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Status: Posted

Solicitation ID: 720-1810

Solicitation Title: RFP#720-1810 ACO Medical Plan

Organization Name: University Of Texas System - 720

Posting Requirements: 21+ Days for Solicitation Notice

Solicitation Posting Date: 2/12/2018

Response Due Date: 3/6/2018

Response Due Time: 2:30 PM

Solicitation Description: ACO Medical Plan

Class/Item Code: 95348-Health/Hospitalization (Including Dental And Visual Insurance)

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Record Attachments

#	Name	Desc
1	ESBD_File_121801_RFP 720-1810 ACO Medical Plan.docx	RFP
2	ESBD_File_121801_RFP720-1810 ACO Medical Plan - APPENDIX TWO. Sample Agreement.docx	Sam TWO
3	ESBD_File_121801_RFP720-1810 APPENDIX SEVEN - Third Party Information Security Assessment Survey.xlsm	APPI
4	ESBD_File_121801_RFP720-1810. APPENDIX EIGHT. 2017-2018-ut-benefits-booklet.pdf	APPI
5	ESBD_File_121801_RFP720-1810. ADDENDUM ONE.docx	ADDI



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REQUEST FOR PROPOSAL

RFP No. 720-1810 ACO Medical Plan

Proposal Submittal Deadline: Tuesday, March 6th, 2018 at 2:30 PM CST

The University of Texas System
Office of Employee Benefits

Prepared By:
Darya Vienne
The University of Texas System
210 West 7th Street
Austin, Texas 78701-2982
dvienne@utsystem.edu
February 9th, 2018

REQUEST FOR PROPOSAL

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SECTION 1

INTRODUCTION

1.1 Description of The University of Texas System

For more than 130 years, The University of Texas System (“**System**” and “**University**”) has been committed to improving the lives of Texans and people all over the world through education, research and health care.

The System is one of the nation’s largest systems of higher education with budgeted expenses for Fiscal Year (FY) 2018 at \$18.3 billion and with 14 institutions that educate more than 217,000 students and provide patient care at UT-owned and affiliated hospitals and clinics that account for more than 6.78 million outpatient visits and 1.38 million hospital days annually. Each year, UT institutions award more than one-third of all undergraduate degrees in Texas and almost two-thirds of all health professional degrees. With more than 20,000 faculty – including Nobel laureates – and more than 70,000 health care professionals, researchers, student advisors, and support staff, the System is one of the largest employers in the state.

The System ranks third in the nation in patent applications, and because of the high caliber of scientific research conducted at UT institutions, the System is ranked No. 1 in Texas and third in the nation in federal research expenditures. In addition, the System is home to three (3) of the nation’s National Cancer Institute Cancer Centers – UT MD Anderson, UT Southwestern and UT Health Science Center-San Antonio – which must meet rigorous criteria for world-class programs in cancer research.

Chancellor William H. McRaven’s ambitious vision for the System includes eight “Quantum Leaps,” that address many of the most significant challenges of our time, including building the nation’s next generation of leaders through core education in leadership and ethics; leading a brain health revolution by accelerating discoveries and treatments for neurological diseases; elevating higher education’s role in national security; driving unprecedented levels of collaboration between higher and K-12 education; and increasing student access and success. IT is expected these Quantum Leaps remain after his retirement in May 2018.

Other numerous transformational initiatives implemented over the past several years have cemented UT as a national leader in higher education, including the expansion of educational opportunities in South Texas with the opening of The University of Texas Rio Grande Valley in the fall of 2015. And UT is the only system of higher education in the nation establishing not one (1), but two (2) new medical schools in 2016 at The University of Texas at Austin and UT Rio Grande Valley.

University of Texas institutions are setting the standard for excellence in higher education and will continue do so thanks to our generous donors and the leadership of the Chancellor, the Board of Regents and UT presidents.

1.2 Background and Special Circumstances

System’s Office of Employee Benefits (“**OEB**”) is seeking a qualified Proposer to provide competitive quotes for System’s Accountable Care Organization (ACO) Medical Plan offered under the System Uniform Group Insurance Program (UGIP). Together, The University of Texas System and University of Texas Southwestern Medical Center (UTSW) are committed to creating a high-performing, cost effective ACO plan to provide medical benefits for the University of Texas System’s North Texas Members, utilizing UTSW’s Accountable Care Organization and Population Health Management Company under the direction of Southwestern Health Resources (SWHR). The North Texas Member population is largely

comprised of employees and non-Medicare primary retirees of UT Arlington (UTA), UT Dallas (UTD) and UT Southwestern (UTSW) and their dependents.

OEB is considered a “Covered Entity” under Title 2 of the Health Insurance Portability and Accountability Act (HIPAA) of 1996, Public Law 104-191, 1996. As such, OEB must comply with all provisions of HIPAA and the Health Information Technology for Economic and Clinical Health Act (HITECH), 45 CFR §§ 160 and 164 (hereinafter collectively, “**HIPAA**”) regarding all privacy and security measures relevant to the operations of the programs within OEB when operating in a capacity subject to HIPAA. Additionally, any person or entity who performs functions or activities on behalf of, or provides certain services to a covered entity that involve access to protected health information are considered business associates under HIPAA. OEB requires appropriate Business Associate Agreements with such Proposers.

1.3 Objective of Request for Proposal

The University of Texas System is soliciting proposals in response to this Request for Proposal No.720-1810 (this “**RFP**”), from qualified Proposers to provide management for a high-performing, cost effective Accountable Care Organization (ACO) option to provide medical benefits for the University of Texas System’s north Texas eligible members. The ACO plan offered under the System Uniform Group Insurance Program (the “**Services**”) is more specifically described in **Section 5** of this RFP.

SECTION 2

NOTICE TO PROPOSER

2.1 Submittal Deadline

University will accept proposals submitted in response to this RFP until 2:30 p.m., Central Standard Time (“CST”) on **Tuesday, March 6th, 2018** (the “**Submittal Deadline**”).

2.2 University Contact Person

Proposers will direct all questions or concerns regarding this RFP to the following University contact (“**University Contact**”):

Darya Vienne
Email: dvienne@utsystem.edu

University specifically instructs all interested parties to restrict all contact and questions regarding this RFP to written communications delivered to (i) University Contact, or (ii) if questions relate to Historically Underutilized Businesses, to HUB Coordinator (ref. **Section 2.5** of this RFP). *University Contact must receive all questions or concerns no later than 2:30 p.m. CST on Friday, February 23rd, 2018.* University will have a reasonable amount of time to respond to questions or concerns. It is University’s intent to respond to all appropriate questions and concerns; however, University reserves the right to decline to respond to any question or concern.

2.3 Criteria for Selection

The successful Proposer, if any, selected by University through this RFP will be the Proposer that submits a proposal on or before the Submittal Deadline that is the most advantageous to University. The successful Proposer is referred to as “**Vendor**.”

Proposer is encouraged to propose terms and conditions offering the maximum benefit to University in terms of (1) accepting financial arrangements described in **Section 5**, (2) service, and (3) project management expertise.

The evaluation of proposals and the selection of Vendor will be based on the information provided in the proposal. University may consider additional information if University determines the information is relevant.

Criteria to be considered by University in evaluating proposals and selecting Vendor, will be these factors:

2.3.1 Threshold Criteria Not Scored

- A. Ability of University to comply with laws regarding Historically Underutilized Businesses; and
- B. Ability of University to comply with laws regarding purchases from persons with disabilities.

2.3.2 Scored Criteria

- 1. Vendor Experience and company information; (15%)
- 2. Deviations (15%)
- 3. Operational Services (15%)
- 4. Benefit and Network Administration (20%)

- 5. Customer and Account Services (20%)
- 6. Technical and Data Exchange (15%).

2.4 Key Events Schedule

Issuance of RFP	February 9th, 2018
Pre-Proposal Conference (ref. Section 2.6 of this RFP)	10 a.m. CST, Wednesday, February 21 st , 2018
Deadline for Questions / Concerns (ref. Section 2.2 of this RFP)	2:30 p.m. CST on Friday, February 23rd, 2018
Submittal Deadline (ref. Section 2.1 of this RFP)	2:30 p.m. CST on Tuesday, March 6th, 2018

2.5 Historically Underutilized Businesses

- 2.5.1 All agencies of the State of Texas are required to make a good faith effort to assist historically underutilized businesses (each a “**HUB**”) in receiving contract awards. The goal of the HUB program is to promote full and equal business opportunity for all businesses in contracting with state agencies. Pursuant to the HUB program, if under the terms of any agreement or contractual arrangement resulting from this RFP, Vendor subcontracts any of the Services, then Vendor must make a good faith effort to utilize HUBs certified by the Procurement and Support Services Division of the Texas Comptroller of Public Accounts. Proposals that fail to comply with the requirements contained in this **Section 2.5** will constitute a material failure to comply with advertised specifications and will be rejected by University as non-responsive. Additionally, compliance with good faith effort guidelines is a condition precedent to awarding any agreement or contractual arrangement resulting from this RFP. Proposer acknowledges that, if selected by University, its obligation to make a good faith effort to utilize HUBs when subcontracting any of the Services will continue throughout the term of all agreements and contractual arrangements resulting from this RFP. Furthermore, any subcontracting of the Services by Proposer is subject to review by University to ensure compliance with the HUB program.
- 2.5.2 University has reviewed this RFP in accordance with [34 TAC §20.285](#), and has determined that subcontracting opportunities are probable under this RFP. The HUB participation goal for this RFP is **26%**.

- 2.5.3 A HUB Subcontracting Plan (“HSP”) is a required as part of, *but submitted separately from*, Proposer’s proposal. The HSP will be developed and administered in accordance with University’s Policy on Utilization of Historically Underutilized Businesses and incorporated for all purposes.

Each Proposer must complete and return the HSP in accordance with the terms and conditions of this RFP. Proposers that fail to do so will be considered non-responsive to this RFP in accordance with [§2161.252, Government Code](#).

Questions regarding the HSP may be directed to:

Contact: Kyle Hayes
HUB Coordinator
Phone: 512-322-3745
Email: khayes@utsystem.edu

Contractor will not be permitted to change its HSP unless: (1) Contractor completes a new HSP, setting forth all modifications requested by Contractor, (2) Contractor provides the modified HSP to University, (3) University HUB Program Office approves the modified HSP in writing, and (4) all agreements resulting from this RFP are amended in writing to conform to the modified HSP.

- 2.5.4 Proposer must submit, **via email**, one (1) HSP in PDF format to University on Tuesday, March 6th, 2018 at 2:30 PM CST (ref. **Section 3.2** of this RFP.) to the email address below:

HSP Submittal Email: utadminHSP@utsystem.edu

Proposer must include the following information in the email submission:

Subject Line: RFP 720-1810, ACO Medical Plan, Proposal due date: **Tuesday, March 6th, 2018 at 2:30 PM CST**, HUB Subcontracting Plan.

Body: Proposer company name and the name and contact information of the person who prepared the HSP.

Instructions on completing an HSP

Proposer must visit <https://www.utsystem.edu/offices/historically-underutilized-business/hub-forms> to download the most appropriate HUB Subcontracting Plan (HSP) / Exhibit H form for use with this Request for Proposal. Proposer will find, on the HUB Forms webpage, a link to “Guide to Selecting the Appropriate HSP Option”. **Please click on this link and read the Guide first before selecting an HSP Option.** Proposer shall select, from the four (4) Options available, the Option that is most applicable to Proposer’s subcontracting intentions. These forms are in **fillable** PDF format and must be downloaded and opened with *Adobe Acrobat/ Reader* to utilize the fillable function. If Proposer has any questions regarding which Option to use, Proposer shall contact the HUB Coordinator listed in 2.5.3.

Proposer must complete the HSP, then print, sign and scan *all pages* of the HSP Option selected, with additional support documentation*, **to the submittal email address noted above**. NOTE: signatures must be “wet” signatures. Digital signatures are not acceptable.

Any proposal submitted in response to this RFP that does not have a corresponding HSP meeting the above requirements may be rejected by University and returned to Proposer unopened as non-responsive due to material failure to comply with advertised specifications.

University will send an email confirmation to each Proposer upon receipt of the Proposer's HSP. Each Proposer's HSP will be evaluated for completeness and compliance prior to opening the proposal to confirm Proposer compliance with HSP rules and standards. Proposer's failure to submit one (1) completed and signed HUB Subcontracting Plan **to the email address noted above** may result in University's rejection of the proposal as non-responsive due to material failure to comply with advertised specifications; such a proposal may be returned to the Proposer unopened (ref. **Section 1.5 of Appendix One** to this RFP). **Note:** *The requirement that Proposer provide one (1) completed and signed pdf of the HSP under this **Section 2.5.4** is separate from, and does not affect, Proposer's obligation to provide University with the number of copies of its proposal as specified in **Section 3.1** of this RFP.*

***If Proposer's submitted HSP refers to specific page(s) / Sections(s) of Proposer's proposal that explain how Proposer will perform entire contract with its own equipment, supplies, materials and/or employees, Proposer must submit copies of those pages with the HSP sent to the HSP Submittal email address noted above. In addition, all solicitation emails to potential subcontractors must be included as backup documentation to the Proposer's HSP to demonstrate Good Faith Effort.** Failure to do so will slow the evaluation process and may result in DISQUALIFICATION.

2.6 Pre-Proposal Conference

University will hold a pre-proposal conference at:

10 a.m. CST, Wednesday, February 21st, 2018.

Prospective Proposers are invited to call-in:

Conference call-in number: 877-226-9790

Passcode: 2241454

The pre-proposal conference will allow all Proposers an opportunity to ask University's representatives relevant questions and clarify provisions of this RFP.

SECTION 3

SUBMISSION OF PROPOSAL

3.1 Number of Copies

- A. Proposer must submit a total of five (5) complete and identical copies of its *entire* proposal. An *original* signature by an authorized officer of Proposer must appear on the Execution of Offer (ref. **Section 2** of **APPENDIX ONE**) of at least one (1) copy of the submitted proposal. The copy of the Proposer's proposal bearing an original signature should contain the mark "original" on the front cover of the proposal.

University does not consider electronic signatures to be valid therefore the original signature must be a "wet signature."

- B. One (1) complete electronic copy of its entire proposal in a single .pdf file on USB Flash Drive. USB Flash Drive must include a protective cover and be labeled with Proposer's name and RFP number.

In addition, Proposer must submit one (1) complete electronic copy of the proposal in a single .pdf file on separate USB Flash Drive on which all proposed pricing information, provided in response to **Section 6**, has been removed.

3.2 Submission

Proposals must be received by University on or before the Submittal Deadline (ref. **Section 2.1** of this RFP) and should be delivered to:

The University of Texas System Administration
210 West 7th Street
Austin, Texas 78701-2982
Attn: Darya Vienne

NOTE: Show the Request for Proposal number and submittal date in the lower left-hand corner of sealed bid envelope (box / container).

Proposals must be typed on letter-size (8-1/2" x 11") paper, and must be submitted in a 3-ring binder. Preprinted material should be referenced in the proposal and included as labeled attachments. Sections within a proposal should be divided by tabs for ease of reference.

3.3 Proposal Validity Period

Each proposal must state that it will remain valid for University's acceptance for a minimum of one hundred and twenty (120) days after the Submittal Deadline, to allow time for evaluation, selection, and any unforeseen delays.

3.4 Terms and Conditions

- 3.4.1 Proposer must comply with the requirements and specifications contained in this RFP, including the Agreement (ref. **APPENDIX TWO**), the Notice to Proposer (ref. **Section 2** of this RFP), Proposal Requirements (ref. **APPENDIX ONE**) and the Specifications and Additional Questions (ref. **Section 5** of this RFP). If there is a conflict among the provisions in this RFP, the provision requiring Proposer to

supply the better quality or greater quantity of services will prevail, or if such conflict does not involve quality or quantity, then interpretation will be in the following order of precedence:

- 3.4.1.1. Specifications and Additional Questions (ref. **Section 5** of this RFP);
- 3.4.1.2. Agreement (ref. **Section 4** and **APPENDIX TWO**);
- 3.4.1.3. Proposal Requirements (ref. **APPENDIX ONE**);
- 3.4.1.4. Notice to Proposers (ref. **Section 2** of this RFP).

3.5 Submittal Checklist

Proposer is instructed to complete, sign, and return the following documents as a part of its proposal. If Proposer fails to return each of the following items with its proposal, then University may reject the proposal:

- 3.5.1 Signed and Completed Execution of Offer (ref. **Section 2** of **APPENDIX ONE**)
- 3.5.2 Signed and Completed Pricing and Delivery Schedule (ref. **Section 6** of this RFP)
- 3.5.3 Responses to Proposer's General Questionnaire (ref. **Section 3** of **APPENDIX ONE**)
- 3.5.4 Signed and Completed Addenda Checklist (ref. **Section 4** of **APPENDIX ONE**)
- 3.5.5 Responses to questions and requests for information in the Specifications and Additional Questions Section (ref. **Section 5** of this RFP)
- 3.5.6 Signed and completed originals of the HUB Subcontracting Plan or other applicable documents (ref. **Section 2.5** of this RFP).
- 3.5.7 Responses to questions and requests for information in **APPENDICES FOUR, FIVE, SIX** and **SEVEN**.
- 3.5.8 Signed confirmation of the Vendor's acceptance of and compliance with the Financial Requirements as set forth in **Section 5.3.1** of this RFP (ref. **Section 5.2.6**).

SECTION 4

GENERAL TERMS AND CONDITIONS

The terms and conditions contained in the attached Agreement (ref. **APPENDIX TWO**) or, in the sole discretion of University, terms and conditions substantially similar to those contained in the Agreement, will constitute and govern any agreement that results from this RFP. If Proposer takes exception to any terms or conditions set forth in the Agreement, Proposer will submit redlined **APPENDIX TWO** as part of its proposal in accordance with **Section 5.2.1** of this RFP. Proposer's exceptions will be reviewed by University and may result in disqualification of Proposer's proposal as non-responsive to this RFP. If Proposer's exceptions do not result in disqualification of Proposer's proposal, then University may consider Proposer's exceptions when University evaluates the Proposer's proposal.

SECTION 5

SPECIFICATIONS AND ADDITIONAL QUESTIONS

5.1 General

The minimum requirements and the specifications for the Services, as well as certain requests for information to be provided by Proposer as part of its proposal, are set forth below. As indicated in **Section 2.3** of this RFP, the successful Proposer is referred to as the “Vendor.”

Contract Term: University intends to enter into an Agreement with the Vendor to perform the Services for an initial two (2) year base term, with the option to renew for four (4) additional one (1) year renewal periods, upon mutual written agreement of both parties.

5.2 Additional Questions Specific to this RFP and Minimum Requirement

Proposer must submit the following information as part of Proposer’s proposal:

- 5.2.1 If Proposer takes exception to any terms or conditions set forth in the Agreement (ref. **APPENDIX TWO**), Proposer must redline APPENDIX TWO and include **APPENDIX TWO** as part of its Proposal. If Proposer agrees with terms or conditions set forth in the **APPENDIX TWO**, Proposer will submit a written statement acknowledging it.
- 5.2.2 By signing the Execution of Offer (ref. **Section 2** of **APPENDIX ONE**), Proposer agrees to comply with Certificate of Interested Parties laws (ref. [§2252.908, Government Code](#)) and [1 TAC §§46.1 through 46.5](#)) as implemented by the Texas Ethics Commission (“TEC”), including, among other things, providing TEC and University with information required on the form promulgated by TEC and set forth in **APPENDIX THREE**. *Proposer may learn more about these disclosure requirements, including applicable exceptions and use of the TEC electronic filing system, by reviewing [§2252.908, Government Code](#), and information on the [TEC website](#). **The Certificate of Interested Parties must only be submitted by Vendor upon delivery to University of a signed Agreement.***
- 5.2.3 In its proposal, Proposer must indicate whether it will consent to include in the Agreement the “Access by Individuals with Disabilities” language that is set forth in **APPENDIX FOUR, Access by Individuals with Disabilities**. If Proposer objects to the inclusion of the “Access by Individuals with Disabilities” language in the Agreement, Proposer must, as part of its proposal, specifically identify and describe in detail all of the reasons for Proposer’s objection. NOTE THAT A GENERAL OBJECTION IS NOT AN ACCEPTABLE RESPONSE TO THIS QUESTION.
- 5.2.4 In its proposal, Proposer must respond to each item listed in **APPENDIX FIVE, Electronic and Information Resources (EIR) Environment Specifications**. **APPENDIX FIVE** will establish specifications, representations, warranties and agreements related to the EIR that Proposer is offering to provide to University. Responses to **APPENDIX FIVE** will be incorporated into the Agreement and will be binding on Vendor.
- 5.2.5 In its proposal, Proposer must respond to each item listed in **APPENDIX SIX, Security Characteristics and Functionality of Vendor’s Information Resources**. **APPENDIX SIX** will establish specifications, representations, warranties and agreements related to the EIR that Proposer is offering to provide to University. Responses to **APPENDIX SIX** will be incorporated into the Agreement and will be binding on Vendor.
- 5.2.6 **Each Proposal must include information that clearly indicates that Proposer meets the following minimum qualification requirement:**

Confirm ability to accept Financial Requirements outlined in Section 5.3.1.

