&M)
- 4 Key Staff Experience (O&M)

The Proposing Vendor should complete all Tabs. Instructions for each Tab are provided in the Attachment itself in the Instructions Tab.

5.7.5 ATTACHMENT 5- CLIENT REFERENCE FORM

The attached Client Reference Form must be completed and submitted as part of Attachments to the Vendor Proposal. It should be completed by the Vendor or Subcontractor's Customer Organization. This information is required for at least two but no more than five customers.

On the form itself, the Vendor's Customer should follow these instructions:

Step 1: Fill-in the Vendor Name and Customer Organization information.

Step 2: The Vendor's customer should rate the Vendor's performance in the questions shown in Section A. Circle the number, that corresponds to the performance rating for each category according to the rating scale described in that section. In addition, comments are appreciated, but will not be scored

Step 3: Once you have completed the form, please return it to the Vendor in a sealed envelope. The Exchange has the right to contact the references of the Vendor's Customer.

5.7.6 ATTACHMENT 6- RESUME FORM

The Resume Form must be completed and provides a standardized and consistent format in which Key Staff résumés must be submitted (*submitted by Proposing Vendor for all proposed Key Staff*). Vendors should provide the following in the template:

- **Relevant Experience** – List the most recent experience first and repeat the blocks as many times as necessary to fully document the claimed experience.
- **Key Skills** – Enter all relevant skills.
- **References** – Provide three references from individuals who have first-hand knowledge of the job skills, experience, and abilities sited in the résumé. The references must not be from within the candidate's own organization.
- **Education** – List most recent education first.
- **Professional Certifications or Designations** – List most recent certifications first.

5.7.7 ATTACHMENT 7- PROPOSAL CONTRACT EXCEPTIONS TABLE

The Proposing Vendors must submit any exceptions and exact Contract deviations that its firm wishes to negotiate. Proposed exceptions must be documented in the attached Proposal Contract Exceptions Table and submitted as part of Attachment to the Vendor Proposal. **Note: All Model Contract exceptions must be included in the Vendor Proposal at time of its submission. No additional exceptions may be presented during Contract Negotiations.**

5.7.8 ATTACHMENT 8- DARFUR CONTRACTING ACT CERTIFICATION

Pursuant to Public Contract Code section 10478, this is a required form. If a Vendor or proposer currently or within the previous three years has had business activities or other Operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476 (*submitted by Proposing Vendor and Major Subcontractors*).

5.7.9 ATTACHMENT 9- DVBE AND SMALL/MICRO BUSINESS PARTICIPATION FORMS

These forms are required to document Vendor's proposed planned use for and documentation of DVBEs and Small/Micro Businesses (*submitted by Proposing Vendor*).

5.7.10 ATTACHMENT 10 - WORKERS COMPENSATION CERTIFICATION FORM

The Workers Compensation Certification Form is used to certify the Vendor's intention to comply with California Labor Code (*Proposing Vendor and all Subcontractors*).

5.7.11 ATTACHMENT 11 – ECONOMIC INTERESTS SCHEDULES

The Form 700 Fair Political Practices Commission requires use of this form for conflict of interest Certification. Form 700 will be completed by the staff of the successful Vendor.

5.7.12 ATTACHMENT 12 – IRAN CONTRACTING ACT OF 2012

The Iran Contracting Act of 2010, pursuant to Public Contract Code Sections 2200 through 2208, includes preclusions for Vendors if invested in activities in Iran (*Proposing Vendor and all Subcontractors*). This form should be signed and included with the Attachments in the Vendor's Solicitation submission.

5.7.13 ATTACHMENT 13 – STD. 204 PAYEE DATA

The Std. 204 Payee Data is a required form for the State to pay Vendors and can be found here: <http://www.documents.dgs.ca.gov/pd/masters/debris/Std204.pdf>. This form will be required during the proposal process and finalized after Contract award (*submitted by Proposing Vendor*).

5.7.14 ATTACHMENT 14 – IMPLEMENTATION OVERVIEW AND PLAN

There are two sections to Attachment 14.

- **Section 1:** Vendor should provide a narrative description of its initial phase implementation Plan that describes its approach to implementing the SHOP within the timeframes defined by this Solicitation.
The Vendor may provide additional background as desired. The Vendor should specify whether the Implementation plan is for a Mandatory Response (Option A) or Optional Response (Option B).
- **Section 2:** Vendor should submit an initial Microsoft Project Work Plan reflecting the above narrative, and embed it as an object in Attachment 14.

5.7.15 ATTACHMENT 15 – AGENT PARTICIPATION PLAN

The Vendor should provide a narrative description of how it plans to achieve the Agent participation levels described in Section 4.2.2. The plan should address but not be limited to the following topics:

- Advertising and promotional strategies
- Training
- Rewards and recognition
- Channel strategies (print, electronic)
- General Agent relationships

The Vendor should be specific to describe the role of the Prime Vendor vs. the roles of Subcontractor(s) in delivering the plan. The Vendor may provide additional background as desired. The Vendor should specify whether the Implementation plan is for a Mandatory Response (Option A) or Optional Response (Option B).

5.7.16 ATTACHMENT 16 – SALES PLAN

The Vendor should provide a narrative description of how it plans to achieve the Agent, Employer and Member Participation Targets outlined in Sections 4.2.2 and 4.2.3. Reference section 4.2.4 for Self Service assumptions and Section 4.2.5 for Marketing Fund ranges the Exchange has established for development. The Vendor should specifically comment on the adequacy of the fund Marketing Fund that is planned – is it enough to accomplish the goals? Is it too much?

The plan should address the Vendor's approach to, and required Marketing Development Spend for the following topics at a minimum. If there are other considerations, or areas required to deliver the Participation Targets the Vendor should add sections to address them:

- Advertising and promotional strategies
- Leveraging Agents and General Agents
- Agent sales opportunity and fulfillment support
- Channel strategies (print, electronic, etc.)
- Association relationships
- Collateral Material

The Vendor should be specific to describe the role of the Prime Vendor vs. the roles of Subcontractor(s) in delivering the plan. The Vendor may provide additional background as desired. The Vendor should specify whether the Implementation plan is for a Mandatory Response (Option A) or Optional Response (Option B).

Note – the marketing budget will not be considered as part of the Cost-Bid evaluation criteria.

5.7.17 ATTACHMENT 17 – EMPLOYER SELF-SERVICE SUPPORT PLAN

The Exchange estimates that up to 25% of all new SHOP membership will come through self-service channels. The Vendor should complete Attachment 17 to describe how it will support small employer self-service sales and enrollment.