5.3 Scope of Work

The University of Texas System and University of Texas Southwestern Medical Center (SWMC) are committed to creating a high-performing, cost effective ACO plan to provide medical benefits for Members utilizing SWMC's Accountable Care Organization and Population Health Management Company under the direction of Southwestern Health Resources (SWHR).

- The ACO will deliver quality services and improved plan outcome and cost efficiency for the members that choose the ACO option.
- SWHR will assume full responsibility for medical benefits costs to ACO participants and associated risk that are in excess of the payment structure outlined in this agreement through a negotiated arrangement with the chosen vendor, a licensed insurance vendor in the state of Texas, selected through this RFP.
- The System Office of Employee Benefits (OEB) will provide stop loss coverage for claims in excess of \$300,000 per participant.
- Prescription drug benefits for ACO participants will be provided through a separate pharmacy benefit plan managed by OEB through a contract with Express Scripts in year one (1), subject to change through future PBM procurement. SWHR and the selected vendor shall not have financial responsibility for the prescription drug benefits provided to ACO participants.

Within thirty (30) days of contract award or prior to, vendor must execute a contract with SWHR which reflects the services necessary to administer the ACO as described in this RFP. It is expected SWHR will require the following terms in their agreement:

A. Network

1. The ACO's network will primarily consist of SWHR-contracted facilities and providers. Proposer and SWHR will work together to meet any applicable TDI requirements for the network.
2. Proposer may supplement these providers on a mutually agreed upon basis, specifically where the current SWHR network is not sufficient to meet member needs/requirements. Where possible, these providers should ultimately seek direct SWHR contracts and become part of the SWHR at-risk network in order to participate in the clinical guidelines and medical management protocols of SWHR.
3. SWHR will mutually agree to the member service area on a Zip Code basis. This network area will determine eligibility for System members on a "live or work" basis – meaning, a member must live or work in one of the designated Zip Codes to be eligible for the ACO plan.
4. Any other providers that are required for operation of the ACO and are not contracted with SWHR will be offered through existing Proposer provider contracts, as agreed by SWHR.
5. Proposer should discuss with SWHR benefits, if any, for out of area services.

B. Operations / Clinical Guidelines

1. Proposer will establish and maintain the clinical and claims management protocols for the network providers for the ACO plan, through mutual agreement with SWHR. Proposer will support the provision of care coordination services in collaboration with SWHR on a mutually agreed upon basis. Proposer and SWHR will jointly agree on the application of the care management protocols to be applied to all members of the ACO plan and Proposer shall pay claims in accordance with these standards.

2. SWHR will adhere to the Clinical Policy Bulletins for covered services, as maintained by Proposer. Proposer agrees that SWHR may review and modify the Clinical Policy Bulletins from time to time and that Proposer will work to implement any such modifications by SWHR that may affect medical management administration.
3. Proposer and SWHR will operate a System-specific website for the ACO product. The functionality of the website must include network search capabilities, member resources and contact information for member and provider services.
4. Proposer will share claims data for ACO members with SWHR on an expedited and timely basis. Proposer recognizes that SWHR needs claims and financial data for several purposes, including, i) care coordination, ii) population health management, iii) overall financial management of the ACO plan and SWHR's corresponding financial risk. Proposer agrees to provide such claims and financial information to SWHR on mutually agreeable terms.
5. Proposer will establish and maintain a two-way file feed with ESI to communicate any pertinent member indicators such as out-of-pocket maximums, as required by UT System and the Affordable Care Act, on mutually agreeable terms.
6. Proposer will provide SWHR with ongoing implementation and management support through claims and reporting tools, frequent meetings (weekly in the beginning and monthly as the plan begins operations) to continue to modify and refine the ACO plan and risk mitigation.
7. Proposer must have experience with product-based attribution models and experience administering risk contracts.
8. Proposer must have underlying fee agreements with SWHR as well as an ACO agreement and a willingness to enter into an additional contract with SWHR, which reflects the purpose and intent of SWHR's model of care and reimbursement structure.

The Annual Enrollment period occurs July 15-31 each year to be effective the following September 1.

The Contract awarded in accordance with this RFP will be for the two-year period beginning September 1, 2018 and ending August 31, 2020, with the opportunity, at System's sole discretion, to renew for up to four additional one-year periods, subject to terms and conditions acceptable to the System.

All qualified vendors are invited to submit a proposal. It is the System's intention to select one vendor to administer the ACO and to have a signed Contract in place prior to implementation.

The vendor proposal must demonstrate a commitment to work closely with the System to ensure a seamless transition into the new plan for those employees and non-Medicare primary retired employees who choose to participate in the ACO.

In addition to these expected competencies, the chosen vendor must demonstrate effective ability and programming to support the ACO as follows:

9. Agree to the financial terms as described in Section 5.3.1 of this RFP;
10. Provide to SWHR medical claims and enrollment data on an agreed upon schedule no less than on a monthly basis, per industry standard delivery times for an ACO and, on a daily basis, identify and provide to SWHR information on hospital admission and ER utilization necessary to facilitate patient care under the ACO;

11. Assist with the maintenance of a narrow network of specified providers to include, at a minimum, physicians and facilities of The University of Texas Southwestern Medical Center and providers and facilities of their choosing; assist with expansion of the network as required to close access to care gaps; and, where appropriate, create custom payment programs such as bundles, capitation, etc.; and
12. Develop an optimal plan design, understanding that SWHR can accept a differential of 10-15% benefit improvement and provide differential marketing support to encourage enrollment in the ACO. The benefit design will not impact the ACO Premium determined in accordance with **Section 5.3.1**.

5.3.1 Financial Requirements

A. Background

The University of Texas System (System) Office of Employee Benefits (OEB) is seeking a licensed insurance company (the Vendor) to arrange for and provide an ACO plan under the UGIP for FY19.

System leadership has instructed OEB to operate the ACO plan on a breakeven basis; i.e., the GBP cannot pay more for medical benefits provided through the ACO plan than would have been paid through the UT SELECT plan. This requirement will be met through the process described below.

B. Terminology

For purposes of this RFP the following terminology is used.

1. Active employees and retirees are referred to as Members.
2. Members and dependents are referred to collectively as Participants.

C. Description of the ACO

The ACO plan will be offered as an alternative to the medical benefits provided under UT SELECT, effective September 1, 2018; i.e., for FY19.

1. The ACO plan will provide medical benefits only; i.e., prescription drug benefits for ACO Participants will continue to be provided through the current arrangement with Express Scripts.
2. The ACO plan will be responsible for all medical benefits incurred by Participants during the period of the Contract, including out-of-area benefits for those temporarily outside the ACO service area.
3. The ACO plan will be available to eligible active employees and non-Medicare primary retirees and their dependents who live or work in the ACO service area.
4. The covered population will be largely comprised of employees and non-Medicare primary retirees of UT Arlington (UTA), UT Dallas (UTD) and UT Southwestern (UTSW).
5. Participants for whom Medicare is primary are not eligible to participate in the ACO plan.

D. ACO Eligibility

1. All eligible Members that live or work in the ACO service area will be eligible to elect to participate in the ACO in lieu of UT SELECT.
2. During 2018 Summer Enrollment, current UT SELECT members will be eligible to elect to participate in the ACO rather than UT SELECT for FY19.

3. During their initial enrollment period, Members beginning employment on or after September 1, 2018, will be eligible to elect to participate in the ACO or the UT SELECT plan for FY19.
4. A Member who elects to participate in the ACO for FY19 may also elect to cover his/her eligible dependents under the ACO. An ACO Member may not elect UT SELECT coverage for his / her dependents.
5. An election to participate in the ACO for FY19 will remain in effect until the end of FY19 except in the event of a Qualified Life Event that would enable a Member to make an election change.

E. Employer and Member Contribution Rates

Employer and Member contribution rates are used by OEB solely for the purpose of collecting revenue from Employers and Members and will not be used to determine ACO Premiums.

1. The monthly Employer contribution rates for ACO Members will be the same as the UT SELECT Employer contribution rates for FY19.
2. At the discretion of the SWHR vendor and with the agreement of SWHR, ACO, the monthly Member contribution rates for ACO plan Members electing dependent coverage may be established at a level that is in the range of 90-100% of the UT SELECT Member contribution rates for FY19. However, any revenue shortfall experienced by OEB as a result of the ACO's establishment of Member contribution rates at a level below 100% of the UT SELECT Member contribution rates will be deducted from ACO Premiums otherwise payable in accordance with Section 5.3.1.

F. ACO Premiums

Due to the difficulty of establishing appropriate prospective ACO Premium Rates for a new plan with an uncertain enrollment, OEB will pay ACO Premiums based on the following:

1. Claims Premium

The Claims premium is intended to provide for ACO claims beneath a Stop Loss Threshold of \$300,000 per Participant per year.

a. September, 2018 – February, 2019

Each month during the period September, 2018 – February, 2019 (the Preliminary Period), OEB will pay a Preliminary Claims Premium determined by multiplying (i) the actual enrollment for the month by (ii) the Preliminary Claims Rate: \$403.00 per Participant per month, which is intended to provide for ACO claims beneath a Stop Loss Threshold of \$300,000 per Participant per year. (Note: The Preliminary Claims Rate is the average monthly UT SELECT medical claims cost for all UTA, UTD and UTSW Participants for FY17 trended for two years at the current UT SELECT medical trend (3% per year), discounted 5.6% in recognition of the Stop Loss Threshold.)

The Preliminary Claims Premium will be reconciled through the Preliminary Period Settlement Process described below.

b. March, 2019 – August, 2019

Each month during the period March 2019 – August 2019, OEB will pay Final Claims Premium determined by multiplying (i) actual enrollment for each Participant Category

for each month by (ii) the Final Claims Rates (determined as specified below) for the applicable category.

2. Administrative Premium

OEB will pay a monthly Administrative Premium of \$25.00 per enrolled Members for FY19 and FY20.

3. Reimbursement for Stop Loss Claims

In addition to the Claims Premium and the Administrative Premium, the Vendor will be reimbursed for actual claims paid in excess of the Stop Loss Threshold (Stop Loss Claims) through submission of invoices to OEB.

G. Payment Schedule

1. The Claims Premium and the Administrative Premium will be paid monthly in arrears on a schedule TBD.
2. Reimbursement for Stop Loss Claims will occur in accordance with the following process:

- a. The Vendor will process and pay all Stop Loss Claims incurred by ACO participants as described herein. The Vendor will pay such claims through the issuance of drafts or through Electronic Funds Transfer (EFT) from the Vendor's account prior to seeking reimbursement from System. On at least a weekly basis, the Vendor will present an invoice to System for Stop Loss Claims paid during the previous invoice period. The Vendor will be responsible for maintaining its own funds which are sufficient to provide for the Stop Loss Claims incurred under the ACO. The Vendor will be responsible for the escheatment process in accordance with Texas law for any payments disbursed on behalf of the ACO.
- b. Due to the timing of the reimbursements, the Vendor could potentially be required to advance up to two weeks of Stop Loss Claims payments before being reimbursed by System.
- c. The Vendor will be reimbursed only for actual Stop Loss Claims payments (i.e., it is not acceptable for the Vendor to seek reimbursement from System in an amount that is different than the amount the Vendor paid to the provider, facility, or participant). The Vendor will be reimbursed only for paid Stop Loss Claims and will not be reimbursed for such claims that have been processed but not yet paid. If, later, it is discovered the stop loss claim was paid for a participant whose eligibility changed and was no longer enrolled at the time of service, the stop loss payment must be returned to OEB.

H. Final Claims Rates

Final Claims Rates (FCRs) will be established using the following methodology. On or before March 1, 2019, OEB's actuary will develop FY19 FCRs using the following methodology.

1. Actual FY18 enrollment data and medical claims experience for Participants enrolled in the ACO on September 1, 2018 will be tabulated by Participant Category.
2. Medical claims experience will be based on claims incurred by ACO participants enrolled in UT SELECT during the period September 1, 2017 – August 31, 2018 and paid through November 2018.

3. The claims experience tabulated in (b) will be completed to provide for remaining runoff claims after November 30, 2018, based on factors developed by the OEB actuary using historical experience.
4. Data will be tabulated for the following four Participant Categories: active employees, non-Medicare eligible retirees, spouses and children.
5. The FY18 claims and enrollment data will be used to develop the FY18 monthly per capita claims cost for each Participant Category.

The FY18 monthly per capita claims cost for each Participant Category will be (a) trended to FY19 using annual trend rates derived based on actual UT SELECT experience for all Participants through November 2018 and (b) discounted 5.6% in recognition of the Stop Loss Threshold to produce the FY19 FCRs.

I. Preliminary Period Settlement Process

The Preliminary Period Settlement Process will proceed as follows:

1. Total Preliminary Claims Premium

The Total Preliminary Claims Premium for the Preliminary Period will be determined by summing the Preliminary Claims Premium for each month of the Preliminary Period.

2. Total Claims Premium

The Total Claims Premium for the Preliminary Period will be developed by multiplying (a) the FCR for each Participant Category by (b) the applicable enrollment in each category for each month of the Preliminary Period and summing the results for all months.

3. The Vendor will pay OEB the excess, if any, of (a) over (b).
4. Conversely, OEB will pay the Vendor the excess, if any, of (b) over (a).
5. Any payment required hereunder will be made no later than April 15, 2019.
6. The Settlement Process does not apply to the following:
 - a. Stop Loss Claims;
 - b. Administrative Premium;
 - c. Claims Premium paid for the period March, 2019 – August, 2019.

J. Claims Run-Off

Following termination of the Contract for any reason, the Vendor will continue to be responsible for processing and paying claims which were incurred during the term of the Contract. The cost of such run-off administration is included in the administrative fee presented in this section. The System will not incur additional Claims or Administrative premiums during the run-off period. The System will continue to reimburse the Vendor for Stop Loss Claims in accordance with the provisions of this section.

K. Financial Responsibility

1. In return for the amounts paid in accordance with the provisions of **Section 5**, the Vendor will accept full financial responsibility for all claims (below the Stop Loss Threshold) incurred on behalf of ACO plan participants during the term of the Contract without regard to when such claims are paid.
2. The Vendor may share any or all of the financial risk for which the Vendor is responsible under the terms of the Contract with any or all providers (including UTSW) in such manner and to such extent as may be mutually agreeable to by the Vendor and the providers. The terms of any such risk sharing agreements are solely at the discretion of the Vendor and the providers. System will not participate in negotiation of nor will it be a party to any such risk sharing agreement.

L. Actuarial Reporting

The Vendor shall submit to System and the consulting actuary, at a minimum, on a monthly basis a detailed file including all claims processed during the previous calendar month. This data will be used to analyze claims experience and reconcile invoices for Stop Loss Claims. The files and all information contained in the files will be the property of System. System and the consulting actuary will agree not to disclose confidential provider discount information to any other party. The Vendor shall not require an indemnification provision. The detailed claim file will include but will not be limited to paid date, date of service, provider of service, service provided, line charge, allowable amount, plan payment and patient share. This file will be due no later than the 15th of the month for the previous month's claim payments.

M. Audit of Vendor

System may contract with an independent auditor to conduct an annual audit of Stop Loss Claims and the Vendor's administration of the ACO plan to determine both the adequacy of the Vendor's procedures for the payment of claims and the accuracy of claim payments. The System will provide the Vendor with a minimum of thirty days' notice prior to commencement of the audit.

In addition to the annual audit described above and any audits that may be conducted by the State Auditor, System may, at its sole discretion, conduct other audits of the Vendor as deemed necessary. System shall determine the scope of each audit. The Vendor is required to fully support all audit-related activities and to cooperate in good faith with the auditor. The Vendor must maintain readily available data that is accessible electronically as well as through hard copy, such that it can meet a reasonable timeline and provide timely responses for audit purposes. Neither the System nor the auditor shall reimburse or indemnify the Vendor for any expense incurred or any claim that may arise in connection with or relating to either annual or other audits.

The Vendor is responsible for addressing the independent auditor's findings to the satisfaction of System. Audit findings that conclude certain Stop Loss Claims were not adjudicated correctly shall result in the recalculation and financial settlement with the System within a reasonable timeframe, not to exceed the end of the following Plan Year. Recommendations made by independent auditors shall be discussed with System and incorporated by the Vendor where appropriate.

N. Stipulations

1. SWHR requires an enrollment of 2,500 Participants for the plan to be viable. The terms of this RFP are null and void in the event that ACO plan enrollment is less than 2,500 Participants on September 1, 2018. In such event, the enrolled Participants will be moved to UT SELECT and the ACO will not be offered.
2. The methodology for determination of the Claims Premium specified in **Section 5.3.1.F.1** is applicable to FY19 only. The methodology for FY20 and subsequent years will be negotiated by the Vendor and System during FY19.
3. OEB's actuary will work collaboratively with the Vendor's actuary to the extent possible without violating confidentiality agreements with other parties.
4. OEB will provide no reimbursement to the Vendor in excess of the amounts determined in accordance with the provisions of **Section 5.3.1**.

5.3.2 Benefits Administration and Network Services

The System currently offers a self-funded PPO plan to eligible employees, retired employees and their dependents, as authorized by Chapter 1601 of the Texas Insurance Code. The System requires that the Vendor be able to effectively administer a provider network, benefit design, and overall program which meets or exceeds the requirements presented in **Section 5.3** of this RFP.

- A. Benefit Design - Continuity of Coverage - The Schedule of Benefits for the UT SELECT plan currently being offered to eligible System employees and retired employees is located in the **APPENDIX EIGHT**. To encourage enrollment in the ACO, the Vendor should develop and propose an optimal plan design that meets or exceeds the benefits offered in the UT SELECT plan. Appropriate marketing materials will be important to encourage enrollment.
- B. Performance Standards

The selected Vendor and System shall negotiate appropriate performance standards during implementation.

5.3.3 Operational Services

The Vendor must administer the ACO plan in a manner consistent with all applicable laws and regulations, as well as with the requirements set forth in this RFP by the System. The Vendor must provide all services associated with the administration of the plan, including, but not limited to the items specified in the following sections. The Vendor must provide general administrative support as required in the operation of a medical plan, and legal and technical assistance as it relates to the operation and administration of the plan.

A. Implementation and Account Teams

If selected, the Vendor must notify the System in writing of the names and roles of all members of its complete Implementation Team no later than April 1, 2018. In addition, the Vendor will be required to establish an Account Management Team that is acceptable to System and agree to make staffing adjustments to this team as required by System throughout the Contract period. The Vendor must ensure that the Account Management Team is established no later than April 1, 2018, and that this team will be available to assist

System as required every Monday through Friday from 8:00 a.m. until 5:00 p.m. Central Time (excluding national holidays).

The Vendor's Implementation and Account Management Teams must each include a designated information technology contact with the technical knowledge and expertise to efficiently and effectively collaborate with System's information technology team regarding data transmission, data integrity, and timely processing of data. The designated information technology contact should be appropriately positioned within the Vendor's organization to allow for direct management and possible changes of technical issues related to the Contract.

B. Customer and Account Service

The Vendor's Account Management Team must work with System, its consulting actuary and SWHR to provide information regarding the utilization and performance of the plan, including recommendations and updates regarding ongoing implementation activities. The System may require monthly or quarterly operational meetings (in-person or via telephone conference), as needed.

The Vendor's customer service unit should be staffed and trained adequately to handle the plan's specific benefit questions, claims administration, resolution of complaints, and program or claim clarification. The Vendor's customer service hours must include, at a minimum, Monday through Friday from 8:00 a.m. to 5:00 p.m. Central Time, excluding national holidays.

The Vendor must designate Vendor customer service representatives as contacts for System staff. The Vendor warrants and represents that it will adequately train additional team members as needed to support the System's requirements. For emergency enrollment updates, the Vendor must accept verbal verification of a System participant's coverage by an authorized representative of the System or verify the participant's coverage through an online eligibility system and subsequently update coverage in the Vendor's system, prior to receipt of the System's weekly / monthly enrollment information.

The Vendor must dedicate additional staff members, as needed, to update System related records and accounts and to provide additional help for the Vendor client service team during and following the System Annual Enrollment period including the 2018 Annual Enrollment period, which is held in July prior to the September 1, 2018 Contract effective date. Annual enrollment occurs July 15-July 30 of each year.

Customer Service call centers must be located within the United States, preferably in the state of Texas. The establishment of toll free lines (telephone and facsimile) is required and customer service staffing levels must be adequate at a minimum to maintain the following performance standards:

C. Claims Processing and Administration

The Vendor must process and administer all required claims (when applicable, including Emergency care) incurred in connection with the ACO plan on or after September 1, 2018 and throughout the term of the Contract.

General requirements for claims processing include the following:

1. Using System enrollment records, the Vendor must create and maintain enrollment records for all participants to be relied on for the processing of claims and other administrative functions for the ACO plan. In the event of a conflict between enrollment data stored at System and information on file with the Vendor, the System's information must be considered authoritative;
2. The Vendor must review claims for eligibility based on covered dates of services. All ineligible claims that are inadvertently paid by the Vendor must be recaptured;
3. The Vendor must process claims submitted directly by plan participants, including Coordination of Benefits claims for which the ACO plan pays secondary benefits. Each direct claim payment must include an Explanation of Benefits (EOB).
4. ACO plan claims must be processed within thirty (30) calendar days of submission to the Vendor unless additional information and / or investigation is required or unless otherwise required by law.
5. The Vendor must investigate unusual or extraordinary charges to determine all relevant circumstances and report to System and SWHR its findings. In the event the Vendor issues excess payments or payments for ineligible claims or participants, it will assume 100% liability for incorrect payments which result from policy or Vendor system errors attributable to the Vendor in whole or in part.
6. The plan deems all plan participants receiving benefits to have assigned all rights of recovery to the plan. The vendor is responsible for providing all subrogation services, as appropriate, including but not limited to: a) investigating claims to determine potential third-party liability, b) contacting participants to obtain information related to third-party liability, c) initiating demands, and filing liens to protect the UGIP's interests, d) initiating or intervening in litigation when necessary, and e) employing or retaining legal counsel for such purposes.
7. The Vendor must maintain complete and accurate claims reporting and provide for the retention, maintenance, and storage of all payment records with provision for appropriate reporting to the System. The Vendor must maintain all such records throughout the term of the Contract and for at least three (3) years following the end of the Contract, and must make such records accessible and available to the System for inspection and audit upon the System's request. In the event the Vendor is scheduled to destroy payment records, the Vendor must contact the System for approval prior to the destruction of the payment records. If the System approves destruction, verification of the destroyed records must be required at the System's direction.
8. The Vendor must provide System with access to statistical information associated with the ACO plan. The information to be made available must include current fiscal year information as well as the full twelve (12) months of the preceding fiscal year.
9. If, at any point, the Contract is terminated, the Vendor must provide these records to the System or its authorized administrator.

D. Appeals Procedure

The Vendor's appeals procedure must be in compliance with all applicable statutes and regulations including, but not limited to, the rules and regulations of the Texas Department of Insurance. The Vendor must have all levels of appeals required by law.

E. Fraud Prevention and Detection

The Vendor must use automated systems to detect fraud and misuse of the program, overpayments, wrongful or incorrect payments, unusual or extraordinary charges, verification of enrollment and unnecessary dental treatment. The Vendor must also conduct thorough,

diligent, and timely investigations with regard to fraudulent or suspicious claims and report monthly all such claims to System.

The Vendor understands that System may develop further policies in connection with the detection and prevention of fraud or abuse of the ACO plan. Vendor must comply with all applicable laws, regulations, and policies and is encouraged to develop additional safeguards as allowed by law.

F. Performance Standards

The selected Vendor and System shall negotiate appropriate performance standards during implementation. Areas of performance standards may include, customer service call handling, call center outages, claims processing, appeals, and complaints, annual member surveys, fraud detection, and network management.

5.3.4 Reporting and Information Sharing

Routine Vendor reporting, including utilization and cost data, is required to support the System's ability to proactively monitor trends and to identify / address variances on targeted Vendor performance guarantees and customer service standards. The timelines and formats for required reports shall be negotiated between Vendor and System. Additionally, System may request customized reports on an ad hoc basis. Such reports must be provided in a timely manner.

A. Performance Monitoring

The selected Vendor and System shall negotiate appropriate performance standards reporting during implementation.

B. ACO Plan Statistics

The Vendor must accumulate claims payment statistics and develop reports for the ACO plan as is typically done in the normal course of business, but no less frequently than on a quarterly basis. The Vendor must provide copies of such reports to the System along with results of any audits conducted in connection with the reports on a monthly basis.

C. Consulting Actuary

The System retains an independent consulting actuary on insurance matters. The consulting actuary assists and advises System staff on benefit plan design, proposal review, and premium rate analysis. System staff or the consulting actuary may, from time to time, request that the Vendor provide additional information specific to the ACO plan. The Vendor must cooperate with and act in good faith in working with the consulting actuary and must be prepared to respond to these requests promptly.

D. Flexible Spending Account Administration

The Vendor will be required to exchange eligibility and claims information electronically with the Contracted administrator of the UT FLEX Plan to facilitate the administration and adjudication of claims submitted for reimbursement under the plan participant's Healthcare Reimbursement Account. System currently contracts with Maestro Health for the administration of its UT FLEX plan.

E. Administrative Report Timeliness

The selected Vendor and System shall negotiate appropriate performance standards during implementation and frequency of reporting.

5.3.5 Technical and Data Exchange Requirements

Each institution of the System self-administers its eligibility. The System's institutions do not use the same payroll System; currently approximately nine (9) different Systems are used. System institutions transmit eligibility data to the System, and the System in turn transmits the appropriate data to the plan Vendor.

Datasets are transmitted by institutions directly to the System as often as desired. Institutions can also make real time updates to the System eligibility database and can transmit either a full replacement file or a partial replacement file as needed. Some institutions update their payroll files only shortly before payroll is processed; therefore, they transmit eligibility data to System only twice per month. However, other institutions update their data more often.

NOTE: OEB is currently evaluating its current enrollment system and processes. As a result and depending on the outcome of the review, institutions may no longer transmit eligibility to System but rather the OEB system would become the System of Record. If OEB chooses to move from its current mainframe environment, this transition would be implemented over the next three-five (3-5) years.

Due to the nature of the processes involved, there can often be a delay between the effective date of coverage and notification of eligibility to the Vendor. To accommodate the variation in institutional eligibility administration and payroll systems and minimize delays and errors, the System has developed standardized methods for receiving and transmitting information between System, institutions, and Vendors.

A. Secure File Transfer Protocol (SFTP) Over the Internet

System's security requirements mandate that SFTP be used to access all System servers. A Vendor's ability to use SFTP over the Internet and to work with HIPAA-compliant ANSI X12 transaction sets will be important considerations in the System's evaluation of the proposals. The minimum encryption level should comply with FIPS 140.-2.

B. Web Authentication Via Security Assertion Markup Language (SAML)

Security Assertion Markup Language (SAML) is an XML-based framework that forms the basis for the method of single sign-on user authentication that System strongly prefers be used for a Vendor's System-specific website. An alternative method of user authentication must also be provided for those UT Participants who cannot or who choose not to authenticate via single sign-on, including many retired employees. Responses that indicate a Vendor's willingness and ability to implement SAML-based authentication (v2.0) will be strongly preferred over those that do not.

When implementing SAML-based authentication for a Vendor's System-specific website, each of the 14 System institutions will act as an Identity Provider (IdP) and determine whether the user has authenticated properly using local credentials. If the user authenticates correctly, System will redirect the user's browser and pass a SAML assertion to the Vendor site in question. The Vendor site will accept the SAML assertion in order to grant access.

The Vendor must either agree to use System's SAML Discovery Service or to host an alternative solution for IdP discovery on the Vendor's System-specific website and subsequently accept the IdP's assertion that identifies the individual using the Benefits Identification (BID) number, which is included as an attribute in the SAML assertion. Each

participant has a unique BID, and BIDs will be regularly communicated to the Vendor via eligibility dataset.

Only user authentication will be handled via SAML. Authorization to access specific information, such as limiting the ability to view member-specific data to only the authenticated member, will still need to be handled by the Vendor website.

It is System's strong preference that the Vendor be capable of immediate implementation of SAML-based authentication (v2.0) at the start of the Contract period or that the Vendor anticipates being able to implement within three (3) to six (6) months of the start of the Contract period. A Vendor who is currently unable to implement SAML-based authentication (v2.0) should provide a statement of its ability to support authentication via proxy and should note in its response whether it anticipates being able to implement SAML-based authentication (v2.0) and, if so, when it anticipates being ready to do so.

C. Eligibility Data

1. Security Protocols

The Vendor will be required to accept encrypted eligibility data via Secure File Transfer Protocol (SFTP) over the Internet. The data is encrypted using Pretty Good Privacy (PGP) public key encryption. The System requires that these methods be used and responses must affirmatively state that the Vendor agrees to use both PGP encryption and SFTP. The minimum encryption level should comply with FIPS 140.-2.

2. Eligibility Dataset Exchange

Currently, a full replacement eligibility file is being transmitted by the System to the current UT SELECT TPA one time per week. Files are available to the provider by 6:00 a.m. (Central time) on the designated day of the transmission.

The Vendor will be required to receive and process at least one (1) replacement eligibility (enrollment) dataset per week. The Vendor may receive either full or partial replacement datasets each week. A partial replacement dataset includes only records for individuals who are new or who have had a change in coverage since the last dataset was generated. If the Vendor elects to receive weekly partial datasets, then once per month a full replacement dataset that includes all current participants will be sent to the Vendor. Each year during the second half of August and the majority of September, larger than normal datasets can be expected due to updates related to annual enrollment and the start of the new plan year.

It is System's expectation that the Vendor will immediately process eligibility datasets and that updated information will be loaded into the Vendor's information System within twenty-four (24) clock hours of receipt under normal circumstances. Within twenty-four (24) hours, the Vendor must positively confirm via email the receipt, processing, and successful load (or failure to load) of each eligibility dataset. Further, in the event that an eligibility dataset fails to load, the Vendor should provide an explanation for the failure to load either within or as immediate follow-up to the initial notification. The Vendor must work directly with System as needed to ensure that any dataset load issues are resolved as quickly as possible and updates are loaded to the Vendor's information system. Datasets are not sent on weekends; however, they may be sent on holidays unless other arrangements are made in advance with System.

The required format for eligibility data being transferred to and from the System is the HIPAA-compliant "Benefit Enrollment and Maintenance Transaction Set (ASC X12N 834)" format.

D. Retroactive Eligibility Adjustments

The System requires Contracting Vendors to allow a retroactive window for eligibility changes to be made up to ninety (90) calendar days after the end of the coverage period affected. The adjustments that must be allowed include activation of eligibility, termination of eligibility, and other variations that may occur as a result of participant status changes. The System retroactively adjusts the payment of premium, to ensure agreement with updated eligibility information. However, OEB is currently reviewing this administrative policy and in agreement with our institutions, may reduce this ninety (90) day window to a 30 or 45-day window.

E. Requirements to Facilitate Emergency Updates

On occasion, UT institutions may need to make emergency updates to the coverage of their plan participants. Emergency updates are updates to eligibility coverages on the Vendor's eligibility System made through a means other than the eligibility dataset. The System has implemented a "controlled emergency update email process" through which an institution Benefits or Human Resources representative can submit an emergency update request when needed.

UT Institutions are required to update the System eligibility database prior to sending an emergency update request to the plan Vendor. The eligibility System verifies the coverage prior to sending an emergency update email which is always sent from a single, controlled email account.

Social Security Numbers will never be transmitted on emergency update email messages. The Vendor will either need to be able to add a new member to their eligibility System prior to receiving the Social Security Number or be able to connect to a secured System website to retrieve complete update information. The link to the secure website will be included in all emergency update email messages.

The emergency update system is configured to send the email update request to designated Vendor staff members for handling. The email can be formatted to include the Vendor's preferences for coding, and its structure does include some free form text. The Vendor may choose up to five (5) email addresses to receive emergency update emails. Confirmation of a completed update to the Vendor's database is required within four (4) business hours of receipt of an emergency update email.

Preference will be given to responses indicating the willingness and ability to accept and process emergency updates via email as specified above. However, if a Vendor is unable to receive and process emergency update emails, the Vendor may, as a less preferred option, provide an access-controlled software interface through which the System can directly update the Vendor's eligibility database. The preferred method for this option is an Internet interface accessible via a Web browser such as Firefox, Microsoft Internet Explorer, Google Chrome, or Apple Safari.

F. Data Format for Premium Payments

The System will produce a "self-bill" by the fourteenth (14th) day of the month for the premium due for the prior month (billing month). Self-bills currently are created in a System-specific premium billing dataset format; however, for the purpose of this Contract, self-bills may be generated in either an administrative fee billing format or in the HIPAA-compliant "Payroll Deducted and Other Group Premium Payment for Insurance Products Transaction Set (ASC X12N 820)" format.

The dataset will be transmitted via SFTP over the Internet to a secure FTP server. Upon placement of the dataset on the server, an automated email will be sent to the appropriate Vendor contacts with notification of the dataset transmission and self-billing total. Each self-bill will reflect remittance detail for the current month along with any necessary adjustments for the prior three (3) months, or less if the period to change eligibility is reduced from ninety (90) days.

G. Detailed Claims Dataset Requirements

System requires that the vendor provide detailed claims datasets as support for the stop loss claims invoices and for the purpose of claim eligibility audits and for analysis by the System's consulting actuary.

System requires that a detailed claims dataset must be transmitted weekly by the vendor to System. For weeks that include the end of a month, two claims datasets will be required to facilitate a clear division of claims processed in each month. A supporting claims dataset must be received by System before reimbursement can be issued for claims included on the associated claims invoice.

The claims dataset must be provided in the HIPAA "Health Care Claim: Medical" Transaction Set (ASC X12N 837) format and should include all ACO claims that were processed, adjusted, or rejected during the previous period and included on the associated claims invoice. The detailed claims dataset must be PGP encrypted and sent by SFTP via the Internet to System and the consulting actuary.

H. Ad Hoc Requests and Issue Resolution

The Vendor must provide the System with priority positioning for delivery of ad hoc System service requests and / or issue resolutions. Through the designation of an appropriate technical contact as required for the Implementation and Account Management Teams, the Vendor must ensure that all System Information Systems requests and issues are given priority positioning and thoroughly analyzed to ensure speedy resolution. The Vendor must provide competent, focused attention to each information System request or issue presented by System.

It is the expectation that the Vendor will make every effort to deliver a resolution within thirty (30) calendar days from receipt of the System's written notification of a request or issue related to the Vendor's information Systems. The System will be responsible for supplying detailed information reasonably necessary for the Vendor to complete the requested services. If a 30-day resolution is not reasonable for a particular issue, the Vendor must provide System with an implementation plan and timeline for resolution within five (5) days from receipt of notification.

An example of a requirement falling under this provision would include, but would not be limited to:

Modifications to benefits and / or eligibility processing requirements must be reviewed, responded to, and approved by the Vendor within fifteen (15) days of such request by System. If the Vendor requires adjustments prior to granting approval, the Vendor must immediately notify the System and set up weekly update meetings to be held until the System agrees that the modifications will meet the System's operating requirements. Once requested modifications have been mutually agreed upon, the Vendor must complete the eligibility and / or benefits project, including required testing within forty-five (45) days of Systems' approval.

5.3.6 Communication Requirements

The Vendor will be required to communicate information regarding the ACO plan design approved by System. All plan communications should be designed to educate both potential enrollees and must be approved by System prior to dissemination. Communications regarding the ACO plan must be clear and concise, using terminology familiar to participants.

The Vendor will be required to develop ACO plan communications for written, electronic, and verbal dissemination to accommodate the varying needs of potential participants. However, System prefers that electronic communication be used whenever reasonably possible. Printed materials must always be made available electronically. Communication materials must meet ADA requirements for accessibility.

A. General Information

Communication materials to be developed by the Vendor may include, but are not limited to:

- Participant brochures and information for inclusion in benefits books and newsletters;
- A customized System-specific ACO plan website that is mobile friendly;
- Presentations to institution Benefits Staff and participants;
- Scripted responses to be used by customer service representatives;
- Advertising materials in association with System ACO plan enrollment;
- Explanations of Benefits (EOBs) and claim forms;
- Online Provider Directory, including a specific disclaimer stating that the list of providers is subject to change;
- App tool for mobile devices with custom network search by zip, provider, facility, or by specialty/practice area.
- News releases, including Contract signing announcement;
- Participant welcome packet; and
- Token giveaways for enrollment fairs and events.

Communication materials designed for ACO plan participants cannot, and the Vendor represents and warrants that it must not, advertise or promote coverage, products or materials, other than those relating to the Vendor's administration of the System ACO plan.

Important: All materials relating to the Plan must be approved by the System prior to distribution to UT Participants.

B. Annual Enrollment

Annual Enrollment information must be promptly provided to all benefits-eligible employees and retirees. The requirements listed below apply to all Annual Enrollment materials, including information for benefits guides.

1. Customer Service Information

All items must include the customer service phone number, hours of operation, a description of the process for filing claims (if applicable), the appeal process for treatment or claim denials, and the Vendor's website address.

2. Description of Benefits

The Vendor must provide a Schedule of Benefits that contains the benefits as good as those set forth in this RFP for the UT SELECT plan and preferably enhanced to raise interest in enrollment in the ACO plan. The summary shall include any additions, limitations and exclusions and the fee schedule.

3. Provider Directory

The ACO plan provider directory must be made available in electronic format on the Vendor's System-specific website. It should indicate each provider's address, assigned office code, and whether or not the provider is accepting new patients. The online directory must be updated at least monthly and must include a disclaimer that providers are subject to change. An online provider directory must be made available by July 1 and should be updated frequently during the two (2)-week annual enrollment period from July 15-July 31.

The Vendor's customer service center must produce and mail customized provider directories to UT Participants upon request throughout the plan year.

4. Due Dates for Enrollment Materials

All educational and enrollment materials used for both Annual Enrollment and new employees must be distributed to all System Institution Benefit Offices no later than **June 15** of each plan year.

5. Attendance at Annual Enrollment Meetings

The Vendor is required to attend key scheduled Annual Enrollment meetings at each UT Institution in the Dallas area when requested by the institution Benefits Office at the Vendor's own expense. Vendor participation at Annual Enrollment meetings will help educate employees about the ACO plan discussed in this RFP. If the Vendor is unable to attend all Annual Enrollment meetings being offered at a particular UT Institution, UT institution will have the discretion to designate a particular meeting or meetings as high-priority and request Vendor attendance specifically for the designated priority meeting(s). Note: Based on prior Annual Enrollment experience, the medical plan vendor can expect to attend approximately six Annual Enrollment events each year in the Dallas area. However, in the first year, OEB, Vendor and SWHR may host additional meetings to encourage enrollment in the plan.

6. Customer Service During Annual Enrollment

The Vendor's designated Customer Service staff will be required to assist in answering questions regarding the ACO plan each year during Annual Enrollment period(s), including during the July 2018 Annual Enrollment period. Education by the Vendor Customer Service staff must be provided to all current and potential ACO plan participants who may call with questions during Annual Enrollment. Customer service should be made available via phone, email, in writing, or in person.

C. System-Specific Website

Before deploying the UT System-specific website, Contractor must submit information describing:

- (1) the architecture of the website or application;*
- (2) the authentication mechanism for the website or application; and*
- (3) the administrator level access to data included in the website or application.*

Before deploying the UT System-specific website, the website must be subject to vulnerability and penetration tests either conducted by UT System or an independent third party.

Contractor must be available to address additional information security-related questions.

The Vendor must establish a customized, System-specific website with the primary goal of allowing participants to easily access plan information regarding customer service toll-free numbers, claims, and plan contacts for the ACO plan. The website must meet all requirements as detailed in this section.

The Vendor's System-specific website must be available to the System for testing no later than **June 1, 2018**. The final System-approved website for plan year 2018-2019 must be completed by **June 23, 2018**, and must include the System-approved enrollment materials. The System must approve new website additions or redesigns at least two (2) weeks prior to any scheduled launch date. The Vendor must update the website as often as needed with System-specific content (e.g., news) when requested by the System. The System's requests should be implemented within two (2) weeks from the request date, or within a reasonable time as agreed by the System, depending on the complexity of the update requested.