5.7.18 ATTACHMENT 18 – FINANCIAL MANAGEMENT PLAN

The Vendor should provide a narrative description of how it plans to support the small employer financial management functions as defined in Section 4.6 – Financial Management Requirements. The plan should address but not be limited to the following topics:

- Premium aggregation and collection
- Agent and General Agent payment and transactions
- Financial Reporting and Notices

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- Vendor experience with Financial Management – experiences, strengths and weaknesses
- Technologies or contracted services (eg. Lock box)

The Financial Management Plan is a summary of the Financial Management requirements in Section 4.6. A description of those requirements is not required or expected in this Attachment.

Vendor should be specific to describe the role of the Prime Vendor vs. the roles of Subcontractor(s) in delivering the plan. The Vendor may provide additional background as desired. The Vendor should specify whether the Implementation plan is for a Mandatory Response (Option A) or Optional Response (Option B).

5.7.19 ATTACHMENT 19 – CONCEPT OF OPERATIONS

The Vendor should provide a narrative description of its Concept of Operations for the Administration of SHOP. The Concept of Operations should address but not be limited to the following topics:

- Account Management strategy
- How the Vendor plans to manage its Subcontractors (if applicable)
- How the Vendor plans to maintain open and regular communication with its business partners at the Exchange
- How the Vendor recommends monitoring business performance with the Exchange (e.g. monthly business reviews)
- The Vendor's recommended key success criteria for an effective working relationship with the Exchange
- Escalation approaches and processes
- Vendor's approach for obtaining and integrating Agent, General Agent, and Employer feedback into operational and technical improvements
- Description of Vendor capabilities and experience with managing supplemental Benefits Administration including COBRA, Section 125 Plans, and Flexible Spending Accounts.
- Description of Vendor's approach and experience with achieving DVBE and WMBE content requirements as outlined in Section 5.7.9 (Attachment 9) and as referenced in Section 6.6.1 (Corporate Qualifications)

Vendor should be specific to describe the role of the Prime Vendor vs. the roles of Subcontractor(s) in delivering the plan. The Vendor may provide additional background as desired. The Vendor should specify whether the Implementation plan is for a Mandatory Response (Option A) or Optional Response (Option B).

5.7.20 ATTACHMENT 20 – PERFORMANCE METRICS

The Vendor should complete both tabs in Attachment 20.

Tab 1: Exchange Proposed Metrics

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	Performance Metric	Preliminary Performance Requirement (Service Level)	Options (Mandatory A/ Optional B)	How Measure Today (Tools / Software Used)	Real-time Monitoring Available?
					yes/no
1	Answer within Standard	Greater than eighty percent (80%) of all calls answered within thirty (30) seconds	A		

- *How Measure Today:* Vendor should indicate processes, tools, and/or software used to measure and report on the Performance Metric indicated
- *Real-time Monitoring Available?:* Vendor should indicate whether real-time monitoring of the SLA is available by entering "Yes" or "No" in the appropriate cell of the spreadsheet
- *Performance Metrics Categories:* Vendor should indicate whether the Performance Metric can be met today by placing an "X" in the appropriate column.
- *Subcontractor Name:* If a Subcontractor is used to deliver the Performance Metric, the name of that Subcontractor should be entered in this column
- *Explanation/Comment:* The Vendor should describe the rationale for whether or not the performance metric can be met today

Performance Metrics					Explanation / Comment
Fully Meet by Current Capabilities	Partially Met by Current Capabilities	New Capability	Will be Met by Subcontractor	Will Not be Met	
				Subcontractor Name	

Tab 2: Vendor Proposed Metrics

	Performance Metric Name	Definition and Service Level	How Measure (Tools / Software Used)	Rationale for Performance Metric	Vendor/Subcontractor Experience with Metric	Subcontractor Name (if applicable)
1						
2						

- *Performance Metric Name:* Name of the proposed performance metric
- *Definition and Service Level:* Describe and define the Performance Metric and suggested goal / service level
- *How Measure:* Vendor should indicate processes, tools, and/or software used to measure and report on the Performance Metric indicated
- *Rationale for Performance Metric:* Describe why this measure should be considered
- *Vendor/Subcontractor Experience with Metric:* Describe experience with this metric, including capability to meet the proposed service level
- *Subcontractor Name:* If a Subcontractor is used to deliver the Performance Metric, the name of that Subcontractor should be entered in this column

5.7.26 ATTACHMENT 26 – INTEGRATION PLAN

The Vendor should provide a narrative response to the items below in Attachment 26.

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- 1) Overall approach to how the Vendor will Integrate its IT Solution with the CalHEERS platform, including description of the Vendor's proposed Integration strategy and approach with careful consideration of small business Employer, Employee, Agent, and General Agent experience.
- 2) Insights or design considerations – relative to existing Vendor capabilities - that the Exchange should consider in developing automated interfaces with your proposed technical solution.
- 3) How the Vendor would structure Interface development and maintenance during the scope of this agreement (e.g. Fixed Price, Time and Materials, other contractual relationship).
- 4) Insights or implementation considerations the Vendor may have on the time requirements and/or approach the Vendor requires / recommends building interfaces.
- 5) Assuming CalHEERS will have already constructed the required interfaces to the CalHEERS platform, indicate the support requirements the Vendor would need from CalHEERS as part of the integration effort.

5.8 VOLUME 2 RESPONSE INSTRUCTIONS: REQUIREMENTS

This Section addresses completion of Requirements Section of the Response.

The Requirements response comprises two documents – a Detailed Requirements Response Template, and a Requirements Narrative.

Requirements Response

The Requirements Response (**Attachment 21 – Requirements Response**) is a Microsoft Excel spreadsheet with six (6) separate tabs for each of the Requirements Sections in the Solicitation.

All Vendors shall respond in full to the Requirements section for Mandatory Response (A) – a Vendor submittal with an incomplete Option A (Business) will be deemed non-responsive.

Only those Vendors wishing to propose the use of their own technology in place of the CalHEERS platform for SHOP activities should complete the Optional Response (B) Section of the Requirements Response.

Requirements Narrative

The Requirements Narrative (**Attachment 22 – Requirements Narrative**) Is a free form narrative response with two sections: Mandatory Response (A) and Optional Response (B).

All Vendors shall respond in full to the Requirements Narrative for Mandatory Response (A) – a Vendor submittal with an incomplete Requirements Narrative for Mandatory Response (A) will be deemed non-responsive.

Only those Vendors wishing to propose the use of their own technology in place of CalHEERS for SHOP activities should complete the Requirements Narrative for Optional Response (B) section.

5.8.1 ATTACHMENT 21 - REQUIREMENTS RESPONSE: OVERVIEW

Requirements Template

The Requirements Template consists of six separate tabs corresponding to the requirements as outlined in the Solicitation:

1. Marketing, Sales, Agent and General Agent Support
2. Eligibility and Enrollment
3. Financial Management
4. Service Center
5. IT and Security Requirements
6. Reporting

Each tab lists the full set of requirements for the named Requirements Section. The below table outlines the total number of Requirements, Mandatory Responses, and Optional Responses by Requirement Section. Note that, as some requirements have both Mandatory and Optional responses, the total of required responses, if a Vendor bids on both options, will exceed the total number of requirements.

Each Response Tab is divided into three sections:

1. Section One (headers in blue) lists the requirements

Figure 5.1 - Representative Requirements Section

Marketing, Sales and Agent / General Agent Support		
Business Function	No.	Requirement
Agent - Data Management & Reporting	SA - 1	Agent - Data Management & Reporting - The vendor shall track and report on agent performance, agent geographic coverage, and other relevant data points required to effectively manage the SHOP presence and performance in the market.
Agent - Exchange Certification	SA - 2	Agent - Exchange Certification - The vendor shall provide and manage a SHOP Exchange agent certification program sufficient to achieve agent enrollment targets
Agent - Licensing Management	SA - 3	Agent - licensing management - The vendor shall ensure that certified Agents on the SHOP Exchange meet all state and federal licensing and insurance requirements
Agent Marketing	SA - 4	Agent Marketing - Vendor shall develop with Exchange guidance an Agent Recruitment strategy including, but not limited to roadshows, collateral development and

2. Section Two (Headers in Pink) Mandatory Requirements Section – identifies the Mandatory Requirements (Option A) and required responses

Figure 5.2 – Mandatory Requirements Response Section

Mandatory Response							
Mandatory Response (A)	Fully Met by Current Operations	Partially Met by Current Operations	New Capability	Will be Met by Subcontractor	Will not be Met	Subcontractor Name	Explanation / Comment
1							
1							
1							

- Section Three (Headers in Green) Optional Requirements Section – identifies the Optional Requirements (Option B) and required Responses

Figure 5.3 – Optional Requirements Response Section

Optional Response (B)							
Optional Response (B)	Fully Met by Current Systems	Partially Met by Current Systems	New Capability	Will be Met by Subcontractor	Will not be Met	Subcontractor Name	Explanation / Comment
1							

5.8.2 ATTACHMENT 21 - REQUIREMENTS RESPONSE: MANDATORY REQUIREMENTS (A) RESPONSE

Requirements identified with a “1” in the Mandatory Requirement (A) column are Mandatory Requirements and must be responded to. Vendors have five (5) potential responses – in the spreadsheet select the check mark for only one response per requirement:

- Fully met by current operations – the stated requirement is currently met by Vendor’s existing operations and requires no process, policy, procedure, or training to implement other than adapting to utilizing CalHEERS, if applicable
- Partially met by current operations – the stated requirement is partially met by Vendor’s existing operations, which will be modified to fully meet the requirement as part of implementation including adapting to utilize CalHEERS, if applicable
- New Capability – the stated requirement is not currently performed by the Vendor, but will be implemented to fully meet the requirement as part of implementation including adapting to utilize CalHEERS, if applicable

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4. Will be met by subcontractor – the stated requirement will not be met by Vendor operational capabilities – a subcontractor will be utilized to fully meet the requirement, including adapting to utilize CalHEERS, if applicable
5. Will not be met – the Vendor does not currently meet the requirement and does not plan to meet the requirement prior to operationalization (July 2013 as described in Section 1.3 – Period of Performance)

Subcontractor Name - If the Vendor plans to utilize a contractor to meet a requirement (5.8.2, Item 4 above), the Vendor must identify the Subcontractor here.

Explanation / Comment – short explanations or comments about the Vendor response can be included here – for a fuller or more comprehensive explanation use the Requirements Narrative, referring clearly to the requirement as part of the narrative response (e.g. – a narrative response to the Financial Management requirement FM-21, “The Vendor shall receive and process issuer notice (via mail, email, telephone or online) of premium discrepancy.”, should clearly indicate it is referring to FM-21.

5.8.3 ATTACHMENT 21 - REQUIREMENTS RESPONSE: OPTIONAL REQUIREMENTS (B) RESPONSE

Requirements identified with a “1” in the Optional Requirement (B) column are Optional Requirements and must be responded to only if the Vendor is proposing to utilize their own systems in place of CalHEERS. Vendors have five (5) potential responses – in the spreadsheet select the check mark for only one response per requirement:

1. Fully met by current systems – the stated requirement is currently met by Vendor’s existing systems and requires no interfacing, upgrade or material modification to fully meet the requirement.
2. Partially met by current systems – the stated requirement is partially met by Vendor’s existing systems, which will be modified to fully meet the requirement as part of implementation
3. New Capability – the stated requirement is not currently performed by the Vendor’s systems, but will be implemented to fully meet the requirement as part of implementation
4. Will be met by subcontractor – the stated requirement will not be met by Vendor system – a subcontractor will be utilized to fully meet the requirement
5. Will not be met – the Vendor does not currently meet the requirement and does not plan to meet the requirement prior to operationalization (July 2013 as described in Section 1.3 – Period of Performance)

Subcontractor Name - If the Vendor plans to utilize a contractor to meet a requirement (#4 above), the Vendor must identify the Subcontractor here.

Explanation / Comment – Short explanations or comments about the Vendor response can be included here – for a more comprehensive explanation, use the Requirements Narrative, referring clearly to the requirement as part of the narrative response (e.g. – a narrative response to the Financial Management requirement FM-21, “The Vendor shall receive and process issuer notice (via mail, email, telephone or online) of premium discrepancy”, should clearly indicate it is referring to FM-21.

5.8.4 ATTACHMENT 22 - REQUIREMENTS NARRATIVE

Using Attachment 22– Requirements Narrative, the Vendor should provide a narrative in support of their response to the Mandatory Requirements Response (A), and a separate narrative description for the Optional Requirements Response (B) if proposing.

The narrative should define and describe the underlying approach, assumptions, or alternatives the Vendor has considered in addressing the Solicitation Requirements.