1. Content Specifications

The System-specific website should be kept regularly updated with timely, relevant information for the ACO plan. All content for the System-specific website must be approved by the System before it is released. The site must include:

- a. A link to the UT ACO Plan Guide and summary, as approved by the System;
- b. The System-approved provider directory which must be updated on the website at least weekly during Annual Enrollment and monthly throughout the plan year. The online provider directory must include:
 - a geographic look-up capability by ZIP Code that is user friendly,
 - each provider's specialty,
 - each provider's assigned unique office code, and
 - an indication about whether each provider is accepting new patients or not.
- c. All information must be updated in accordance with the above time frames. The online and printed provider directories must include a disclaimer that providers are subject to change;
- d. Customer service information, including phone numbers, mail and claim addresses, hours of operation, and guidelines for the complaint and appeals processes;
- e. Electronic forms or email addresses for customer complaints and questions. Response to email complaints should have no more than a 48-hour turnaround time. A tracking System for complaints submitted online, similar to the tracking of telephone complaints, must be in place, with the ability to provide data and details to the System upon request;
- f. All necessary Vendor forms (e.g., claim forms) for participants. If forms are made available in PDF format, an easily identifiable link must be provided to download Adobe Acrobat Reader to enable participant viewing and printing;
- g. System's branding and a System-specific welcome message must be included to clearly indicate the site is specific to System and the ACO plan;
- h. A link to the System's UT Benefits website; and
- i. If the Vendor provides a website through which a participant may view specific information about himself / herself, the site must utilize secured protocol (<https://>) and require authentication. The site may not use the participant's social security number as either the user identification or the password. The Benefits ID may be used as the user identification. Authentication via Single Sign-On using SAML 2.0 is strongly preferred over requiring a unique user identification and password specific to the site. See the section of this RFP entitled "Technical and Data Requirements" for additional details.

2. Technical Specifications

The System-specific website must be accessible to as many participants as possible. Therefore, the following specifications must be met:

- a. All website content must be clearly visible and functional in Internet Explorer, Safari, Microsoft Edge, Firefox, and Google Chrome browsers;

- b. Entering a Social Security Number should not be required at any time to access information on the website;
 - c. The log-on page must not allow the browser to store the information entered in the cache. The auto-complete feature must be turned off for every form;
 - d. The font must be easy to read, no smaller than 10px; and
 - e. All web content and downloadable documents, including Adobe Portable Document Format (PDF) files, must be made accessible to persons with disabilities, in accordance with **APPENDICES FOUR** and **FIVE** of this RFP document.
3. Before deploying the System-specific website, the Vendor must submit information describing:
 - a. the architecture of the website or application;
 - b. the authentication mechanism for the website or application; and
 - c. the administrator level access to data included in the website or application.
 4. Before deploying the System-specific website, the website must be subject to vulnerability and penetration tests either conducted by System or an independent third party.
 5. Vendor must be available to address additional information security-related questions.

D. Prohibitions; Notice of Inquiries from third parties

As the administrator for the ACO plan, the Vendor may receive numerous inquiries from interested third parties relating to the ACO plan and their program administration. The Vendor is strictly prohibited from disseminating any information about coverage, products, or materials on the Vendor's website other than those explicitly relating to the Vendor's plan offered or service provided to System participants, including the System-specific ACO plan website.

The Vendor must forward all inquiries from interested third parties relating to the System ACO plan and their program administration to the System Office of Employee Benefits.

E. Dissemination of Communication Materials

Communication materials may be considered "published" when a final electronic copy is delivered to the System or is accessible on the Vendor's website. Materials that contain protected health information or other confidential information such as a participant's Benefits ID number must be mailed in an envelope or packaging designed to secure the confidential information from casual viewers.

F. Plan Booklets

An approved evidence of coverage (certificate) for the ACO plan must be provided each plan year. If corrections or amendments are made during a plan year, all UT Participants will receive an updated evidence of coverage from the Vendor. The updated plan certificate will also be posted on the System website. The plan certificate must include any additions, limitations and exclusions, and a description of the appeals process. The plan certificate should include a description of current eligibility requirements, as set forth in Chapter 1601 of the Texas Insurance Code.

The Vendor is responsible for providing a draft of the certificate each year. Final drafts of any required plan booklets must be submitted by the Vendor to the System for review by **June 1, 2018**.

G. Identification (ID) Cards

Prior to September 1, 2018, the Vendor must send ACO ID cards to all enrolled participants, including those who enroll in the plan during the July 2018 Annual Enrollment period. Throughout the Contract period, the Vendor must issue ID cards to all new enrollees within five (5) business days after the Vendor receives the enrollment information from the System.

The ID card may not include the System participant's social security number. The card must use the Benefits ID number as specified by the System, as well as other standard information in a format prescribed by the System including the participant's name and a summary of benefits for the ACO plan. Replacement cards must be provided at the request of a participant. Once initially distributed, ID cards do not need to be automatically replaced unless changes to the benefit plan design require updates to the information shown on the card or changes are made to a participant's name as shown on the card (such as a change to a participant's last name due to marriage).

H. Training of System and Institution Staff

The Vendor must provide training to System staff and institution HR and Benefits staff regarding the ACO plan. Centralized training for UT Institution HR and Benefits staff occurs on an annual basis during the Benefits and Human Resources Conference (BHRC) hosted in Austin by OEB in June. In addition, specific training for institution HR and Benefits staff may be required at other times during the year based on changes to operations and the needs of the System.

I. Performance Standards

1. Website Outages

System Requirement: Outages of customer service access points, including the System-specific website, should be kept to a minimum. If an outage does occur (or is expected to occur), the Vendor must report the outage to System as soon as possible and service should generally be restored within one (1) hour of the outage, dependent upon specific circumstances.

The selected Vendor and System shall negotiate appropriate performance standards reporting during implementation.

2. Annual Enrollment Materials

System Requirement: The Vendor must meet all due date requirements as specified in this RFP for materials related to Annual Enrollment.

The selected Vendor and System shall negotiate appropriate performance standards reporting during implementation.

5.4 Additional Questions Specific to this RFP

Proposer must submit the following information as part of Proposer's proposal:

Vendor Experience and Vendor Information (15%)

1. Provide references from three (3) of Proposer's customers from the past five (5) years for services that are similar in scope, size, and complexity to the Services described in this RFP.

Provide the following information for each customer:

- Customer name and address;
 - Contact name with email address and phone number;
 - Time period in which work was performed;
 - Short description of work performed.
2. Provide Proposer's total commercial fully insured and self-funded enrollment as of December 1, 2016 and December 1, 2017. Provide a statement of the Proposer's capacity to enroll new participants and the likelihood of any future limitations on enrollment.
 3. Explain Proposer's previous experience in providing ACO plan design administration and coordination or similar benefits, as applicable, to groups of 3,000 or more, especially higher education institutions and governmental organizations if possible.
 4. Provide the following information that applies to the ACO Plan:
 - a. The full legal name, address, telephone number, and URL for the corporate website.
 - b. The name, title, mailing address, telephone number, and email address for the following individuals:
 - The organization's contact person for this RFP;
 - The person authorized to execute any contract(s) that may be awarded;
 - The person who will serve as the organization's legal counsel;
 - The actuarial / financial expert(s) responsible for preparation of items in this response, who must be available to respond to inquiries made by System or its consulting actuary and provide any requested information concerning such items.
 - c. A copy of the organizational chart identifying the personnel who will be responsible for the administration and management of Vendor's contract with System.
 - d. A copy of the Proposer's current State of Texas Vendor ID number (14-digit number).
 - e. Provide the names and addresses of all parties who would receive compensation as a result of the Proposer's selection under this RFP, including, but not limited to, consulting fees, finder's fees, and service fees.
 5. Is Proposer presently actively considering or subject to any mergers with and/or acquisitions of or by other organizations? If so, provide specifics. Affirm that the Proposer agrees to notify the System immediately upon reaching any form of binding agreement in connection with any merger, acquisition or reorganization of the Proposer's management.
 6. Disclose any contractual relationships with affiliates that could present a conflict of interest with the Proposer's role as insurer of the ACO plan.
 7. Describe any litigation, regulatory proceedings, and / or investigations completed, pending or threatened against the Proposer and / or any of its related affiliates, officers, directors, and any person or subcontractor performing any part of the services being requested in connection with the Contract during the past five (5) years. Identify the full style of each suit, proceeding or investigation, including county and state, regulatory body

and / or federal district, and provide a brief summary of the matters in dispute, current status and resolution, if any.

8. Describe any investigations, proceedings, or disciplinary actions by any state regulatory agency against the organization and / or any of its related affiliates, officers, directors and any person or subcontractor performing any part of the services being requested in connection with the Contract during the past five (5) years. Identify the full style of each suit, proceeding or investigation including county and state, regulatory body and/or federal district, and provide a brief summary of the matters in dispute, current status and resolution, if any.
9. Vendor must prove ability and experience to manage a product specific plan with defined (vs attributed) attribution model, demonstrate reporting capabilities for successful ACO management as well as an understanding of reporting timeliness and ability to support providers who take risk. Vendor must also be willing to actively engage in a 30 day process to execute a contract with SWHR and provide an account manager for the ACO program.

Deviations from the RFP (15%)

10. Identify any provision in Proposer's response that does not conform to the standards described in the RFP. For each deviation, provide the specific location in the response and a detailed explanation as to how the provision differs from the RFP standards and why.

Operational Services (15%)

11. Where is Proposer's primary administrative facility located?
12. State if Proposer contracts with a management or service company for some or all of the administrative services. If applicable, specify the name of the company, the services provided, and the method of reimbursement. Note that this would require compliance with the HUB requirements described in this RFP.
13. Provide a detailed description of the Proposer's HIPAA Privacy and Security Compliance programs as these would apply to System data in the Proposer's capacity as a Covered Entity. Include information on workforce training and monitoring. Describe all policies and practices implemented to ensure the privacy of all confidential information as defined in the Contract, including but not limited to protected health information as defined by the HIPAA privacy rule, employee/participant information, or other confidential information about the System and its participants. Include a link to the Proposer's HIPAA policies and Notice of Privacy Practices as well as a brief description of any HIPAA violations alleged against the Proposer by consumers or the Department of Health and Human Services, including the outcomes.
14. Describe all policies and practices implemented to ensure the privacy of all confidential information as defined in the Contract, including but not limited to protected health information as defined by the HIPAA privacy rule, employee/participant information, or other confidential information about the UT System and its participants. Include a link to

the Proposer's HIPAA policies and Notice of Privacy Practices as well as a brief description of any HIPAA violations alleged against the Proposer by consumers or the Department of Health and Human Services, including the outcomes.

15. Provide the name of Proposer's HIPAA privacy officer and a description of his or her qualifications.
16. Discuss Proposer's policies and procedures for addressing situations in which benefits have been utilized after a participant's eligibility has terminated?
17. Describe Proposer's experience in providing cost-containment enhancements to current and former clients.
18. Describe Proposer's quality assurance (QA) program. Provide the name of the designated senior executive responsible for the program as well as a copy of the Proposer's current QA policies and procedures.
19. Describe Proposer's processes for monitoring the appropriateness of dental care services, including underutilization and overutilization, if any.
20. Confirm Proposer's compliance with current HIPAA rules and regulations applicable to data transmission and privacy, and the organization's willingness to comply with future changes.
21. List any entities with whom Proposer anticipates sharing or disclosing any PHI (Protected Health Information) that the Proposer has created or received from (or on behalf of) the System. State the general purpose for which the PHI will be shared or disclosed, and confirm that each entity will comply with requirements for business associates under HIPAA with regard to this PHI.
22. Provide a detailed description of the procedures and systems Proposer uses to prevent, deter, detect and investigate fraud or related issues, and explain how such processes shall be utilized in connection with the ACO plan.
23. Does Proposer have an information security plan in place, supported by security policies and procedures, to ensure the protection of information and information resources? If so, provide an outline of the plan and note how often it is updated. If not, describe what alternative methodology Proposer uses to ensure the protection of information and information resources.
24. Describe the procedures and tools used for monitoring the integrity and availability of the information systems interacting with the service proposed, detecting security incidents, and ensuring timely remediation.
25. Describe the physical access controls used to limit access to Proposer's data center and network components.

26. What procedures and best practices does Proposer follow to harden all information systems that would interact with the service proposed, including any systems that would hold, process, or from which System data may be accessed?
27. If Proposer were selected, would Proposer agree to a vulnerability scan and penetration tests by System of all information systems that would interact with the service proposed including any systems that would hold, process, or from which System data may be accessed? If the Proposer objects to a vulnerability scan and penetration tests, describe in detail the reasons for objection.
28. Does Proposer have a data backup and recovery plan, supported by policies and procedures, in place for the hosted environment? If so, provide an outline of the plan and note how often it is updated. If not, describe what alternative methodology Proposer uses to ensure the restoration and availability of System data.
29. Does Proposer encrypt data backups? If so, describe the methods used to encrypt backup data. If not, what alternative safeguards will Proposer use to protect System data backups against unauthorized access?
30. Does Proposer encrypt data in transit and at rest? If so, describe how that security is provided. If not, what alternative methods are used to safeguard data in transit and at rest?
31. What technical security measures does Proposer propose to take to detect and prevent unintentional (accidental) and intentional corruption or loss of System data?
32. What safeguards does Proposer have in place to segregate System and other customers' data to prevent accidental or unauthorized access to System data?
33. What safeguards does Proposer have in place to prevent the unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access, or disclosure of System data?
34. What administrative safeguards and best practices does Proposer employ with respect to staff members (Proposer and third-party) who would have access to the environment hosting all information systems that would interact with the service proposed, including any information systems that would hold, process, or from which System data may be accessed, to ensure that System data and resources will not be accessed or used in an unauthorized manner.
35. Describe the procedures and methodology in place to detect information security breaches and notify customers in a manner that meets the requirements of HIPAA and Texas breach notification laws.
36. Describe the procedures Proposer has in place to isolate or disable all information systems that would interact with the service proposed, including any systems that would hold, process, or from which Institution data may be accessed, when a security breach is identified?

37. Describe the safeguards in place to ensure that all information systems that would interact with the service proposed, including any systems that would hold, process, or from which System data may be accessed, reside within the United States.
38. Detail the planned data Security and handling of data.
39. Data Separation. Describe the Proposer's implementation strategy for segregating sensitive and non-sensitive data including: 1) How the Proposer ensures different levels of protection mechanisms and security controls based on the University of Texas System Data Classification scheme; and 2) How the Proposer integrates updated or new security controls specified by the University of Texas System.
40. Data Disposition and Removal. Explain how the Proposer reliably deletes System data upon request or under the terms of the contractual agreement. Describe the evidence that is available and provided after data has been successfully deleted.
41. Encryption for Data in Transit. Explain how strong encryption using a robust algorithm with keys of required strength are used for encryption in transmission and in processing per requirements identified in NIST 800-53v4. Explain how cryptographic keys are managed, protection mechanisms, and who has access to them. Describe how strong data encryption is used for web sessions and other network communication including data upload and downloads. Define how encryption in transmission is used to ensure data security between applications (whether cloud or on premise) and during session state.
42. Encryption for Data at Rest. Describe how strong data encryption is applied to data at rest in all locations where confidential information is stored.
43. Provide evidence that processes are in place to compartmentalize the job responsibilities of the Proposer's administrators from the responsibilities of other staff and different administrators to ensure the principles of Least Privilege and Separation of Duties.
44. Training. Provide documentation regarding HIPAA and Security Awareness training that meet industry standards (e.g. NIST 800-53v4, HIPAA Rules).
45. Malicious Insiders. Provide policy, procedures, and controls to demonstrate how Proposer protects against malicious insiders.
46. Acceptable Use Policies. Describe the service Proposer's process to ensure all personnel read and understand the Proposer's acceptable use policy, and negotiate an agreement.

Benefits and Network Administration (20%)

- 47. Provide a benefit summary or chart detailing the benefit design Proposer recommends.
- 48. Provide a detailed description of any exclusion or limitations that pertain to the benefits schedule as well as any enhanced benefits to be considered in evaluating the product(s) the Proposer is proposing in response to this RFP.
- 49. Describe Proposer’s experience in providing cost-containment enhancements for your clients.
- 50. Describe Proposer’s quality assurance (QA) program. Provide the Proposer’s current QA policies and procedures.
- 51. Describe Proposer’s processes for monitoring the appropriateness of medical services, including underutilization and overutilization, if any.
- 52. Detail any wellness programs currently being offered by Proposer that are designed to improve the health and well-being of all individuals, including healthy and low-risk individuals. Indicate whether these programs are managed directly by Proposer or provided by a subcontractor.
- 53. Confirm that vendor any wellness, disease management, care coordination, utilization management and/or other types of programs that are deemed by System or SWHR to not be consistent with the goals and/or in conflict with other ACO programs administered by SWHR can be excluded from the ACO offering.
- 54. Describe the claim filing process.
- 55. For the claims office that would be processing claims for UT Participants, provide the following statistics for all claims paid by Proposer for the most recent 12- month period:

PERIOD:	VENDOR STANDARD	ACTUAL
Claims payment accuracy rate		
Claims processing accuracy rate		
Financial accuracy rate		
Average turnaround time		

- 56. Confirm how Proposer will adjudicate coordination of benefit (“COB”) claims for participants who have another primary medical plan.

57. Explain the process for obtaining medical records required to pay a claim.
58. Provide a detailed description of the grievance and appeals process for benefits and services provided. Will you involve a designated contact from SWHR in the appeals process?
59. Does the Proposer have the capability to exchange claims data with the contracted administrator of the UT FLEX flexible spending account plan administrator?
60. Discuss Proposer's policies and procedures for addressing situations in which benefits have been utilized after a participant's eligibility has terminated?
61. Confirm the proposer is responsible for all run-out claims incurred during the period at no additional cost.
62. Do you provide a 24/7 nurse/care coordinator hotline? Do you recommend a hotline be offered through you or directly with SWHR?
63. Are there value-added products or programs you offer that may not be requested in this RFP? If so, please describe.
64. Confirm that Proposer understands and agrees that System will determine eligibility for the ACO plan for all System employees, retirees and dependents.
65. Describe Proposer's process for implementing changes to the benefit plan design. How much advance notice is required for a change to be made in Proposer's information system?
66. What quality assurance processes are integrated into Proposer's information systems to ensure accurate programming of the initial benefit plan design and to improve the accuracy of programming related to plan design changes during the contract period?
67. Describe the management of Proposer's provider network(s). Fully describe how Proposer will work with SWHR to manage and expand the network?
68. Does your company own interest in or manage any provider practice, surgical center, lab, etc.?
69. Describe the Proposers approach to ensuring the network meets or exceeds access requirements for the service area.
70. How does a plan participant access the network? Are you proposing a network with a gatekeeper? If so, what is done if a plan participant receives services from a network specialty provider without getting the required referral? Describe the selection process for a gatekeeper. Describe how a gatekeeper is assigned if one is not selected? How does a participant change their primary provider? How long does the process take from the requested change to the primary provider for the participant to show on the new

provider's roster? Can each covered member in a family have a separate primary provider?

71. Does the plan operate provider networks outside of Texas that would be available to System participants working, living in or visiting out-of-state in the event of an emergency? If so, describe the access to these providers.
72. Describe plan design around labs and radiology? Also, if facility fees are charged along with these services will they be passed on to members (e.g., via deductibles) or paid by vendor?
73. Describe plan design and reimbursement policy around RAPLE (radiology, anesthesiology, pathology, lab & ER providers if member goes to 1) in-network ACO facility/but an out of network provider and 2) if go to non-ACO facility/provider but it's still contracted with selected vendor and 3) if member goes to out of network facility and provider. How will you work with member to ensure reasonable out of pocket costs as appropriate in each scenario? How will you ensure plan (vendor) is not bearing exuberant costs that could get passed to SWHR for overage ultimately?
74. Describe the professional liability coverage requirements for each type of provider, including all provider facilities, in Proposer's network.
75. Describe the minimum periods that are included in Proposers provider contracts concerning:
 - a) Provider's notice to not accept new patients
 - b) Provider's intent to terminate
 - c) Provider's intent to terminate
 - d) Provider's required continuation of care to existing network plan participants following the provider's termination from the network.
76. Describe the training/orientation process for new network providers including participant eligibility, billing, and quality improvement responsibilities. Do you suggest this be managed by SWHR or with SWHR?
77. Explain how Proposer's network providers are selected and the requirements to be a network provider.
78. Describe Proposer's method for informing plan participants of additions to and terminations from Proposer's provider network. Will all adds/deletes be directed and approved first by SWHR?
79. Provide a detailed explanation of the manner in which Proposer compensates its providers. Include explanations of the following in the response:
 - a) How is the network's performance measured?
 - b) How would the Proposer engage network providers in efforts aimed at improving patient care and reducing overall health care costs?

c) How does the vendor resolve issues such as provider non-compliance with contractual requirements? Do you suggest the Proposer manage this process or SWHR?