Additionally, many requirements ask for a specific comment response to the requirement – the Vendor should use the Requirements Narrative to fully respond to these requests.

Vendors should clearly identify the Requirement(s) as comment addresses. If several Requirements are addressed by a single comment, please list all the requirements to which the comment refers. If one comment refers to both a Mandatory (A) requirement and an Optional (B) requirement please record the comment in the Mandatory Requirements Narrative Response and make reference to the Optional (B) Requirements that the comment addresses.

If the Vendor has already detailed their approach, assumptions or alternatives in their Implementation Approach, please reference the appropriate section of the Implementation Approach only – there is no need to duplicate your responses.

The narrative should address, but not be limited to, the following topics:

- **Approach** –
 1. If the Vendor has a specific approach to delivering the requirements that the Exchange should be aware of (e.g. if it requires Exchange involvement in developing or requires Exchange interface / integration to accomplish) the Vendor should clearly articulate the approach and underlying requirements for the Exchange.
 2. If the Vendor is making use of a Subcontractor to deliver a specific requirement, or a set of requirements, the Vendor should detail the scope of the subcontractor's involvement, their experience in delivering the requirement(s), and the approach the Vendor will use to ensure complete fulfillment of the requirement.
- **Assumptions** –Any assumptions the Vendor has made in their response to the Requirements should be recorded either as a direct comment in the Requirements Template (for shorter responses), or as a part of their Response (for longer responses).
- **Alternatives** – If the Vendor has considered alternative approaches to fulfilling the Requirement that they believe the Exchange should take into consideration, then please explain them as part of your Requirements Narrative response.
- **Direct Response** – many requirements ask for a specific comment or response to the requirement – the Vendor should use the Requirements Narrative to fully respond to these comments.

5.9 VOLUME 3 RESPONSE INSTRUCTIONS: COST BID

This Section addresses completion of the Cost Bid Section of the Response.

The Cost Bid response comprises two documents – a Cost Bid Sheet, and a Cost Bid Narrative.

Cost Bid Sheet

The Cost Bid Sheet (**Attachment 23 – ~~Cost Bid Schedules~~**) is a Microsoft Excel spreadsheet with two sections: Mandatory Response (A) and Optional Response (B)

All Vendors shall respond in full to the Cost Bid section for Mandatory Response (A) – a Vendor submittal with an incomplete Mandatory Response (A) will be deemed non-responsive.

Only those Vendors wishing to propose the use of their own technology in place of the CalHEERS platform for SHOP activities should complete the Optional Response (B).

Cost Bid Narrative

The Cost Bid Narrative (**Attachment 24 – Cost Bid Narrative**) is a free form narrative response with two sections: Mandatory Response (A) and Optional Response (B).

All Vendors shall respond in full to the Cost Bid Narrative for Mandatory Response (A) – a Vendor submittal with an incomplete Cost Bid Narrative Mandatory Response (A) will be deemed non-responsive.

Only those Vendors wishing to propose the use of their own technology in place of CalHEERS for SHOP activities should complete the Cost Bid Narrative Optional Response (B) section.

5.9.1 ATTACHMENT 23 - ~~COST~~ BID SCHEDULES: OVERVIEW

Orientation

The Cost Bid Sheet (**Attachment 23 – Cost Bid Schedules**) is a Microsoft Excel spreadsheet comprising 8 tabs for the Vendor response. The Vendor should only fill out sections highlighted in yellow. All other cells / data / relationships are defined and should not be changed.

- The First ~~Three~~^{Four} Tabs are for the Mandatory Response (A):
 - Mandatory Response (A)
 - ~~1~~—Implementation ~~Expense Option (A)~~
 - ~~2~~—Operations Expense ~~Option (A)~~
 - ~~3~~—~~Other Expenses (A)~~SLAs – Option A

For Mandatory Response (A), Vendors are instructed to include all expenses to be incurred during the term of the Base and Optional contract periods utilizing the following assumptions:

- ~~1) The “Mid Scenario” Global Assumptions as outlined in Section 4.2 for General Agent, Agent, Employer, Subscriber and Total Lives assumptions as well as Marketing Spend.~~
- 2) ¹⁾ Vendor is utilizing CalHEERS for Employer and Employee Support, Agent Support Enrollment and Financial Management including automated integration between the SHOP and Individual Exchanges.

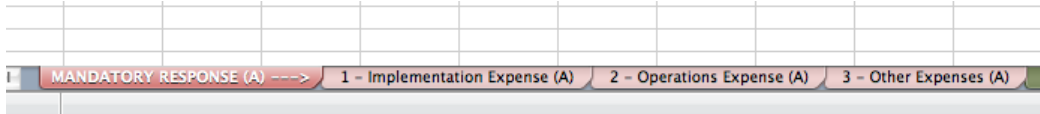
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2) Vendor is accountable for meeting market penetration / sales goals (Section 4.2 - Global Assumptions) and Operating Services performance standards (Section 4.10 – Performance Metrics)

3)

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Figure 5.4 Mandatory Response (A) Tabs



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- The Second ~~Three~~ ~~Four~~ Tabs are for the Optional Response (B)
 - Optional Response (B)
 - [Implementation Option B](#)
 - [Operations Expense Option B](#)
 - [SLAs – Option B](#)
 - ~~5 – Implementation Expense (B)~~
 - ~~Operations Expense (B)~~
 - ~~Other Expenses (B)~~

For Optional Response (B), Vendors are instructed to include all expenses to be incurred during the term of the Base and Optional contract periods utilizing the following assumptions:

- ~~1) The “Mid Scenario” Global Assumptions as outlined in Section 4.2 for General Agent, Agent, Employer, Subscriber and Total Lives assumptions as well as Marketing Spend.~~
- 2)1) _____ Vendor is utilizing their own system(s) for Employer and Employee Support, Agent Support Enrollment and Financial Management and accountable for “manual” (e.g. non-automated) integration to the Individual Exchange and other entities as described in the detailed requirements.
- 3)2) _____ Vendor is accountable for meeting market participation / sales goals (Section 4.2 - Global Assumptions) and Operating Services performance standards (Section 4.9 – Performance Measures)

[Instructions for completion of the Bid Template are on each page of the template.](#)

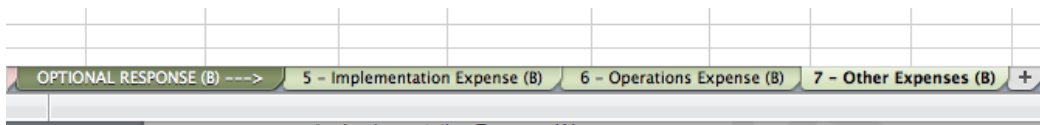
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[If the vendor wishes to propose an alternative Service Level Agreement, please use the Cost Bid Narrative to do so.](#)

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Figure 5.5 Optional Response (B) Tabs



5.9.2 ATTACHMENT 23 – COST BID SCHEDULES: IMPLEMENTATION EXPENSE (OPTION A)

This template is used to indicate the Vendor's planned expense to bring up the operations required to support the scope of services and service levels described in the Solicitation. Implementation expenses that are incurred before the SHOP transitions to full operations in October of 2013 should be entered in the "2013" Column. Implementation expenses that are incurred after 2013 (e.g. for immediate, short-term enhancements after go-live) should also be entered in the "2013" Column.

Detailed line items for estimation include:

Line 1.1: Project Planning and Deployment – record expenses planned to plan, manage and implement the operational solution including Exchange relationship / account management, project management, design, scripting, and other expenses associated with deploying the Operational Services

Line 1.2: ACA/CCR Compliance Expense – record planned expenses required to modify existing processes, training, staff capabilities etc. to comply with existing and emerging requirements required under Market Reform including the Accountable Care Act, CMS, IRS and other federally mandated requirements; and the State of California Legislation and regulatory requirements

Line 1.3: Hiring and Training Expense: record expenses required to hire, train and prepare staff to perform at levels of performance required in the Solicitation

Line 1.4: Facilities Expense: required to set up redundant call center and processing center locations. Include facility build out and rent expense incurred BEFORE October 1, 2013

Line 1.5: Salaries and Wages (Operations Staff): expense required for staff hired and in training prior to October 1, 2013

Line 1.6: Sales and Marketing Expense – expense required to establish Fulfillment Vendor, recruit sales and marketing staff, sales staff travel expense, etc.

Line 1.7 – 1.9: Other expenses – expenses not elsewhere classified – please note the type of expense in the comments section.

Figure 5.6 Implementation Expense (Option A)

	2013	Assumptions	Comments
1.1 Implementation Planning and Deployment			
1.2 ACA / CCR Compliance Expense			
1.3 Hiring and Training Expense			
1.4 Facilities expense			
1.5 Salaries / Wages expense (Operations Staff)			
1.6 Sales and Marketing Expense			
1.7 Other (explain, provide details)			
1.8 Other (explain, provide details)			
1.9 Other (explain, provide details)			
1.10 TOTAL Implementation and Setup expense	\$ -		

Record Assumptions and short comments in the template; provide a detailed explanation as part of the Cost Narrative.

5.9.3 ATTACHMENT 23 – COST BID SCHEDULES: OPERATIONS EXPENSE (MANDATORY OPTION A)

This template is used to indicate the Vendor's anticipated annual costs to manage the operations of the Mandatory Response (Option A) described in the Request for Proposal. Responses should assume

~~that the Vendor is using the CalHEERS platform for web-based transactions and data management and that the Vendor is providing all Call Center Technologies independent from the Exchange.~~

Operations Expense (A) is divided into four separate sections for response:

Sales / Agent / General Agent Support

~~Vendor should reflect all costs to address the business requirements for Sales, Agent and General Agent Support including Agent Acquisition including Campaigns, Exchange Training, Certification, Recertification, Product Training, and Materials Design and Fulfillment.~~

~~Vendor should specifically exclude the Marketing Spend as highlighted in the Global Assumptions section—the detailed plan and costs associated with Marketing should be addressed in Attachment 16 – Sales Plan.~~

~~Costs associated with supporting Agents in the Enrollment of Employers in the SHOP, Selection of QHPs, Enrollment of Employees and Dependents in QHPs and subsequent renewals should be reflected in 2.2 Eligibility & Enrollment~~

~~Based on the Global Assumptions detailed in Section 4.2 of the Solicitation, the Vendor should provide their estimated cost Per Agent Per Month to provide the levels of service and achieve the market and sales goals identified in the Solicitation.~~

~~Line 2.1.1 Active Agents— this is defined based on Section 4.2 – Global Assumptions for Active Agents—the number of active Agents by year~~

~~Line 2.1.2 Per Agent Per Month (PAPM) Expense—this is the Vendor response line—indicate your Per Agent Per Month expense.~~

~~Line 2.1.3 – Months Operations—the number of Months operation in the Bid Year (12 for all years except 2013 which has active operations only October – December)~~

~~Line 2.1.4 Annual Cost—the total Bid Cost per year to deliver Sales / Agent / General Agent Support (Number of Agents * PAPM* Number of Months)~~

Figure 5.8 – Training, Certification and Training – Agent / General Agent Support

2.1 Sales / Agent / General Agent Support							
<ul style="list-style-type: none"> - Reflect all costs to address the business requirements for Sales, Agent and General Agent Support including Agent Acquisition including Campaigns, Exchange Training, Certification, Recertification, Product Training, and Materials Design and Fulfillment. - Vendor should specifically exclude the Marketing Spend as highlighted in the Global Assumptions section – the detailed plan and costs associated with Marketing should be addressed in Attachment 16 – Sales Plan. - Costs associated with supporting Agents in the Enrollment of Employers in the SHOP, Selection of QHPs, Enrollment of Employees and Dependents in QHPs and subsequent renewals should be reflected in 2.2 Eligibility & Enrollment 							
		Base Period			Optional Extension		Comments
		2013	2014	2015	2016	2017	
2.1.1	Active Agents	2,625	7,500	11,500	15,000	15,000	
2.1.2	Per Agent Per Month Expense						
2.1.3	Months Operations	3	12	12	12	12	
2.1.4	Annual Cost	\$ -	\$ -	\$ -	\$ -	\$ -	

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Eligibility and Enrollment

In this section the Vendor should reflect all costs to address the business requirements for Eligibility and Enrollment including support of Employer Self Service in Enrolling on the Exchange, Selecting QHPs, Enrollment of Employees and Dependents in QHPs, and subsequent renewals and costs associated with supporting Agents in the Enrollment of Employers in the SHOP, Selection of QHPs, Enrollment of Employees and Dependents in QHPs, and subsequent renewals.