80. Describe the Proposer’s vision of managing provider relations to assist SWHR?
81. Have your provider network discounts been evaluated and compared against those of other vendors by an independent third party? If so, provide a copy of the applicable documentation. A summary prepared by the vendor will not be considered adequate.
82. For the proposed ACO network, provide the projected discounts for the period September 1, 2018 – August 31, 2019.
83. Discuss the proposed financial arrangements with ACO network providers and what percent of the vendor’s contracts are paid using one of the following methods:

Hospitals and other institutional providers:

Payment Method	Percentage of Contracts
Discount off charges	
Case rates, including but not limited to, episode based bundled payments	
Diagnostic Related Groups	
Per Diem	

Primary care physicians and specialists:

Payment Method	Percentage of Contracts
Capitation	
Fee Schedules	
Discount off charges	
Other	

Behavioral health providers (psychiatrists, psychologists, licensed clinical social worker, etc.):

Payment Method	Percentage of Contracts
Capitation	
Fee Schedules	
Discount off charges	
Other	

84. Discuss the various types of contractual stop-loss or other special reimbursement arrangements vendor utilizes in connection with outlier claims incurred at a facility provider. Provide information concerning the prevalence of each type of arrangement, applicable thresholds, enhanced reimbursement rates, limitations and any other relevant information.
85. Provide a complete description of the development and maintenance processes for determining the vendor's separate allowable amount profiles for network and non-network physicians. How often are the profiles updated? Describe how the vendor's allowed amounts are calculated and reported. Include any assumptions, such as network efficiency, used in the calculation of allowed amounts.

Customer and Account Service (20%)

86. Briefly outline Proposer's account management philosophy.
87. Confirm that System will have a specific high-level contact for issues regarding ACO plan administration and indicate where this contact will be located.
88. What is the Proposer's account manager / executive turn-over rate for the last twelve (12) months?
89. What is the expected response time for the account management team when responding to Office of Employee Benefits (OEB) staff? To UT Institution HR staff?
90. What is the expected response time for escalated customer service team members to members of the OEB staff? To UT Institution HR staff?
91. Describe the organization, location and structure of the account service team that shall (1) initially implement the ACO plan; and (2) provide ongoing program support. Provide a resume of each team member, including Vendor-related duties and length of time with your organization. Briefly describe any other duties these personnel will be performing related to non-System responsibilities.
92. Describe the Proposer's approach to assisting SWHR to be successful in building both the network of providers as well as the overall management of the plan?
 - a. Will the Proposer assign an account management team to SWHR?
 - b. Will that team consist of both network managers and account managers?
 - c. Describe the Proposers approach to measuring the success of the ACO plan?
93. Provide the names and titles of Proposer's administrative support staff that will administer the ACO plan, including the total number of full-time equivalent employees and which employees are located in Texas. What is the turnover rate among this staff for the past two (2) years?
94. Describe in the facilities, personnel, and procedures Proposer intends to use to service those functions required for the ACO\ Plan. This response should include a description of: 1) personnel that will be available to confer with SWHR concerning financial issues,

- 2) legal and other expertise available to represent Proposer in administrative hearings and litigation, including subrogation, and to assist System in the execution of its duties under the Contract, and 3) Proposer's internal processes to deal with participant grievances.
95. Describe Proposer's customer service unit, including the manner in which it is accessed, hours of operation, and the location(s) of the customer service call centers to be utilized by System participants.
96. Are any major changes currently planned or anticipated for the customer service organization or facilities (e.g., moving to a different location, reorganizing or merging units)? If so, please describe.
97. Will Proposer provide a separate toll free number for System members? Provide the days and hours in which this access will be available.
98. How many telephone lines and support staff will be dedicated to customer service and claims processing for the ACO plan?
99. Explain the process used by the Customer Service department to assist members in locating a specialty provider within the network who is able to assist with needed care. Confirm that Customer Service will ensure, to the fullest extent possible, that the member is able to see a specialty provider in a timely manner.
100. How are after-hours calls to customer service handled?
101. Indicate the average number of telephone calls received over the past six (6) months on a weekly basis for the primary call center(s) to be utilized by System participants.
102. Does Proposer's customer service system support TTY, also known as TDD (Telecommunications Device for the Deaf) technologies?
103. How does Proposer's customer service system support non-English-speaking participants?
104. Briefly describe the training that each employee or representative receives to provide customer service. Include the length of time it takes to advance from training to a qualified Customer Service Representative (CSR).
105. How does Proposer ensure that its CSRs are providing timely and accurate information?
106. How does Proposer monitor first-call resolution and member inquiries that do not get resolved?
107. Does Proposer's customer service inquiry system allow CSRs to enter information and provide the ability for CSRs to review previous notes to better assist members?

108. Can CSRs view historical claims information online to assist participants? Will participants be able to view their claims information online via the organization's System-specific website? How will designated System staff members access claims information for System participants so that specific claims can be reviewed and / or specific reporting requested?
109. Provide a sample copy of all written materials to be used in administering the ACO plan coverage. At a minimum, Proposer's response should include the following:
- a) Annual Enrollment/Marketing Packets: Include copies of proposed marketing materials; all proposed newspaper, billboard, television and radio advertisements for Annual Enrollment; and presentation materials for employee meetings.
 - b) Post enrollment member packets: Include a copy of the proposed benefits books, including a complete description of benefits provided, limitations, and exclusions.
110. Explain in detail the services that will be available at no additional cost to System regarding communications and participation of the organization's personnel at employee / retiree meetings during annual enrollment periods.
111. Describe Proposer's current reporting capability. Provide samples of utilization and administrative performance reports currently available to contracting plans. How often are reports prepared? Describe the method that Proposer would use to determine the cost of any special reports that might be requested by System.
112. Describe any unique reporting capabilities that differentiate Proposer from its competitors.
113. Confirm that Proposer can provide normative data against which the System and SHWR can benchmark its plan.
114. Describe Proposer's processes for monitoring the adequacy of customer service and provider and participant satisfaction. Does Proposer currently perform overall participant satisfaction surveys? If so, does an outside organization perform the surveys?
115. Is the Proposer willing to offer a Navigator/Employee Ambassador role given the complexity of an ACO plan? If so, please explain how Proposer would structure such position.

Technical and Data Exchange Capabilities (15%)

116. Describe the Proposer's ability to provide automated notification upon receipt of eligibility data as well as automated, timely notifications confirming either successful load or failure to load for any eligibility dataset received from System.
117. Explain how Proposer plans to ensure that it meets all requirements regarding protecting the confidentiality of social security numbers as outlined in this RFP, including the requirements of Section 35.58 of the Texas Business and Commerce Code, CONFIDENTIALITY OF SOCIAL SECURITY NUMBER.

118. Describe Proposer's experience with automated enrollment systems, including any specific automated systems that Proposer has worked with.
119. Explain how data is entered into Proposer's eligibility system. Provide a data flow diagram of the process to receive, audit, and load eligibility datasets, including an indication of whether the diagram refers to a current or proposed system. If documenting a proposed system, the anticipated implementation date should be included.
120. Where is the location of the computer system that maintains and hosts Proposer's eligibility system and data? Is a third-party application used for entering data into the organization's eligibility system or was proprietary software developed in-house?
121. Upon receipt of eligibility datasets from System, can Proposer's eligibility system produce a detailed error report indicating which records which have been accepted for loading and which have been rejected? Will such reports be provided following each eligibility transmission?
122. Discuss the staffing and capabilities of the Proposer's team that would be responsible for managing information systems and data for the ACO plan.
123. How soon after receiving eligibility data from System would any updates be reflected in Proposer's eligibility system?
124. Confirm Proposer's ability to accept emergency updates to eligibility, as specified in this RFP. How long after such change will it take the change to process through to the primary dentist's roster? Additionally, describe the organization's ability to provide a website allowing designated System's staff to view eligibility and make emergency eligibility updates directly in the Proposer's database when necessary.

SECTION 6

PRICING AND DELIVERY SCHEDULE

Proposal of: _____
(Proposer Vendor Name)

To: The University of Texas System

RFP No.: 720-1810 ACO Medical Plan

Ladies and Gentlemen:

Having carefully examined all the specifications and requirements of this RFP and any attachments thereto, the undersigned proposes to furnish the required pursuant to the above-referenced Request for Proposal upon the terms quoted (firm fixed price) below. The University will not accept proposals which include assumptions or exceptions to the work identified in this RFP.

6.1 PRICING

Confirm the Vendor's acceptance of and compliance with the Financial Requirements presented in **Section 5.3.1** of the RFP.

6.2 Delivery Schedule of Events and Time Periods

Indicate number of calendar days needed to commence the Services from the execution of the services agreement:

_____ Calendar Days

6.3 Payment Terms

[Section 51.012, Education Code](#), authorizes University to make payments through electronic funds transfer methods. Proposer agrees to accept payments from University through those methods, including the automated clearing house system ("**ACH**"). Proposer agrees to provide Proposer's banking information to University in writing on Proposer letterhead signed by an authorized representative of Proposer. Prior to the first payment, University will confirm Proposer's banking information. Changes to Proposer's bank information must be communicated to University in writing at least thirty (30) days before the effective date of the change and must include an [IRS Form W-9](#) signed by an authorized representative of Proposer.

In accordance with the Texas Insurance Code, no premium, maintenance, or administrative service taxes will be levied on the Vendor selected to administer the ACO described herein.

Respectfully submitted,

Proposer: _____

By: _____
(Authorized Signature for Proposer)

Name: _____

Title: _____

Date: _____

APPENDIX ONE
PROPOSAL REQUIREMENTS

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SECTION 1

GENERAL INFORMATION

1.1 Purpose

University is soliciting competitive sealed proposals from Proposers having suitable qualifications and experience providing services in accordance with the terms, conditions and requirements set forth in this RFP. This RFP provides sufficient information for interested parties to prepare and submit proposals for consideration by University.

By submitting a proposal, Proposer certifies that it understands this RFP and has full knowledge of the scope, nature, quality, and quantity of the services to be performed, the detailed requirements of the services to be provided, and the conditions under which such services are to be performed. Proposer also certifies that it understands that all costs relating to preparing a response to this RFP will be the sole responsibility of the Proposer.

PROPOSER IS CAUTIONED TO READ THE INFORMATION CONTAINED IN THIS RFP CAREFULLY AND TO SUBMIT A COMPLETE RESPONSE TO ALL REQUIREMENTS AND QUESTIONS AS DIRECTED.

1.2 Inquiries and Interpretations

University may in its sole discretion respond in writing to written inquiries concerning this RFP and mail its response as an Addendum to all parties recorded by University as having received a copy of this RFP. Only University's responses that are made by formal written Addenda will be binding on University. Any verbal responses, written interpretations or clarifications other than Addenda to this RFP will be without legal effect. All Addenda issued by University prior to the Submittal Deadline will be and are hereby incorporated as a part of this RFP for all purposes.

Proposers are required to acknowledge receipt of each Addendum as specified in this Section. The Proposer must acknowledge all Addenda by completing, signing and returning the Addenda Checklist (ref. **Section 4** of **APPENDIX ONE**). The Addenda Checklist must be received by University prior to the Submittal Deadline and should accompany the Proposer's proposal.

Any interested party that receives this RFP by means other than directly from University is responsible for notifying University that it has received an RFP package, and should provide its name, address, telephone and facsimile (**FAX**) numbers, and email address, to University, so that if University issues Addenda to this RFP or provides written answers to questions, that information can be provided to that party.

1.3 Public Information

Proposer is hereby notified that University strictly adheres to all statutes, court decisions and the opinions of the Texas Attorney General with respect to disclosure of public information.

University may seek to protect from disclosure all information submitted in response to this RFP until such time as a final agreement is executed.

Upon execution of a final agreement, University will consider all information, documentation, and other materials requested to be submitted in response to this RFP, to be of a non-confidential and non-proprietary nature and, therefore, subject to public disclosure under the *Texas Public Information Act* (ref. [Chapter 552, Government Code](#)). Proposer will be advised of a request for public information that implicates their materials and will have the opportunity to raise any objections to disclosure to the Texas Attorney General. Certain information may be protected from release under §§[552.101](#), [552.104](#), [552.110](#), [552.113](#), and [552.131](#), *Government Code*.

1.4 Type of Agreement

Vendor, if any, will be required to enter into a contract with University in a form substantially similar to the Agreement between University and Vendor (the "**Agreement**") attached to this RFP as **APPENDIX TWO** and incorporated for all purposes.

1.5 Proposal Evaluation Process

University will select Vendor by using the competitive sealed proposal process described in this Section. Any proposals that are not submitted by the Submittal Deadline or that are not accompanied by required number of completed and signed originals of the HSP will be rejected by University as non-responsive due to material failure to comply with this RFP (ref. **Section 2.5.4** of this RFP). Upon completion of the initial review and evaluation of proposals, University may invite one or more selected Proposers to participate in oral presentations. University will use commercially reasonable efforts to avoid public disclosure of the contents of a proposal prior to selection of Vendor.

University may make the selection of Vendor on the basis of the proposals initially submitted, without discussion, clarification or modification. In the alternative, University may make the selection of Vendor on the basis of negotiation with any of the Proposers. In conducting negotiations, University will use commercially reasonable efforts to avoid disclosing the contents of competing proposals.

University may discuss and negotiate all elements of proposals submitted by Proposers within a specified competitive range. For purposes of negotiation, University may establish, after an initial review of the proposals, a competitive range of acceptable or potentially acceptable proposals composed of the highest rated proposal(s). In that event, University may defer further action on proposals not included within the competitive range pending the selection of Vendor; provided, however, University reserves the right to include additional proposals in the competitive range if deemed to be in the best interest of University.

After the Submittal Deadline but before final selection of Vendor, University may permit Proposer to revise its proposal in order to obtain the Proposer's best and final offer. In that event, representations made by Proposer in its revised proposal, including price and fee quotes, will be binding on Proposer. University will provide each Proposer within the competitive range with an equal opportunity for discussion and revision of its proposal. University is not obligated to select the Proposer offering the most attractive economic terms if that Proposer is not the most advantageous to University overall, as determined by University.

University reserves the right to (a) enter into an agreement for all or any portion of the requirements and specifications set forth in this RFP with one or more Proposers, (b) reject any and all proposals and re-solicit proposals, or (c) reject any and all proposals and temporarily or permanently abandon this selection process, if deemed to be in the best interests of University. Proposer is hereby notified that University will maintain in its files concerning this RFP a written record of the basis upon which a selection, if any, is made by University.

1.6 Proposer's Acceptance of RFP Terms

Proposer (1) accepts [a] Proposal Evaluation Process (ref. **Section 1.5** of **APPENDIX ONE**), [b] Criteria for Selection (ref. **2.3** of this RFP), [c] Specifications and Additional Questions (ref. **Section 5** of this RFP), [d] terms and conditions of the Agreement (ref. **APPENDIX TWO**), and [e] all other requirements and specifications set forth in this RFP; and (2) acknowledges that some subjective judgments must be made by University during this RFP process.

1.7 Solicitation for Proposal and Proposal Preparation Costs

Proposer understands and agrees that (1) this RFP is a solicitation for proposals and University has made no representation written or oral that one or more agreements with University will be awarded under this RFP; (2) University issues this RFP predicated on University's anticipated requirements for the Services, and University has made no representation, written or oral, that any particular scope of services will actually be required by University; and (3) Proposer will bear, as its sole risk and responsibility, any cost that arises from Proposer's preparation of a proposal in response to this RFP.

1.8 Proposal Requirements and General Instructions

- 1.8.1 Proposer should carefully read the information contained herein and submit a complete proposal in response to all requirements and questions as directed.
- 1.8.2 Proposals and any other information submitted by Proposer in response to this RFP will become the property of University.
- 1.8.3 University will not provide compensation to Proposer for any expenses incurred by the Proposer for proposal preparation or for demonstrations or oral presentations that may be made by Proposer. Proposer submits its proposal at its own risk and expense.
- 1.8.4 Proposals that (i) are qualified with conditional clauses; (ii) alter, modify, or revise this RFP in any way; or (iii) contain irregularities of any kind, are subject to disqualification by University, at University's sole discretion.
- 1.8.5 Proposals should be prepared simply and economically, providing a straightforward, concise description of Proposer's ability to meet the requirements and specifications of this RFP. Emphasis should be on completeness, clarity of content, and responsiveness to the requirements and specifications of this RFP.
- 1.8.6 University makes no warranty or guarantee that an award will be made as a result of this RFP. University reserves the right to accept or reject any or all proposals, waive any formalities, procedural requirements, or minor technical inconsistencies, and delete any requirement or specification from this RFP or the Agreement when deemed to be in University's best interest. University reserves the right to seek clarification from any Proposer concerning any item contained in its proposal prior to final selection. Such clarification may be provided by telephone conference or personal meeting with or writing to University, at University's sole discretion. Representations made by Proposer within its proposal will be binding on Proposer.
- 1.8.7 Any proposal that fails to comply with the requirements contained in this RFP may be rejected by University, in University's sole discretion.

1.9 Preparation and Submittal Instructions

1.9.1 Specifications and Additional Questions

Proposals must include responses to the questions in Specifications and Additional Questions (ref. **Section 5** of this RFP). Proposer should reference the item number and repeat the question in its response. In cases where a question does not apply or if unable to respond, Proposer should refer to the item number, repeat the question, and indicate N / A (Not Applicable) or N / R (No Response), as appropriate. Proposer should explain the reason when responding N / A or N / R.

1.9.2 Execution of Offer

Proposer must complete, sign and return the attached Execution of Offer (ref. **Section 2** of **APPENDIX ONE**) as part of its proposal. The Execution of Offer must be signed by a representative of Proposer duly authorized to bind the Proposer to its proposal. Any proposal received without a completed and signed Execution of Offer may be rejected by University, in its sole discretion.

1.9.3 Pricing and Delivery Schedule

Proposer must complete and return the Pricing and Delivery Schedule (ref. **Section 6** of this RFP), as part of its proposal. In the Pricing and Delivery Schedule, the Proposer should describe in detail (a) the total fees for the entire scope of the Services; and (b) the method by which the fees are calculated. The fees must be inclusive of all associated costs for delivery, labor, insurance, taxes, overhead, and profit.

University will not recognize or accept any charges or fees to perform the Services that are not specifically stated in the Pricing and Delivery Schedule.

In the Pricing and Delivery Schedule, Proposer should describe each significant phase in the process of providing the Services to University, and the time period within which Proposer proposes to be able to complete each such phase.

1.9.4 Proposer's General Questionnaire

Proposals must include responses to the questions in Proposer's General Questionnaire (ref. **Section 3** of **APPENDIX ONE**). Proposer should reference the item number and repeat the question in its response. In cases where a question does not apply or if unable to respond, Proposer should refer to the item number, repeat the question, and indicate N / A (Not Applicable) or N / R (No Response), as appropriate. Proposer should explain the reason when responding N / A or N / R.

1.9.5 Addenda Checklist

Proposer should acknowledge all Addenda to this RFP (if any) by completing, signing and returning the Addenda Checklist (ref. **Section 4** of **APPENDIX ONE**) as part of its proposal. Any proposal received without a completed and signed Addenda Checklist may be rejected by University, in its sole discretion.

1.9.6 Submission

*Proposer should submit all proposal materials as instructed in **Section 3** of this RFP. RFP No. (ref. **Title Page** of this RFP) and Submittal Deadline (ref. **Section 2.1** of this RFP) should be clearly shown (1) in the Subject line of any email transmitting the proposal, and (2) in the lower left-hand corner on the top surface of any envelope or package containing the proposal. In addition, the name and the return address of the Proposer should be clearly visible in any email or on any envelope or package.*

Proposer must also submit two (2) copies of the HUB Subcontracting Plan (also called the HSP) as required by **Section 2.5** of this RFP.

University will not under any circumstances consider a proposal that is received after the Submittal Deadline or which is not accompanied by the HSP as required by **Section 2.5** of this RFP. University will not accept proposals submitted by telephone or FAX transmission.

Except as otherwise provided in this RFP, no proposal may be changed, amended, or modified after it has been submitted to University. However, a proposal may be withdrawn and resubmitted at any time prior to the Submittal Deadline. No proposal may be withdrawn after the Submittal Deadline without University's consent, which will be based on Proposer's written request explaining and documenting the reason for withdrawal, which is acceptable to University.

SECTION 2

EXECUTION OF OFFER

THIS EXECUTION OF OFFER MUST BE COMPLETED, SIGNED AND RETURNED WITH PROPOSER'S PROPOSAL. FAILURE TO COMPLETE, SIGN AND RETURN THIS EXECUTION OF OFFER WITH THE PROPOSER'S PROPOSAL MAY RESULT IN THE REJECTION OF THE PROPOSAL.

- 2.1 Representations and Warranties.** Proposer represents, warrants, certifies, acknowledges, and agrees as follows:
- 2.1.1 Proposer will furnish the Services to University and comply with all terms, conditions, requirements and specifications set forth in this RFP and any resulting Agreement.
 - 2.1.2 This RFP is a solicitation for a proposal and is not a contract or an offer to contract. Submission of a proposal by Proposer in response to this RFP will not create a contract between University and Proposer. University has made no representation or warranty, written or oral, that one or more contracts with University will be awarded under this RFP. Proposer will bear, as its sole risk and responsibility, any cost arising from Proposer's preparation of a response to this RFP.
 - 2.1.3 Proposer is a reputable company that is lawfully and regularly engaged in providing the Services.
 - 2.1.4 Proposer has the necessary experience, knowledge, abilities, skills, and resources to perform the Services.
 - 2.1.5 Proposer is aware of, is fully informed about, and is in full compliance with all applicable federal, state and local laws, rules, regulations and ordinances relating to performance of the Services.
 - 2.1.6 Proposer understands (i) the requirements and specifications set forth in this RFP and (ii) the terms and conditions set forth in the Agreement under which Proposer will be required to operate.
 - 2.1.7 Proposer will not delegate any of its duties or responsibilities under this RFP or the Agreement to any sub-Vendor, except as expressly provided in the Agreement.
 - 2.1.8 Proposer will maintain any insurance coverage required by the Agreement during the entire term.
 - 2.1.9 All statements, information and representations prepared and submitted in response to this RFP are current, complete, true and accurate. University will rely on such statements, information and representations in selecting Vendor. If selected by University, Proposer will notify University immediately of any material change in any matters with regard to which Proposer has made a statement or representation or provided information.
 - 2.1.10 PROPOSER WILL DEFEND WITH COUNSEL APPROVED BY UNIVERSITY, INDEMNIFY, AND HOLD HARMLESS UNIVERSITY, THE STATE OF TEXAS, AND ALL OF THEIR REGENTS, OFFICERS, AGENTS AND EMPLOYEES, FROM AND AGAINST ALL ACTIONS, SUITS, DEMANDS, COSTS, DAMAGES, LIABILITIES AND OTHER CLAIMS OF ANY NATURE, KIND OR DESCRIPTION, INCLUDING REASONABLE ATTORNEYS' FEES INCURRED IN INVESTIGATING, DEFENDING OR SETTLING ANY OF THE FOREGOING, ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF PROPOSER OR ANY AGENT, EMPLOYEE, SUBVENDOR, OR SUPPLIER OF PROPOSER IN THE EXECUTION OR PERFORMANCE OF ANY CONTRACT OR AGREEMENT RESULTING FROM THIS RFP.
 - 2.1.11 Pursuant to §§[2107.008](#) and [2252.903](#), *Government Code*, any payments owing to Proposer under the Agreement may be applied directly to any debt or delinquency that Proposer owes the State of Texas or any agency of the State of Texas, regardless of when it arises, until such debt or delinquency is paid in full.
 - 2.1.12 Any terms, conditions, or documents attached to or referenced in Proposer's proposal are applicable to this procurement only to the extent that they (a) do not conflict with the laws of the State of Texas or this RFP, and (b) do not place any requirements on University that are not set forth in this RFP. Submission of a proposal is Proposer's good faith intent to enter into the Agreement with University as specified in this RFP and that Proposer's intent is not contingent upon University's acceptance or execution of any terms, conditions, or other documents attached to or referenced in Proposer's proposal.
 - 2.1.13 Pursuant to Chapter 2270, *Government Code*, Proposer certifies Proposer (a) does not currently boycott Israel; and (b) will not boycott Israel during the Term of the Agreement. Proposer acknowledges the Agreement may be terminated and payment withheld if this certification is inaccurate.
 - 2.1.14 Pursuant to Subchapter F, Chapter 2252, *Government Code*, Proposer certifies Proposer is not engaged in business with Iran, Sudan, or a foreign terrorist organization. Proposer acknowledges the Agreement may be terminated and payment withheld if this certification is inaccurate.
- 2.2 No Benefit to Public Servants.** Proposer has not given or offered to give, nor does Proposer intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to a public servant in connection with its proposal. Failure to sign this Execution of Offer, or signing with a false statement, may void the submitted proposal or any resulting Agreement, and Proposer may be removed from all proposer lists at University.
- 2.3 Tax Certification.** Proposer is not currently delinquent in the payment of any taxes due under [Chapter 171, Tax Code](#), or Proposer is exempt from the payment of those taxes, or Proposer is an out-of-state taxable entity that is not subject to those taxes, whichever is applicable. A false certification will be deemed a material breach of any resulting contract or agreement and, at University's option, may result in termination of any resulting Agreement.

- 2.4 Antitrust Certification.** Neither Proposer nor any firm, corporation, partnership or institution represented by Proposer, nor anyone acting for such firm, corporation or institution, has violated the antitrust laws of the State of Texas, codified in [§15.01 et seq., Business and Commerce Code](#), or the Federal antitrust laws, nor communicated directly or indirectly the proposal made to any competitor or any other person engaged in such line of business.
- 2.5 Authority Certification.** The individual signing this document and the documents made a part of this RFP, is authorized to sign the documents on behalf of Proposer and to bind Proposer under any resulting Agreement.
- 2.6 Child Support Certification.** Under [§231.006, Family Code](#), relating to child support, the individual or business entity named in Proposer's proposal is not ineligible to receive award of the Agreement, and any Agreements resulting from this RFP may be terminated if this certification is inaccurate.
- 2.7 Relationship Certifications.**
- No relationship, whether by blood, marriage, business association, capital funding agreement or by any other such kinship or connection exists between the owner of any Proposer that is a sole proprietorship, the officers or directors of any Proposer that is a corporation, the partners of any Proposer that is a partnership, the joint venturers of any Proposer that is a joint venture, or the members or managers of any Proposer that is a limited liability company, on one hand, and an employee of any member institution of University, on the other hand, other than the relationships which have been previously disclosed to University in writing.
 - Proposer has not been an employee of any member institution of University within the immediate twelve (12) months prior to the Submittal Deadline.
 - No person who, in the past four (4) years served as an executive of a state agency was involved with or has any interest in Proposer's proposal or any contract resulting from this RFP (ref. [§669.003, Government Code](#)).
 - All disclosures by Proposer in connection with this certification will be subject to administrative review and approval before University enters into any Agreement resulting from this RFP with Proposer.
- 2.8 Compliance with Equal Employment Opportunity Laws.** Proposer is in compliance with all federal laws and regulations pertaining to Equal Employment Opportunities and Affirmative Action.
- 2.9 Compliance with Safety Standards.** All products and services offered by Proposer to University in response to this RFP meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health Law ([Public Law 91-596](#)) and the *Texas Hazard Communication Act*, [Chapter 502, Health and Safety Code](#), and all related regulations in effect or proposed as of the date of this RFP.
- 2.10 Exceptions to Certifications.** Proposer will and has disclosed, as part of its proposal, any exceptions to the information stated in this [Execution of Offer](#). All information will be subject to administrative review and approval prior to the time University makes an award or enters into any Agreement with Proposer.
- 2.11 Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act Certification.** If Proposer will sell or lease computer equipment to University under any Agreement resulting from this RFP then, pursuant to [§361.965\(c\), Health & Safety Code](#), Proposer is in compliance with the Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act set forth in [Chapter 361, Subchapter Y, Health & Safety Code](#), and the rules adopted by the Texas Commission on Environmental Quality under that Act as set forth in [30 TAC Chapter 328, §361.952\(2\), Health & Safety Code](#), states that, for purposes of the Manufacturer Responsibility and Consumer Convenience Computer Equipment Collection and Recovery Act, the term "computer equipment" means a desktop or notebook computer and includes a computer monitor or other display device that does not contain a tuner.
- 2.12 Conflict of Interest Certification.**
- Proposer is not a debarred Proposer or the principal of a debarred Proposer (i.e. owner, proprietor, sole or majority shareholder, director, president, managing partner, etc.) either at the state or federal level.
 - Proposer's provision of services or other performance under any Agreement resulting from this RFP will not constitute an actual or potential conflict of interest.
 - Proposer has disclosed any personnel who are related to any current or former employees of University.
 - Proposer has not given, nor does Proposer intend to give, at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to an officer or employee of University in connection with this RFP.

2.13 Proposer should complete the following information:

If Proposer is a Corporation, then State of Incorporation: _____

If Proposer is a Corporation, then Proposer's Corporate Charter Number: _____

RFP No.: 720-1810 ACO Medical Plan

NOTICE: WITH FEW EXCEPTIONS, INDIVIDUALS ARE ENTITLED ON REQUEST TO BE INFORMED ABOUT THE INFORMATION THAT GOVERNMENTAL BODIES OF THE STATE OF TEXAS COLLECT ABOUT SUCH INDIVIDUALS. UNDER §§[552.021](#) AND [552.023](#), *GOVERNMENT CODE*, INDIVIDUALS ARE ENTITLED TO RECEIVE AND REVIEW SUCH INFORMATION. UNDER [§559.004, GOVERNMENT CODE](#), INDIVIDUALS ARE ENTITLED TO HAVE GOVERNMENTAL BODIES OF THE STATE OF TEXAS CORRECT INFORMATION ABOUT SUCH INDIVIDUALS THAT IS INCORRECT.

Submitted and Certified By:

(Proposer Institution's Name)

(Signature of Duly Authorized Representative)

(Printed Name / Title)

(Date Signed)

(Proposer's Street Address)

(City, State, Zip Code)

(Telephone Number)

(FAX Number)

(Email Address)

SECTION 3

PROPOSER'S GENERAL QUESTIONNAIRE

NOTICE: WITH FEW EXCEPTIONS, INDIVIDUALS ARE ENTITLED ON REQUEST TO BE INFORMED ABOUT THE INFORMATION THAT GOVERNMENTAL BODIES OF THE STATE OF TEXAS COLLECT ABOUT SUCH INDIVIDUALS. UNDER §§552.021 AND 552.023, GOVERNMENT CODE, INDIVIDUALS ARE ENTITLED TO RECEIVE AND REVIEW SUCH INFORMATION. UNDER §559.004, GOVERNMENT CODE, INDIVIDUALS ARE ENTITLED TO HAVE GOVERNMENTAL BODIES OF THE STATE OF TEXAS CORRECT INFORMATION ABOUT SUCH INDIVIDUALS THAT IS INCORRECT.

Proposals must include responses to the questions contained in this Proposer's General Questionnaire. Proposer should reference the item number and repeat the question in its response. In cases where a question does not apply or if unable to respond, Proposer should refer to the item number, repeat the question, and indicate N / A (Not Applicable) or N / R (No Response), as appropriate. Proposer will explain the reason when responding N / A or N / R.

3.1 Proposer Profile

3.1.1 Legal name of Proposer company:

Address of principal place of business:

Address of office that would be providing service under the Agreement:

Number of years in Business: _____

State of incorporation: _____

Number of Employees: _____

Annual Revenues Volume: _____

Name of Parent Corporation, if any _____

NOTE: If Proposer is a subsidiary, University prefers to enter into a contract or agreement with the Parent Corporation or to receive assurances of performance from the Parent Corporation.

3.1.2 State whether Proposer will provide a copy of its financial statements for the past two (2) years, if requested by University.

3.1.3 Proposer will provide a financial rating of the Proposer entity and any related documentation (such as a Dunn and Bradstreet analysis) that indicates the financial stability of Proposer.

3.1.4 Is Proposer currently for sale or involved in any transaction to expand or to become acquired by another business entity? If yes, Proposer will explain the expected impact, both in organizational and directional terms.

3.1.5 Proposer will provide any details of all past or pending litigation or claims filed against Proposer that would affect its performance under the Agreement with University (if any).

3.1.6 Is Proposer currently in default on any loan agreement or financing agreement with any bank, financial institution, or other entity? If yes, Proposer will specify the pertinent date(s), details, circumstances, and describe the current prospects for resolution.

3.1.7 Proposer will provide a customer reference list of no less than three (3) organizations with which Proposer currently has contracts and / or to which Proposer has previously provided services (within the past five (5) years) of a type and scope similar to those required by University's RFP. Proposer will include in its customer reference list the customer's company name, contact person, telephone number, project description, length of business relationship, and background of services provided by Proposer.

- 3.1.8 Does any relationship exist (whether by family kinship, business association, capital funding agreement, or any other such relationship) between Proposer and any employee of University? If yes, Proposer will explain.
- 3.1.9 Proposer will provide the name and Social Security Number for each person having at least 25% ownership interest in Proposer. This disclosure is mandatory pursuant to [§231.006, Family Code](#), and will be used for the purpose of determining whether an owner of Proposer with an ownership interest of at least 25% is more than 30 days delinquent in paying child support. Further disclosure of this information is governed by the *Texas Public Information Act* (ref. [Chapter 552, Government Code](#)), and other applicable law.

3.2 Approach to Project Services

- 3.2.1 Proposer will provide a statement of the Proposer's service approach and will describe any unique benefits to University from doing business with Proposer. Proposer will briefly describe its approach for each of the required services identified in **Section 5.3** Scope of Work of this RFP.
- 3.2.2 Proposer will provide an estimate of the earliest starting date for services following execution of the Agreement.
- 3.2.3 Proposer will submit a work plan with key dates and milestones. The work plan should include:
- 3.2.3.1 Identification of tasks to be performed;
 - 3.2.3.2 Time frames to perform the identified tasks;
 - 3.2.3.3 Project management methodology;
 - 3.2.3.4 Implementation strategy; and
 - 3.2.3.5 The expected time frame in which the services would be implemented.
- 3.2.4 Proposer will describe the types of reports or other written documents Proposer will provide (if any) and the frequency of reporting, if more frequent than required in this RFP. Proposer will include samples of reports and documents if appropriate.

3.3 General Requirements

- 3.3.1 Proposer will provide summary resumes for its proposed key personnel who will be providing services under the Agreement with University, including their specific experiences with similar service projects, and number of years of employment with Proposer.
- 3.3.2 Proposer will describe any difficulties it anticipates in performing its duties under the Agreement with University and how Proposer plans to manage these difficulties. Proposer will describe the assistance it will require from University.

3.4 Service Support

Proposer will describe its service support philosophy, how it is implemented, and how Proposer measures its success in maintaining this philosophy.

3.5 Quality Assurance

Proposer will describe its quality assurance program, its quality requirements, and how they are measured.

3.6 Miscellaneous

- 3.6.1 Proposer will provide a list of any additional services or benefits not otherwise identified in this RFP that Proposer would propose to provide to University. Additional services or benefits must be directly related to the goods and services solicited under this RFP.
- 3.6.2 Proposer will provide details describing any unique or special services or benefits offered or advantages to be gained by University from doing business with Proposer. Additional services or benefits must be directly related to the goods and services solicited under this RFP.
- 3.6.3 Does Proposer have a contingency plan or disaster recovery plan in the event of a disaster? If so, then Proposer will provide a copy of the plan.

SECTION 4

ADDENDA CHECKLIST

Proposal of: _____
(Proposer Company Name)

To: The University of Texas System

Ref.: ACO Medical Plan

RFP No.: 720-1810

Ladies and Gentlemen:

The undersigned Proposer hereby acknowledges receipt of the following Addenda to the captioned RFP (initial if applicable).

Note: If there was only one (1) Addendum, initial just the first blank after No. 1, not all five (5) blanks below.

No. 1 _____ No. 2 _____ No. 3 _____ No. 4 _____ No. 5 _____

Respectfully submitted,

Proposer: _____

By: _____
(Authorized Signature for Proposer)

Name: _____

Title: _____

Date: _____

APPENDIX TWO
SAMPLE AGREEMENT
(INCLUDED AS SEPARATE ATTACHMENT)

APPENDIX THREE

**CERTIFICATE OF INTERESTED PARTIES
(Texas Ethics Commission Form 1295)**

This is a sample Texas Ethics Commission's FORM 1295 – CERTIFICATE OF INTERESTED PARTIES. If not exempt under [Section 2252.908\(c\), Government Code](#), Vendor must use the Texas Ethics Commission electronic filing web page (at https://www.ethics.state.tx.us/whatsnew/FAQ_Form1295.html) to complete the most current Certificate of Interested Parties form and submit the form as instructed to the Texas Ethics Commission and University. **The Certificate of Interested Parties will be submitted only by Vendor to University with the signed Agreement.**

CERTIFICATE OF INTERESTED PARTIES		FORM 1295	
Complete Nos. 1 - 4 and 6 if there are interested parties. Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.		OFFICE USE ONLY	
1 Name of business entity filing form, and the city, state and country of the business entity's place of business.			
2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.			
3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.			
4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary
5 Check only if there is NO Interested Party. <input type="checkbox"/>			
6 AFFIDAVIT I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.			
_____ Signature of authorized agent of contracting business entity			
AFFIX NOTARY STAMP / SEAL ABOVE			
Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20 _____, to certify which, witness my hand and seal of office.			
_____ Signature of officer administering oath		_____ Printed name of officer administering oath	
_____ Title of officer administering oath			
ADD ADDITIONAL PAGES AS NECESSARY			

APPENDIX FOUR

ACCESS BY INDIVIDUALS WITH DISABILITIES

Vendor represents and warrants (**EIR Accessibility Warranty**) the electronic and information resources and all associated information, documentation, and support Vendor provides to University under this Agreement (**EIRs**) comply with applicable requirements set forth in [1 TAC Chapter 213](#), and [1 TAC §206.70](#) (ref. [Subchapter M, Chapter 2054, Government Code](#).) To the extent Vendor becomes aware that EIRs, or any portion thereof, do not comply with the EIR Accessibility Warranty, then Vendor represents and warrants it will, at no cost to University, either (1) perform all necessary remediation to make EIRs satisfy the EIR Accessibility Warranty or (2) replace EIRs with new EIRs that satisfy the EIR Accessibility Warranty. If Vendor fails or is unable to do so, University may terminate this Agreement and, within thirty (30) days after termination, Vendor will refund to University all amounts University paid under this Agreement.

APPENDIX FIVE

ELECTRONIC AND INFORMATION RESOURCES ENVIRONMENT SPECIFICATIONS

The specifications, representations, warranties and agreements set forth in Proposer's responses to this **APPENDIX FIVE** will be incorporated into the Agreement.

Basic Specifications

1. If the EIR will be hosted by University, please describe the overall environment requirements for the EIR (size the requirements to support the number of concurrent users, the number of licenses and the input/output generated by the application as requested in the application requirements).
 - A. Hardware: If Proposer will provide hardware, does the hardware have multiple hard drives utilizing a redundant RAID configuration for fault tolerance? Are redundant servers included as well?
 - B. Operating System and Version:
 - C. Web Server: Is a web server required? If so, what web application is required (Apache or IIS)? What version? Are add-ins required?
 - D. Application Server:
 - E. Database:
 - F. Other Requirements: Are any other hardware or software components required?
 - G. Assumptions: List any assumptions made as part of the identification of these environment requirements.
 - H. Storage: What are the space/storage requirements of this implementation?
 - I. Users: What is the maximum number of users this configuration will support?
 - J. Clustering: How does the EIR handle clustering over multiple servers?
 - K. Virtual Server Environment: Can the EIR be run in a virtual server environment?
2. If the EIR will be hosted by Proposer, describe in detail what the hosted solution includes, and address, specifically, the following issues:
 - A. Describe the audit standards of the physical security of the facility; and
 - B. Indicate whether Proposer is willing to allow an audit by University or its representative.
3. If the user and administrative interfaces for the EIR are web-based, do the interfaces support Firefox on Mac as well as Windows and Safari on the Macintosh?
4. If the EIR requires special client software, what are the environment requirements for that client software?
5. Manpower Requirements: Who will operate and maintain the EIR? Will additional University full time employees (FTEs) be required? Will special training on the EIR be required by Proposer's technical staff? What is the estimated cost of required training.
6. Upgrades and Patches: Describe Proposer's strategy regarding EIR upgrades and patches for both the server and, if applicable, the client software. Included Proposer's typical release schedule, recommended processes, estimated outage and plans for next version/major upgrade.