2.2.1 Employers—this is defined based on Section 4.2—Global Assumptions for Employers—the number of enrolled employers (Small Groups) by year

2.2.2 Per Employer per Month (PEPM)— *this is the Vendor response line*— indicate your Per Employer Per Month expense.

2.2.3 Months Operations—the number of Months operation in the Bid Year (12 for all years except 2013 which has active operations only October—December)

2.2.4 Annual Cost—the total Bid Cost per year to deliver Eligibility and Enrollment (Number of Employers * PEPM* Number of Months)

Figure 5.9 Eligibility and Enrollment

2.2 Eligibility & Enrollment							
Reflect all costs to address the business requirements for Eligibility & Enrollment including support of Employer Self Service in Enrolling on the Exchange, Selecting QHPs, Enrollment of Employees and Dependents in QHPs and subsequent renewals and costs associated with supporting Agents in the Enrollment of Employers in the SHOP, Selection of QHPs, Enrollment of Employees and Dependents in QHPs and subsequent renewals							
	Base Period			Optional Extension		Comments	
	2013	2014	2015	2016	2017		
2.2.1	Employers	4,000	6,750	11,000	12,000	15,000	
2.2.2	Per Employer Per Month Expense						
2.2.3	Months Operations	3	12	12	12	12	
2.2.4	Annual Cost	\$ -	\$ -	\$ -	\$ -	\$ -	

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Financial Management

In this section the Vendor should reflect all costs to address the business requirements for Financial Management including Exchange Accounting, Premium Processing, Premium Aggregation, Risk Spreading, Calculating and Collecting Plan Assessment Fees, Agent Financial Transactions, and Financial Reporting and Notices

2.3.1 Employers—this is defined based on Section 4.2—Global Assumptions for Employers—the number of enrolled employers (Small Groups) by year

2.3.2 Per Employer per Month (PEPM)— *this is the Vendor response line*— indicate your Per Employer Per Month expense.

2.3.3 Months Operations—the number of Months operation in the Bid Year (12 for all years except 2013 which has active operations only October—December)

2.3.4 Annual Cost—the total Bid Cost per year to deliver Financial Management (Number of Employers * PEPM* Number of Months)

Figure 5.10 Financial Management

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2.3 Financial Management		Base Period			Optional Extension		Comments
Reflect all costs to address the business requirements for Financial Management including Exchange Accounting, Premium Processing, Premium Aggregation, Risk Spreading, Calculating and Collecting Plan Assessment Fees, Agent Financial Transactions, and Financial Reporting and Notices		2013	2014	2015	2016	2017	
2.3.1	Employers	4,000	6,750	11,000	12,000	15,000	
2.3.2	Per Employer Per Month Expense						
2.3.3	Months Operations	3	12	12	12	12	
2.3.4	Annual Cost	\$ -	\$ -	\$ -	\$ -	\$ -	

Customer Service

In this section the Vendor should reflect all costs to address the business requirements for Customer Service including Call Center Operations (telephonic and on-line chat), Notices and Mailing fulfillment. Calls for all constituents (Agents, Employees, Employers, General Public) should be included.

~~2.4.1 Members~~— this is defined based on Section 4.2— Global Assumptions for Members (total lives)— the number of enrolled members (total lives) by year

~~2.4.2 Per Member per Month (PMPM)~~— ~~this is the Vendor response line~~— indicate your Per Member Per Month expense.

~~2.4.3 Months Operations~~— the number of Months operation in the Bid Year (12 for all years except 2013 which has active operations only October— December)

~~2.4.4 Annual Cost~~— the total Bid Cost per year to deliver Customer Service (Number of Employers * PMPM* Number of Months)

Figure 5.11 Customer Service

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2.4 Customer Service		Base Period			Optional Extension		Comments
Reflect all costs to address the business requirements for Customer Service including Call Center Operations (telephonic and on-line chat), Notices and Mailing fulfillment. Calls for all constituents (Agents, Employees, Employers, General Public) should be included.		2013	2014	2015	2016	2017	
2.4.1	Members	50,000	77,500	165,000	310,000	390,000	
2.4.2	Per Member Per Month Expense						
2.4.3	Months Operations	3	12	12	12	12	
2.4.3	Annual Cost	\$ -	\$ -	\$ -	\$ -	\$ -	

TOTAL Vendor Annual Operations Cost (Calculated)

This section summarizes the Vendor operations responses and provides an overall PMPM based on planned membership (line 2.6.1) and the total of all Vendor cost estimates on line 2.6.7

Figure 5.12 TOTAL Vendor Annual Operations Cost

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2.5 TOTAL Vendor Annual Operations Cost (Calculated)		Base Period			Optional Extension		TOTAL BASE	TOTAL OPTIONAL	TOTAL
		2013	2014	2015	2016	2017	2013-2015	2016-2017	Operations
							(Average Cost)	(Average Cost)	(Average Cost)
2.4.1	Members	50,000	77,500	165,000	310,000	390,000			
2.1.4	Sales / Agent / General Agent Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.2.4	Eligibility / Enrollment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.3.4	Financial Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.4.4	Service Center	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.5.1	TOTAL Annual Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.1.3	Months Operations	3	12	12	12	12	27	24	51
2.5.2	Member Months	150,000	930,000	1,980,000	3,720,000	4,680,000	3,060,000	8,400,000	11,460,000
2.5.3	Per Member Per Month Cost (PMPM)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

5.9.4 ATTACHMENT 23 – COST BID SCHEDULES: OTHER EXPENSE (OPTION A)

This template is used to indicate any expenses the Vendor anticipates to incur and charge the Exchange during the Base Period or Optional Extension period. Indicate the name of the expense in the Other Expense Column, the amount in the year(s) incurred, and provide comments / rationale in the Comments section provided for each expense.

Figure 5.13 Other Expenses

3 Other Expenses

This template is used to indicate any additional costs, beyond those already accounted for in Implementation and Operations Expenses that the Bidder anticipates are required to manage the operations of the **Mandatory Response (Option A)** described in the Solicitation. Indicate the Name of the expense in the Other Expense Column, and provide comments / rationale in the Comments section provided for each Expense.

Other Expense	Base Period			Optional Extension		Comments
	2013	2014	2015	2016	2017	
3.1 Other Expense 1						
3.2 Other Expense 2						
3.3 Other Expense 3						
3.4 Other Expense 4						
3.5 Other Expense 5						
3.6 Other Expense 6						
3.7 Other Expense 7						
3.8 Total Other Expense Cost	\$0	\$0	\$0	\$0	\$0	

5.9.5 ATTACHMENT 23 – COST BID SCHEDULES: OPTIONAL RESPONSE (B)

Vendors that are proposing the Option B (use Vendor System) response should complete the following tabs in Attachment 23 – Cost Schedules:

- 5 – Implementation Expense (B)
- 6 – Operations Expense (B)
- 7 – Other Expenses (B)

While the tabs are identical to the Mandatory Response (A), the Vendor should reflect the costs to deliver all Mandatory Requirements plus the Optional requirements. This may result in a higher or lower cost for Implementation, Operations, or Other Expenses depending on the impact of the Vendor using their own technologies in place of CalHEERS.