Security

1. Has the EIR been tested for application security vulnerabilities? For example, has the EIR been evaluated against the Open Web Application Security Project (**OWASP**) Top 10 list that includes flaws like cross site scripting and SQL injection? If so, please provide the scan results and specify the tool used. University will not take final delivery of the EIR if University determines there are serious vulnerabilities within the EIR.
2. Which party, Proposer or University, will be responsible for maintaining critical EIR application security updates?
3. If the EIR is hosted, indicate whether Proposer's will permit University to conduct a penetration test on University's instance of the EIR.
4. If confidential data, including HIPAA or FERPA data, is stored in the EIR, will the data be encrypted at rest and in transmittal?

Integration

1. Is the EIR authentication Security Assertion Markup Language (**SAML**) compliant? Has Proposer ever implemented the EIR with Shibboleth authentication? If not, does the EIR integrate with Active Directory? Does the EIR support TLS connections to this directory service?
2. Does the EIR rely on Active Directory for group management and authorization or does the EIR maintain a local authorization/group database?
3. What logging capabilities does the EIR have? If this is a hosted EIR solution, will University have access to implement logging with University's standard logging and monitoring tools, RSA's Envision?
4. Does the EIR have an application programming interface (**API**) that enables us to incorporate it with other applications run by the University? If so, is the API .Net based? Web Services-based? Other?
5. Will University have access to the EIR source code? If so, will the EIR license permit University to make modifications to the source code? Will University's modifications be protected in future upgrades?
6. Will Proposer place the EIR source code in escrow with an escrow agent so that if Proposer is no longer in business or Proposer has discontinued support, the EIR source code will be available to University.

Accessibility Information

Proposer must provide the following, as required by [1 TAC §213.38\(b\)](#):

1. Accessibility information for the electronic and information resources (**EIR**)¹ products or services proposed by Proposer, where applicable, through one of the following methods:
 - (A) URL to completed Voluntary Product Accessibility Templates (**VPATs**)² or equivalent reporting templates;
 - (B) accessible electronic document that addresses the same accessibility criteria in substantially the same format as VPATs or equivalent reporting templates; or
 - (C) URL to a web page which explains how to request completed VPATs, or equivalent reporting templates, for any product under contract; and
2. Credible evidence of Proposer's capability or ability to produce accessible EIR products and services. Such evidence may include, but is not limited to, Proposer's internal accessibility policy documents, contractual warranties for accessibility, accessibility testing documents, and examples of prior work results.

¹ Electronic and information resources are defined in [§2054.451, Government Code](#) and [1 TAC §213.1 \(6\)](#).

² Voluntary Product Accessibility Templates are defined in [1 TAC §213.1 \(19\)](#). For further information, see this [VPAT document](#) provided by the Information Technology Industry Council.

APPENDIX SIX

SECURITY CHARACTERISTICS AND FUNCTIONALITY OF VENDOR'S INFORMATION RESOURCES

The specifications, representations, warranties and agreements set forth in Proposer's responses to this **APPENDIX SIX** will be incorporated into the Agreement.

"Information Resources" means any and all computer printouts, online display devices, mass storage media, and all computer-related activities involving any device capable of receiving email, browsing Web sites, or otherwise capable of receiving, storing, managing, or transmitting Data including, but not limited to, mainframes, servers, Network Infrastructure, personal computers, notebook computers, hand-held computers, personal digital assistant (PDA), pagers, distributed processing systems, network attached and computer controlled medical and laboratory equipment (i.e. embedded technology), telecommunication resources, network environments, telephones, fax machines, printers and service bureaus. Additionally, it is the procedures, equipment, facilities, software, and Data that are designed, built, operated, and maintained to create, collect, record, process, store, retrieve, display, and transmit information.

"University Records" means records or record systems that Proposer (1) creates, (2) receives from or on behalf of University, or (3) has access, and which may contain confidential information (including credit card information, social security numbers, and private health information (**PHI**) subject to Health Insurance Portability and Accountability Act (**HIPAA**) of 1996 (Public Law 104-191), or education records subject to the Family Educational Rights and Privacy Act (**FERPA**).

General Protection of University Records

1. Describe the security features incorporated into Information Resources to be provided or used by Proposer pursuant to this RFP.
2. List all products, including imbedded products that are a part of Information Resources and the corresponding owner of each product.
3. Describe any assumptions made by Proposer in its proposal regarding information security outside those already listed in the proposal.

Complete the following additional questions if the Information Resources will be hosted by Proposer:

4. Describe the monitoring procedures and tools used for monitoring the integrity and availability of all products interacting with Information Resources, including procedures and tools used to, detect security incidents and to ensure timely remediation.
5. Describe the physical access controls used to limit access to Proposer's data center and network components.
6. What procedures and best practices does Proposer follow to harden all systems that would interact with Information Resources, including any systems that would hold or process University Records, or from which University Records may be accessed?
7. What technical security measures does the Proposer take to detect and prevent unintentional, accidental and intentional corruption or loss of University Records?
8. Will the Proposer agree to a vulnerability scan by University of the web portal application that would interact with Information Resources, including any systems that would hold or process University Records, or from which University Records may be accessed? If Proposer objects, explain basis for the objection to a vulnerability scan.
9. Describe processes Proposer will use to provide University assurance that the web portal and all systems that would hold or process University Records can provide adequate security of University Records.
10. Does Proposer have a data backup and recovery plan supported by policies and procedures, in place for Information Resources? If yes, briefly describe the plan, including scope and frequency of backups, and how often the plan is updated. If no, describe what alternative methodology Proposer uses to ensure the restoration and availability of University Records.
11. Does Proposer encrypt backups of University Records? If yes, describe the methods used by Proposer to encrypt backup data. If no, what alternative safeguards does Proposer use to protect backups against unauthorized access?
12. Describe the security features incorporated into Information Resources to safeguard University Records containing confidential information.

Complete the following additional question if Information Resources will create, receive, or access University Records containing PHI subject to HIPAA:

13. Does Proposer monitor the safeguards required by the HIPAA Security Rule (45 C.F.R. § 164 subpts. A, E (2002)) and Proposer's own information security practices, to ensure continued compliance? If yes, provide a copy of or link to the Proposer's HIPAA Privacy & Security policies and describe the Proposer's monitoring activities and the frequency of those activities with regard to PHI.

Access Control

1. How will users gain access (i.e., log in) to Information Resources?
2. Do Information Resources provide the capability to use local credentials (i.e., federated authentication) f+or user authentication and login? If yes, describe how Information Resources provide that capability.
3. Do Information Resources allow for multiple security levels of access based on affiliation (e.g., staff, faculty, and student) and roles (e.g., system administrators, analysts, and information consumers), and organizational unit (e.g., college, school, or department)? If yes, describe how Information Resources provide for multiple security levels of access.
4. Do Information Resources provide the capability to limit user activity based on user affiliation, role, and/or organizational unit (i.e., who can create records, delete records, create and save reports, run reports only, etc.)? If yes, describe how Information Resources provide that capability. If no, describe what alternative functionality is provided to ensure that users have need-to-know based access to Information Resources.
5. Do Information Resources manage administrator access permissions at the virtual system level? If yes, describe how this is done.
6. Describe Proposer's password policy including password strength, password generation procedures, password storage specifications, and frequency of password changes. If passwords are not used for authentication or if multi-factor authentication is used to Information Resources, describe what alternative or additional controls are used to manage user access.

Complete the following additional questions if Information Resources will be hosted by Proposer:

7. What administrative safeguards and best practices does Proposer have in place to vet Proposer's and third-parties' staff members that would have access to the environment hosting University Records to ensure need-to-know-based access?
8. What procedures and best practices does Proposer have in place to ensure that user credentials are updated and terminated as required by changes in role and employment status?
9. Describe Proposer's password policy including password strength, password generation procedures, and frequency of password changes. If passwords are not used for authentication or if multi-factor authentication is used to Information Resources, describe what alternative or additional controls are used to manage user access.

Use of Data

Complete the following additional questions if Information Resources will be hosted by Proposer:

1. What administrative safeguards and best practices does Proposer have in place to vet Proposer's and third-parties' staff members that have access to the environment hosting all systems that would hold or process University Records, or from which University Records may be accessed, to ensure that University Records will not be accessed or used in an unauthorized manner?
2. What safeguards does Proposer have in place to segregate University Records from system data and other customer data and/or as applicable, to separate specific University data, such as HIPAA and FERPA protected data, from University Records that are not subject to such protection, to prevent accidental and unauthorized access to University Records ?
3. What safeguards does Proposer have in place to prevent the unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access, or disclosure of University Records?
4. What procedures and safeguards does Proposer have in place for sanitizing and disposing of University Records according to prescribed retention schedules or following the conclusion of a project or termination of a contract to render University Records unrecoverable and prevent accidental and unauthorized access to University Records? Describe the degree to which sanitizing and disposal processes addresses University data that may be contained within backup systems. If University data contained in backup systems is not fully sanitized, describe processes in place that would prevent subsequent restoration of backed-up University data.

Data Transmission

1. Do Information Resources encrypt all University Records in transit and at rest? If yes, describe how Information Resources provide that security. If no, what alternative methods are used to safeguard University Records in transit and at rest?

Complete the following additional questions if Information Resources will be hosted by Proposer:

2. How does data flow between University and Information Resources? If connecting via a private circuit, describe what security features are incorporated into the private circuit. If connecting via a public network (e.g., the Internet), describe the way Proposer will safeguard University Records.
3. Do Information Resources secure data transmission between University and Proposer? If yes, describe how Proposer provides that security. If no, what alternative safeguards are used to protect University Records in transit?

Notification of Security Incidents

Complete the following additional questions if Information Resources will be hosted by Proposer:

1. Describe Proposer's procedures to isolate or disable all systems that interact with Information Resources in the event a security breach is identified, including any systems that would hold or process University Records, or from which University Records may be accessed.
2. What procedures, methodology, and timetables does Proposer have in place to detect information security breaches and notify University and other customers? Include Proposer's definition of security breach.
3. Describe the procedures and methodology Proposer has in place to detect information security breaches, including unauthorized access by Proposer's and subVendor's own employees and agents and provide required notifications in a manner that meets the requirements of the state breach notification law.

Compliance with Applicable Legal & Regulatory Requirements

Complete the following additional questions if Information Resources will be hosted by Proposer:

1. Describe the procedures and methodology Proposer has in place to retain, preserve, backup, delete, and search data in a manner that meets the requirements of state and federal electronic discovery rules, including how and in what format University Records are kept and what tools are available to University to access University Records.
2. Describe the safeguards Proposer has in place to ensure that systems (including any systems that would hold or process University Records, or from which University Records may be accessed) that interact with Information Resources reside within the United States of America. If no such controls, describe Proposer's processes for ensuring that data is protected in compliance with all applicable US federal and state requirements, including export control.
3. List and describe any regulatory or legal actions taken against Proposer for security or privacy violations or security breaches or incidents, including the final outcome.

APPENDIX SEVEN
INFORMATION SECURITY THIRD-PARTY ASSESSMENT SURVEY
(INCLUDED AS SEPARATE ATTACHMENT)

APPENDIX EIGHT
2017-2018 SUMMARY OF BENEFITS
(INCLUDED AS SEPARATE ATTACHMENT)

AGREEMENT BETWEEN UNIVERSITY AND CONTRACTOR

This Agreement between University and Contractor ("**Agreement**") is made and entered into effective as of _____ (the "**Effective Date**"), by and between The University of Texas System, an agency and institution of higher education established under the laws of the State of Texas ("**University**"), and _____, Federal Tax Identification Number _____ ("**Contractor**").

University and Contractor hereby agree as follows:

1. **Scope of Work.**

- 1.1 Contractor will perform the scope of the work (**Work**) in **Exhibit A**, Scope of Work, to the satisfaction of University and in accordance with the schedule (**Schedule**) for Work in **Exhibit B**, Schedule. Time is of the essence in connection with this Agreement. University will have no obligation to accept late performance or waive timely performance by Contractor.
- 1.2 Contractor will obtain, at its own cost, any and all approvals, licenses, filings, registrations and permits required by federal, state or local, laws, statutes, regulations and ordinances (collectively, **Applicable Laws**), for the performance of Work.

2. **The Project.**

The Work will be provided in connection with the Accountable Care Organization Plan and all other related, necessary and appropriate services (**Project**).

3. **Time for Commencement and Completion.**

The term (**Initial Term**) of this Agreement will begin on the Effective Date and expire on _____, 20____, or (i) the last expiration date of any policies University procures through Contractor, or (ii) the day after all claims or disputes related to all policies procured by University through Contractor are finally resolved and settled to University's satisfaction. University will have the option to renew this Agreement for four (4) additional one (1) year terms (each a **Renewal Term**). The Initial Term and each Renewal Term are collectively referred to as the **Term**.

4. **Contractor's Obligations.**

- 4.1 Contractor will perform Work in compliance with (a) all Applicable Laws, and (b) the Board of Regents of The University of Texas System [Rules and Regulations](#), the policies of [The University of Texas System](#); and the institutional rules, regulations and policies of University of Texas System Office of Employee Benefits Administrative Manual and Chapter 1601 of the Texas Insurance Code (collectively, **University Rules**). Contractor represents and warrants that neither Contractor nor any firm, corporation or institution represented by Contractor, or anyone acting for the firm, corporation or institution, (1) has violated the antitrust laws of the State of Texas, [Chapter 15, Texas Business and Commerce Code](#), or federal antitrust laws, or (2) has communicated directly or indirectly the content of Contractor's response to University's procurement solicitation to any competitor or any other person engaged in a similar line of business during the procurement process for this Agreement.
- 4.2 Contractor represents and warrants that (a) it will use its best efforts to perform Work in a good and workmanlike manner and in accordance with the highest standards of Contractor's profession or business, and (b) all Work to be performed will be of the quality that prevails

among similar businesses of superior knowledge and skill engaged in providing similar services in major United States urban areas under the same or similar circumstances.

- 4.3 Contractor will call to University's attention in writing all information in any materials supplied to Contractor (by University or any other party) that Contractor regards as unsuitable, improper or inaccurate in connection with the purposes for which the material is furnished.
- 4.4 University at all times is relying on Contractor's skill and knowledge in performing Work. Contractor represents and warrants that Work will be accurate and free from any material defects. Contractor's duties and obligations under this Agreement will not be in any way diminished by reason of any approval by University. Contractor will not be released from any liability by reason of any approval by University.
- 4.5 Contractor will, at its own cost, correct all material defects in Work as soon as practical after Contractor becomes aware of the defects. If Contractor fails to correct material defects in Work within a reasonable time, then University may correct the defective Work at Contractor's expense. This remedy is in addition to, and not in substitution for, any other remedy for defective Work that University may have at law or in equity.
- 4.6 Contractor will maintain a staff of properly trained and experienced personnel to ensure satisfactory performance under this Agreement. Contractor will cause all persons connected with Contractor directly in charge of Work to be duly registered and licensed under all Applicable Laws. Contractor will assign to the Project a designated representative who will be responsible for administration and coordination of Work.
- 4.7 Contractor represents and warrants it is duly organized, validly existing and in good standing under the laws of the state of its organization; it is duly authorized and in good standing to conduct business in the State of Texas; it has all necessary power and has received all necessary approvals to execute and deliver this Agreement; and the individual executing this Agreement on behalf of Contractor has been duly authorized to act for and bind Contractor.
- 4.8 Contractor represents and warrants that neither the execution and delivery of this Agreement by Contractor nor the performance of its duties and obligations under this Agreement will (a) result in the violation of any provision of its organizational documents; (b) result in the violation of any provision of any agreement by which it is bound; or (c) conflict with any order or decree of any court or other body or authority having jurisdiction.
- 4.9 Contractor represents and warrants that: (i) Work will be performed solely by Contractor, its full-time or part-time employees during the course of their employment, or independent contractors who have assigned in writing all right, title and interest in their work to Contractor (for the benefit of University); (ii) University will receive free, good and clear title to all Work Material developed under this Agreement; (iii) Work Material and the intellectual property rights protecting Work Material are free and clear of all encumbrances, including security interests, licenses, liens, charges and other restrictions; (iv) Work Material will not infringe upon or violate any patent, copyright, trade secret, trademark, service mark or other property right of any former employer, independent contractor, client or other third party; and (v) the use, reproduction, distribution, or modification of Work Material will not violate the rights of any third parties in Work Material, including trade secret, publicity, privacy, copyright, trademark, service mark and patent rights.
- 4.10 If this Agreement requires Contractor's presence on University's premises or in University's facilities, Contractor agrees to cause its employees, representatives, agents, or subcontractors to become aware of, fully informed about, and in full compliance with all applicable University Rules, including those relative to personal health, security,

environmental quality, safety, fire prevention, noise, smoking, and access restrictions.

5. Contract Amount.

- 5.1 University, an agency of the State of Texas, is exempt from Texas Sales & Use Tax on the Work in accordance with Section 151.309, *Texas Tax Code*, and Title 34 *Texas Administrative Code* ("**TAC**") Section 3.322.
- 5.2 The Contract Amount includes all applicable federal, state or local sales or use taxes payable as a result of the execution or performance of this Agreement.
- 5.3 In the event that this Agreement is terminated, then within thirty (30) days after termination, Contractor will reimburse University for all fees paid by University to Contractor that were (a) not earned by Contractor prior to termination, or (b) for goods or services that the University did not receive from Contractor prior to termination.
- 5.4 So long as Contractor has provided University with its current and accurate Federal Tax Identification Number in writing, University will pay Contractor for the performance of the Work as set forth in **Exhibit A**. Contractor understands and agrees that payments under this Agreement may be subject to the withholding requirements of Section 3402 (t) of the Internal Revenue Code.
- 5.5 University will pay Contractor for the performance of Work in accordance with **Exhibit C**, Payment for Services.

6. Payment Terms.

- 6.1 For each monthly coverage period, University shall pay Contractor per participant per month (PPPM) contribution rate of \$403 within 60 days following the beginning of the coverage period. The contribution rate will be calculated by multiplying the eligibility snapshot of enrolled participants on the first Sunday of each month, i.e. billing Sunday. University will pay a monthly Administrative Premium of \$25.00 per enrolled Member per month (PMPM) also based on the eligibility snapshot on billing Sunday.

Contractor shall process and pay all claims submitted under the ACO as described herein and in the Contract. On at least a monthly basis, Contractor shall present an invoice the University for claim payments made during the previous invoice period for any claims meeting the stop-loss limit of \$300,000. Claims detail sufficient to illustrate the participant has reached the stop-loss limit must be provided on the claims file prior to requesting funding. Claims in excess of the \$403 PPPM which do not meet the stop-loss threshold are the responsibility of SWHR.

Contractor shall be responsible for maintaining its own funds which are sufficient to provide for the costs incurred under the SWHR ACO. All payments from University must be by ACH or other electronic fund transfer methods.
- 6.2 At the discretion of Contractor and with the agreement of SWHR, the monthly Member contribution rates for ACO plan Members electing dependent coverage may be established at a level that is in the range of 90-100% of the UT SELECT Member contribution rates for FY19. However, any revenue shortfall experienced by University as a result of the ACO's establishment of Member contribution rates at a level below 100% of the UT SELECT Member contribution rates will be deducted from ACO Premiums otherwise payable in accordance with **Section 5.3.1** of the RFP document.