5.9.26 ATTACHMENT 24 – COST BID NARRATIVE

The Cost Narrative (Attachment 24 – Cost Bid Narrative) is intended to provide the Vendor an opportunity to describe the underlying assumptions for their Bid Response.

The Vendor should provide a narrative description for the Mandatory Cost Bid Response (A), and a separate narrative description for the Optional Cost Bid Response (B) if proposing using the provided template. The narrative should define and describe the underlying operational, technology, and cost assumptions incorporated into the Vendor’s Cost Bid Proposal.

The narrative should address but not be limited to the following topics:

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1. **Implementation Expenses** – assumptions about implementation level of effort, roles, and accountabilities including the role of the Exchange in achieving Vendor SHOP operationalization
2. **Operational Expenses** – assumptions on the volume and types of effort for each expense estimate – provide breakdowns of major effort categories for each expense type (where applicable) and underlying assumptions behind estimates. Vendor should in particular enumerate and explain the required marketing and campaign costs anticipated to drive Agent and General Agent participation in the Exchange, and resulting attainment of Membership Goals.
3. **Other Expenses** – assumptions on any other expense

6.0 PROPOSAL EVALUATION

6.1 PROPOSAL EVALUATION AND SELECTION

This section describes the approach the Exchange will use to evaluate proposals submitted in response to this Solicitation. It addresses the evaluation process, methodology, criteria, and the selection and award process.

The Exchange will conduct a comprehensive, fair, and impartial evaluation of proposals received in response to this Solicitation. The Exchange will select the successful Vendor through a formal evaluation process, established prior to the opening and evaluation of proposals, and remaining fixed throughout the procurement cycle. The successful Vendor will be selected based on demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the Services required as follows:

- Responsiveness to the requirements and instructions in this Solicitation
- Demonstrated understanding of the problem to be solved, the programs and organizations of the Project sponsors, and the environment in which the sponsors operate
- Adequacy of the proposing Vendor's Key Staff
- Satisfaction and success of current and past clients
- Depth and breadth of experience relative to required Services
- Cost for Services provided

Consideration will be given to capabilities or advantages that are clearly described in the proposal, confirmed by oral presentations and interviews, and verified by information from reference sources contacted by the Exchange. The Exchange reserves the right to contact individuals, entities, or organizations who have had recent contracts or relationships with the firm or Staff proposed for this effort, whether or not they are identified as references, to verify that the Vendor has successfully performed its contractual obligations in other similar efforts.

6.2 EVALUATION TEAM

The Exchange will establish a formal Evaluation Team to assist in completing all steps of the evaluation process and in making a final recommendation for selection to the Exchange Board. The Evaluation Team will be responsible for reviewing and evaluating the Business and Cost Bid Proposals, ranking and scoring of all proposals, and preparing the final report that recommends a Vendor for selection. To bring the appropriate expertise to the selection process, the Evaluation Team will be comprised of management, program, procurement, and technical Staff designated by the Exchange. The Exchange reserves the right to designate other appropriate experts to assist in the process or to alter the composition of the Evaluation Team, as deemed necessary.

6.3 EVALUATION PROCESS

The following subsections describe the two key steps of the proposal evaluation process:

- Initial Review
- Final Proposal Review

6.3.1 INITIAL REVIEW

Business and Cost Proposals will be submitted according to the organization and format specified in Section 5 – Proposal Submission Instructions. Proposals received by the specified date and time will be

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opened and reviewed for detailed compliance with the requirements of this Solicitation. The Proposals will first be reviewed to determine:

- Compliance with the mandatory structure and content requirements as defined in Section 5 – Proposal Submission Instructions.
- Submission of all required items, including signatures by a representative of the Vendor's organization with the authorization to bind the firm.

The Exchange reserves the right to request additional information to resolve minor irregularities in Proposals and/or to waive minor irregularities, providing that such action be deemed to be in the best interest of the Exchange.

IF A PROPOSAL DOES NOT MEET ALL THE MANDATORY FORM AND CONTENT REQUIREMENTS, THE VENDOR MAY BE ELIMINATED FROM FURTHER CONSIDERATION.

6.3.2 FINAL PROPOSAL REVIEW

The Evaluation Team will conduct the final Proposal Review as follows:

- Conduct Corporate and Key Staff reference checks.
- Conduct Key Staff interviews and Oral Presentations.
- Consolidate and review results from Key Staff Interviews and Corporate and Key Staff reference checks.
- Review Proposals for adherence to Requirements and identify Requirements that have not been fully met.
- Rank each Business Proposal using the evaluation criteria as established in Section 6.5 – Proposal Scoring Methodology. The Mandatory (Option A) and Optional (Option B) Vendor Responses will be evaluated on their own merit and criteria as defined in the evaluation criteria.
- Determine scores for Business Proposals based on ranking.
- Determine scores for Cost Bid Proposals using the evaluation criteria.

6.4 KEY STAFF INTERVIEWS AND ORAL PRESENTATIONS

Key Staff identified in the Vendor's Proposal may be required to participate in interviews with the Exchange. In addition, the Exchange at its sole discretion may identify other Staff to be interviewed. The interview will address the proposed role and responsibilities, background, and relevant experience and may include situational business scenarios. Oral Presentations will be conducted in conjunction with the Key Staff interviews. The presentations will focus on the response to a standard set of questions that will be provided to all invited Vendors. Questions will be related to Vendor's approach to Project management, business, and technical aspects of the Project.

6.5 PROPOSAL SCORING METHODOLOGY

The table below describes the percentage weights for the major sections of the Vendor proposals for the Mandatory (Option A) Solicitation responses.

Table 6.1: Evaluation Criteria for Mandatory Responses

Category/Subcategory	Decision Considerations	Subcategory Weight	Overall Weight
Business Proposal			70%
1. Corporate Qualifications: Experience, References, Financial Strength and Stability	Proven experience verified by other state and government entities. Proven experience of Subcontractors.	5%	
2. Program Management and Staffing: Program Management Approach, Work Plan, Key Staff Qualifications, References and Interviews	Strength, quality and completeness of Vendor's response to Implementation Overview and Plan. Demonstrated ability to perform the work in a complex environment, complete deadlines timely, and manage project risks. Proven experience of Key Staff.	15%	
3. SHOP Sales Approach	Strength, quality and completeness of Vendor's response to 1) Agent Participation Plan 2) Sales Plan 3) Employer Self Service Support Plan	15%	
4. Concept of Operations	Strength, quality and completeness of Vendor's response to 1) Financial Management Plan 2) Concept of Operations 3) Performance Metrics	5%	
5. Functional Requirements: Compliance with program objectives, business requirements and Federal guidelines	Demonstrated capability to meet the requirements as evidenced in 1) Requirements Response 2) Requirements Narrative	30%	
Cost Bid Proposal	Reasonableness of one-time and recurring costs (Marketing costs as detailed in Sales plan excluded) to achieve program goals and use of Federal funding for ongoing operations as evidenced in Vendor's response to 1) Cost Bid Schedules 2) Cost Bid Narrative		30%
Total			100%

The process of ranking and scoring Business Proposals is described below:

- The Evaluation Team will discuss the Business Proposals and reach consensus on a ranking of Business Proposals (for each of the five Business Proposal categories identified in the above table). Proposals will be assigned an ordinal rank: First, Second, and Third. Any proposal that does not achieve an overall ranking of First, Second, or Third will be eliminated from further consideration.

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- Each first place section ranking will be assigned five points, second place will be assigned a ranking within a range of points (3, 3.5, or 4), and third place will be assigned one point.
- The percentage weights described above will be applied to the points allocated for each section.
- The resultant points for each section of the Business Proposal will be totaled to create a weighted Business Proposal score.
- The weighted scores of the Business Proposals will be normalized in accordance with the following formula, with the highest scoring weighted proposal receiving a total of 70 points.

$$\text{Vendor's Business Proposal Score} = (\text{Vendor's Weighted Score} \div \text{Highest Weighted Score}) \times 70$$

The process for scoring Cost Proposals is described below:

The lowest Cost Proposal receives a total of 30 points. The remaining Cost Proposal scores will then be normalized in accordance with the following formula:

$$\text{Vendor's Cost Score} = (\text{Lowest Cost Proposal} \div \text{Total Cost of Proposal}) \times 30$$

The Vendor's final score will be the sum of the normalized scores for the Business Proposal and the Cost Proposal. Final selection will be on the basis of proposal rank and score which reflects best value to the Exchange.

6.6 BUSINESS PROPOSAL EVALUATION CRITERIA

6.6.1 CORPORATE QUALIFICATIONS

In this section (valued at 5% of the Proposal Score), the experience of the Vendor and (if applicable) Subcontractor(s), financial resources, corporate qualifications will be evaluated for adequacy, quality, and alignment with corporate experience requirements, as well as customer references and information received through other sources.

While there are no mandatory requirements for Disabled Veteran Business Entity (DVBE) or Small Business/Micro Business participation for this solicitation, consideration will be given to Vendor proposals that include at least 4% DVBE, Small, and/or Micro Business participation.

6.6.2 PROGRAM MANAGEMENT AND STAFFING

In this section (valued at 15% of the Proposal Score), the Vendor's Project Management and Staffing approaches, proposed work plan, and experience of Key Staff will be evaluated for adequacy, quality, and alignment with project management and staffing requirements, as well as Key Staff interviews and customer references.

6.6.3 SHOP MARKET AND SALES APPROACH

In this section (valued at 15% of the Proposal score), the Exchange will evaluate the strength, quality and completeness of the Vendor's response to 1) Agent Participation Plan; 2) Agent & General Agent Sales Plan; and 3) Employer Self Service Support Plan.

6.6.4 CONCEPT OF OPERATIONS

In this section (valued at 5% of the Proposal score), the Exchange will evaluate the strength, quality and completeness of the Vendor's response to 1) Financial Management Plan; 2) Concept of Operations; and 3) Performance Metrics.

6.6.5 FUNCTIONAL REQUIREMENTS

In this section (valued at 30% of the Proposal score), the Vendor's capability to meet the Functional Requirements as detailed in Section 4 will be evaluated for completeness, quality, and alignment with Exchange operational goals. The Exchange is particularly interested in delivering a first-class experience for small business employers and employees and to make it easy for Agents and General Agents to interact with and access SHOP support services. The Exchange also seeks to make it easy for eligible employees to access available tax-subsidies and enroll in State-sponsored programs (e.g. Medi-Cal).

6.7 COST BID PROPOSAL EVALUATION CRITERIA

As previously described in Section 6.5 – Proposal Scoring Methodology, Cost Proposals will be evaluated for adherence to the mandatory form and content requirements and normalized in accordance with the formula provided. No deviations, qualifications, or counter offers will be accepted in the Proposal. The Exchange reserves the right to review the cost details and assumptions for reasonableness and reject any Proposal where the cost details show significant and unsupported deviation from normal expectations.

Costs that are unique to the Optional Response (Option B) may be evaluated as part of the total score, but may not be selected to be part of the total Services to be delivered by the Vendor if the Exchange chooses not to purchase those portions of the proposed Services.

6.8 EVALUATION OF OPTIONAL RESPONSES (OPTION B)

For Vendors that submit Optional Responses, the Exchange will evaluate the Technical Approach as described in Section 6.5 – Proposal Scoring Methodology. Optional Responses for Technical Approach will not be quantified as part of the Mandatory Response scoring criteria and will be evaluated separately and on their own merit.

Table 6.2: Evaluation Criteria for Optional Responses

Category	Decision Considerations	Overall Weight
Technical Approach: Compliance with technical requirements and Federal technology guidelines and standards as well as integration approach with the Exchange platform	Emphasis on modern technology as tools to support SHOP Operations to help ensure flexibility, scalability and sustainability. Seamless transition between health programs enabled by technology.	100%

The evaluation of Optional Responses will be normalized against Mandatory Responses.

Should the Exchange decide not to purchase the proposed Services as described in a Vendor's Optional Response, the Exchange may choose to exclude evaluation of the Optional Responses in their entirety.

6.9 RECEIPT

Upon receipt, the Procurement Official will date and time mark every response and verify that all responses are submitted under an appropriate cover, sealed, and properly identified. Volume III - Cost Bid Proposals will remain sealed until the evaluation of Volume I and Volume II is completed.