- 6.3 Notwithstanding any provision of this Agreement to the contrary, University will not be obligated to make any payment (whether a Progress Payment or Final Payment) to Contractor if Contractor is in default under this Agreement.
- 6.4 No payment made by University will (a) be construed to be final acceptance or approval of that part of the Work to which the payment relates, or (b) relieve Contractor of any of its duties or obligations under this Agreement.
- 6.5 The acceptance of Final Payment by Contractor will constitute a waiver of all claims by Contractor except those previously made in writing and identified by Contractor as unsettled at the time of the Final Invoice for payment.
- 6.6 University will have the right to verify the details in Contractor's invoices and supporting documentation, either before or after payment, by (a) inspecting the books and records of Contractor at mutually convenient times; (b) examining any reports with respect to the Project; and (c) other reasonable action. In the event University makes any payment in advance of services, the parties agree that University is entitled to full and complete repayment of any sums unearned by Contractor. University may offset or withhold any payment under this Agreement to achieve such repayment. In the event that the Agreement is terminated, any unearned advance payment will be paid to University by Contractor within 30 days of request.
- 6.7 [Section 51.012, Texas Education Code](#), authorizes University to make payments through electronic funds transfer methods. Contractor agrees to accept payments from University through those methods, including the automated clearing house system (ACH). Contractor agrees to provide Contractor's banking information to University in writing on Contractor letterhead signed by an authorized representative of Contractor. Prior to the first payment, University will confirm Contractor's banking information. Changes to Contractor's bank information must be communicated to University in accordance with **Section 12.14** in writing at least thirty (30) days before the effective date of the change and must include an [IRS Form W-9](#) signed by an authorized representative of Contractor.
- 6.8 The cumulative amount of all Progress Payments and the Final Payment will not exceed the Contract Amount in **Exhibit C**, Payment for Services.

7. Ownership and Use of Work Material.

- 7.1 All tools, software, programs, drawings, specifications, plans, computations, sketches, data, photographs, tapes, renderings, models, publications, statements, accounts, reports, studies, and other materials prepared by Contractor or any subcontractors in connection with Work (collectively, **Work Material**), whether or not accepted or rejected by University, are the sole property of University and for its exclusive use and re-use at any time without further compensation and without any restrictions.
- 7.2 Contractor grants and assigns to University all rights and claims of whatever nature and whether now or hereafter arising in and to Work Material and will cooperate fully with University in any steps University may take to obtain or enforce patent, copyright, trademark or like protections with respect to Work Material.
- 7.3 Contractor will deliver all Work Material to University upon expiration or termination of this Agreement. University will have the right to use Work Material for the completion of Work or otherwise. University may, at all times, retain the originals of Work Material. Work Material will not be used by any person other than University on other projects unless expressly authorized by University in writing.

- 7.4 Work Material will not be used or published by Contractor or any other party unless expressly authorized by University in writing. Contractor will treat all Work Material as confidential.

8. Default and Termination

- 8.1 In the event of a material failure by a party to this Agreement to perform in accordance with its terms (**default**), the other party may terminate this Agreement upon ninety (90) days' written notice of termination setting forth the nature of the material failure; provided, that, the material failure is through no fault of the terminating party. The termination will not be effective if the material failure is fully cured prior to the end of the thirty-day (90-day) period.
- 8.2 University may, without cause, terminate this Agreement at any time upon giving thirty (30) days' advance written notice to Contractor. Upon termination pursuant to this Section, Contractor will be entitled to payment of an amount that will compensate Contractor for Work satisfactorily performed from the time of the last payment date to the termination date in accordance with this Agreement; provided, that, Contractor has delivered all Work Material to University. Notwithstanding any provision in this Agreement to the contrary, University will not be required to pay or reimburse Contractor for any services performed or for expenses incurred by Contractor after the date of the termination notice, that could have been avoided or mitigated by Contractor.
- 8.3 Termination under **Sections 8.1 or 8.2** will not relieve Contractor from liability for any default or breach under this Agreement or any other act or omission of Contractor.
- 8.4 If Contractor fails to cure any default within thirty (30) days after receiving written notice of the default, University will be entitled (but will not be obligated) to cure the default and will have the right to offset against all amounts due to Contractor under this Agreement, any and all reasonable expenses incurred in connection with University's curative actions.
- 8.5 In the event that this Agreement is terminated, then within thirty (30) days after termination, Contractor will reimburse University for all fees paid by University to Contractor that were (a) not earned by Contractor prior to termination, or (b) for goods or services that University did not receive from Contractor prior to termination.

9. Indemnification

- 9.1 TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, CONTRACTOR WILL AND DOES HEREBY AGREE TO INDEMNIFY, PROTECT, DEFEND WITH COUNSEL APPROVED BY UNIVERSITY, AND HOLD HARMLESS UNIVERSITY AND RESPECTIVE AFFILIATED ENTERPRISES, REGENTS, OFFICERS, DIRECTORS, ATTORNEYS, EMPLOYEES, REPRESENTATIVES AND AGENTS (COLLECTIVELY, **INDEMNITEES**) FROM AND AGAINST ALL DAMAGES, LOSSES, LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS, EXPENSES, AND OTHER CLAIMS OF ANY NATURE, KIND, OR DESCRIPTION, INCLUDING REASONABLE ATTORNEYS' FEES INCURRED IN INVESTIGATING, DEFENDING OR SETTLING ANY OF THE FOREGOING (COLLECTIVELY, **CLAIMS**) BY ANY PERSON OR ENTITY, ARISING OUT OF, CAUSED BY, OR RESULTING FROM CONTRACTOR'S PERFORMANCE UNDER OR BREACH OF THIS AGREEMENT AND THAT ARE CAUSED IN WHOLE OR IN PART BY ANY NEGLIGENT ACT, NEGLIGENT OMISSION OR WILLFUL MISCONDUCT OF CONTRACTOR, ANYONE DIRECTLY EMPLOYED BY CONTRACTOR OR ANYONE FOR WHOSE ACTS CONTRACTOR MAY BE LIABLE. THE PROVISIONS OF THIS SECTION WILL NOT BE CONSTRUED TO ELIMINATE OR REDUCE ANY OTHER INDEMNIFICATION OR RIGHT WHICH ANY INDEMNITEE HAS BY LAW OR EQUITY. ALL PARTIES WILL BE ENTITLED TO BE REPRESENTED BY COUNSEL AT THEIR OWN EXPENSE.

9.2 IN ADDITION, CONTRACTOR WILL AND DOES HEREBY AGREE TO INDEMNIFY, PROTECT, DEFEND WITH COUNSEL APPROVED BY UNIVERSITY, AND HOLD HARMLESS INDEMNITEES FROM AND AGAINST ALL CLAIMS ARISING FROM INFRINGEMENT OR ALLEGED INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER PROPRIETARY INTEREST ARISING BY OR OUT OF THE PERFORMANCE OF SERVICES OR THE PROVISION OF GOODS BY CONTRACTOR, OR THE USE BY INDEMNITEES, AT THE DIRECTION OF CONTRACTOR, OF ANY ARTICLE OR MATERIAL; PROVIDED, THAT, UPON BECOMING AWARE OF A SUIT OR THREAT OF SUIT FOR INFRINGEMENT, UNIVERSITY WILL PROMPTLY NOTIFY CONTRACTOR AND CONTRACTOR WILL BE GIVEN THE OPPORTUNITY TO NEGOTIATE A SETTLEMENT. IN THE EVENT OF LITIGATION, UNIVERSITY AGREES TO REASONABLY COOPERATE WITH CONTRACTOR. ALL PARTIES WILL BE ENTITLED TO BE REPRESENTED BY COUNSEL AT THEIR OWN EXPENSE.

10. Relationship of the Parties.

For all purposes of this Agreement and notwithstanding any provision of this Agreement to the contrary, Contractor is an independent contractor and is not a state employee, partner, joint venturer, or agent of University. Contractor will not bind nor attempt to bind University to any agreement or contract. As an independent contractor, Contractor is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort, including workers' compensation insurance.

11. Insurance.

11.1 Contractor, consistent with its status as an independent contractor will carry and will cause its subcontractors to carry, at least the following insurance, with companies authorized to do insurance business in the State of Texas or eligible surplus lines insurers operating in accordance with the [Texas Insurance Code](#), having an A.M. Best Rating of A-:VII or better, and in amounts not less than the following minimum limits of coverage:

11.1.1 Workers' Compensation Insurance with statutory limits, and Employer's Liability Insurance with limits of not less than \$1,000,000:

Employers Liability - Each Accident	\$1,000,000
Employers Liability - Each Employee	\$1,000,000
Employers Liability - Policy Limit	\$1,000,000

Workers' Compensation policy must include under Item 3.A. of the information page of the Workers' Compensation policy the state in which Work is to be performed for University.

11.1.2 Commercial General Liability Insurance with limits of not less than:

Each Occurrence Limit	\$1,000,000
Damage to Rented Premises	\$ 300,000
Personal & Advertising Injury	\$1,000,000
General Aggregate	\$2,000,000
Products - Completed Operations Aggregate	\$2,000,000

The required Commercial General Liability policy will be issued on a form that insures Contractor's and subcontractor's liability for bodily injury (including death), property damage, personal, and advertising injury assumed under the terms of this Agreement.

11.1.3 Business Auto Liability Insurance covering all owned, non-owned or hired automobiles, with limits of not less than \$1,000,000 single limit of liability per accident for Bodily Injury and Property Damage;

11.1.4 Professional Liability (Errors & Omissions) Insurance with limits of not less than \$5,000,000 each occurrence. Such insurance will cover all Work performed by or on behalf of Contractor and its subcontractors under this Agreement. Renewal policies written on a claims-made basis will maintain the same retroactive date as in effect at the inception of this Agreement. If coverage is written on a claims-made basis, Contractor agrees to purchase an Extended Reporting Period Endorsement, effective twenty-four (24) months after the expiration or cancellation of the policy. No Professional Liability policy written on an occurrence form will include a sunset or similar clause that limits coverage unless such clause provides coverage for at least twenty-four (24) months after the expiration or termination of this Agreement for any reason.

11.1.5 Contractor will maintain Cyber Liability insurance with limits of not less than \$10,000,000 for each wrongful act, that provides coverage for:

- Liability for network security failures or privacy breaches, including loss or unauthorized access, use or disclosure of University Data, whether by Contractor or any of subcontractor or cloud service provider used by Contractor;
- Costs associated with a privacy breach, including notification of affected individuals, customer support, forensics, crises management / public relations consulting, legal services of a privacy attorney, credit monitoring and identity fraud resolution services for affected individuals;
- Expenses related to regulatory compliance, government investigations, fines, fees assessments and penalties;
- Liability for technological products and services;
- PCI fines, fees, penalties and assessments;
- Cyber extortion payment and response costs;
- First and Third Party Business Interruption Loss resulting from a network security failure;
- Costs of restoring, updating or replacing data;
- Liability losses connected to network security, privacy, and media liability
- Liability for technological products and services.

Certificates of Insurance and Additional Insured Endorsements reflecting applicable limits, sub-limits, self-insured retentions and deductibles will be provided to University upon request. Contractor will be responsible for any and all deductibles, self-insured retentions or waiting period requirements. If the Cyber Liability policy is written on a claims-made basis, the retroactive date should be prior to the commencement of this agreement/addendum. If the Cyber Liability policy is written on a claims-made basis and non-renewed at any time during and up until the project completion signing date, Contractor shall purchase an Extended Reporting Period for at least a two-year period. University and The Board of Regents of the University of Texas System will be named as an additional insureds and Contractor's policy will provide a carve-back to the "Insured versus Insured" exclusion for claims brought by or on behalf of additional insureds. The University and The Board of Regents of the University of Texas System will be provided with a waiver of subrogation, both by endorsement to the required Cyber Liability policy. All insurance carrier(s) must carry an A.M. Best rating of at least A-, Class VIII.

11.2 Contractor will deliver to University:

11.2.1 Evidence of insurance on a Texas Department of Insurance approved certificate form verifying the existence and actual limits of all required insurance policies after the execution and delivery of this Agreement and prior to the performance of any Work by Contractor under this Agreement. Additional evidence of insurance will be provided verifying the continued existence of all required insurance no later than thirty (30) days after each annual insurance policy renewal.

11.2.1.1 ***All insurance policies*** (with the exception of workers' compensation, employer's liability and professional liability) will be endorsed and name the Board of Regents of The University of Texas System and University as Additional Insureds for liability caused in whole or in part by Contractor's acts or omissions with respect to its on-going and completed operations up to the actual liability limits of the required insurance policies maintained by Contractor. Commercial General Liability Additional Insured *endorsement* including ongoing and completed operations coverage will be submitted with the Certificates of Insurance. Commercial General Liability and Business Auto Liability will be *endorsed* to provide primary and non-contributory coverage.

11.2.1.2 Contractor hereby waives all rights of subrogation against the Board of Regents of The University of Texas System and University. ***All insurance policies*** will be *endorsed* to provide a waiver of subrogation in favor of the Board of Regents of The University of Texas System and University. No policy will be canceled until after thirty (30) days' unconditional written notice to University. ***All insurance policies*** will be *endorsed* to require the insurance carrier providing coverage to send notice to University thirty (30) days prior to any cancellation, material change, or non-renewal relating to any insurance policy required in this **Section 11**.

11.2.1.3 Contractor will pay any deductible or self-insured retention for any loss. Any self-insured retention must be declared to and approved by University prior to the performance of any Work by Contractor under this Agreement. All deductibles and self-insured retentions will be shown on the Certificates of Insurance.

11.2.1.4 Certificates of Insurance and *Additional Insured Endorsements* as required by this Agreement will be mailed, faxed, or emailed to the following University contact:

Name: Eric Agnew
Address: 210 W. 7th Street
Email Address: eagnew@utsystem.edu

- 11.3 Contractor's or subcontractor's insurance will be primary to any insurance carried or self-insurance program established by University or. Contractor's or subcontractor's insurance will be kept in force until all Work has been fully performed and accepted by University in writing, *except* as provided in this **Section 11.3**.
- 11.3.1 Professional Liability Insurance coverage written on a claims-made basis requires Contractor to purchase an *Extended Reporting Period Endorsement*, effective for twenty-four (24) months after the expiration or cancellation of the policy.
- 11.3.2 Directors and Officers Liability Insurance coverage written on a claims made basis requires Contractor to purchase an Extended Reporting Period Endorsement, effective for twenty-four (24) months after the expiration or cancellation of the policy.

12. **Miscellaneous.**

- 12.1 **Assignment and Subcontracting.** Except as specifically provided in **Exhibit E**, Historically Underutilized Business Subcontracting Plan, Contractor's interest in this Agreement (including Contractor's duties and obligations under this Agreement, and the fees due to Contractor under this Agreement) may not be subcontracted, assigned, delegated, or otherwise transferred to a third party, in whole or in part, and any attempt to do so will (a) not be binding on University; and (b) be a breach of this Agreement for which Contractor will be subject to all remedial actions provided by Applicable Laws, including [Chapter 2161, Texas Government Code](#), and [34 TAC §§20.101 – 20.108](#). The benefits and burdens of this Agreement are assignable by University.
- 12.2 **Texas Family Code Child Support Certification.** Pursuant to [§231.006, Texas Family Code](#), Contractor certifies it is not ineligible to receive the award of or payments under this Agreement, and acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.
- 12.3 **Tax Certification.** If Contractor is a taxable entity as defined by [Chapter 171, Texas Tax Code](#), then Contractor certifies it is not currently delinquent in the payment of any taxes due under Chapter 171, Contractor is exempt from the payment of those taxes, or Contractor is an out-of-state taxable entity that is not subject to those taxes, whichever is applicable.
- 12.4 **Payment of Debt or Delinquency to the State.** Pursuant to [§§2107.008](#) and [2252.903, Texas Government Code](#), Contractor agrees any payments owing to Contractor under this Agreement may be applied directly toward any debt or delinquency Contractor owes the State of Texas or any agency of the State of Texas, regardless of when it arises, until paid in full.
- 12.5 **Loss of Funding.** Performance by University under this Agreement may be dependent upon the appropriation and allotment of funds by the Texas State Legislature (**Legislature**) and/or allocation of funds by the Board of Regents of The University of Texas System (**Board**). If Legislature fails to appropriate or allot necessary funds, or Board fails to allocate necessary funds, then University will issue written notice to Contractor and University may terminate this Agreement without further duty or obligation. Contractor acknowledges that appropriation, allotment, and allocation of funds are beyond University's control.
- 12.6 **Entire Agreement; Modifications.** This Agreement (including all exhibits, schedules, supplements and other attachments (collectively, **Exhibits**)) supersedes all prior agreements, written or oral, between Contractor and University and will constitute the entire Agreement and understanding between the parties with respect to its subject matter. This Agreement and each of its provisions will be binding upon the parties, and may not be

waived, modified, amended or altered, except by a writing signed by University and Contractor. All Exhibits are attached to this Agreement and incorporated for all purposes.

- 12.7 **Force Majeure.** Neither party hereto will be liable or responsible to the other for any loss or damage or for any delays or failure to perform due to causes beyond its reasonable control including acts of God, strikes, epidemics, war, riots, flood, fire, sabotage, or any other circumstances of like character (**force majeure occurrence**). Provided, however, in the event of a force majeure occurrence, Contractor agrees to use its best efforts to mitigate the impact of the occurrence so that University may continue to provide mission critical services during the occurrence.
- 12.8 **Captions.** The captions of sections and subsections in this Agreement are for convenience only and will not be considered or referred to in resolving questions of interpretation or construction.
- 12.9 **Venue; Governing Law.** Travis County, Texas, will be the proper place of venue for suit on or in respect of this Agreement. This Agreement, all of its terms and conditions and all of the rights and obligations of its parties, will be construed, interpreted and applied in accordance with, governed by and enforced under, the laws of the State of Texas.
- 12.10 **Waivers.** No delay or omission in exercising any right accruing upon a default in performance of this Agreement will impair any right or be construed to be a waiver of any right. A waiver of any default under this Agreement will not be construed to be a waiver of any subsequent default under this Agreement.
- 12.11 **Confidentiality and Safeguarding of University Records; Press Releases; Public Information.** Under this Agreement, Contractor may (1) create, (2) receive from or on behalf of University, or (3) have access to, records or record systems (collectively, **University Records**). Among other things, University Records may contain social security numbers, credit card numbers, or data protected or made confidential or sensitive by Applicable Laws. Additional mandatory confidentiality and security compliance requirements with respect to University Records subject to the [Health Insurance Portability and Accountability Act](#) and [45 Code of Federal Regulations \(CFR\) Part 160](#) and [subparts A and E of Part 164](#) (collectively, **HIPAA**) are addressed in **Section 12.26**. Contractor represents, warrants, and agrees that it will: (1) hold University Records in strict confidence and will not use or disclose University Records except as (a) permitted or required by this Agreement, (b) required by Applicable Laws, or (c) otherwise authorized by University in writing; (2) safeguard University Records according to reasonable administrative, physical and technical standards (such as standards established by the National Institute of Standards and Technology and the Center for Internet Security, as well as the Payment Card Industry Data Security Standards) that are no less rigorous than the standards by which Contractor protects its own confidential information; (3) continually monitor its operations and take any action necessary to assure that University Records are safeguarded and the confidentiality of University Records is maintained in accordance with all Applicable Laws and the terms of this Agreement; and (4) comply with University Rules regarding access to and use of University's computer systems, including UTS165 at <http://www.utsystem.edu/board-of-regents/policy-library/policies/uts165-information-resources-use-and-security-policy>. At the request of University, Contractor agrees to provide University with a written summary of the procedures Contractor uses to safeguard and maintain the confidentiality of University Records.
- 12.11.1 **Notice of Impermissible Use.** If an impermissible use or disclosure of any University Records occurs, Contractor will provide written notice to University within one (1) business day after Contractor's discovery of that use or disclosure.

Contractor will promptly provide University with all information requested by University regarding the impermissible use or disclosure.

- 12.11.2 **Return of University Records.** Contractor agrees that within thirty (30) days after the expiration or termination of this Agreement, for any reason, all University Records created or received from or on behalf of University will be (1) returned to University, with no copies retained by Contractor; or (2) if return is not feasible, destroyed. Twenty (20) days before destruction of any University Records, Contractor will provide University with written notice of Contractor's intent to destroy University Records. Within five (5) days after destruction, Contractor will confirm to University in writing the destruction of University Records.
- 12.11.3 **Disclosure.** If Contractor discloses any University Records to a subcontractor or agent, Contractor will require the subcontractor or agent to comply with the same restrictions and obligations as are imposed on Contractor by this **Section 12.11.**
- 12.11.4 **Press Releases.** Except when defined as part of Work, Contractor will not make any press releases, public statements, or advertisement referring to the Project or the engagement of Contractor as an independent contractor of University in connection with the Project, or release any information relative to the Project for publication, advertisement or any other purpose without the prior written approval of University.
- 12.11.5 **Public Information.** University strictly adheres to all statutes, court decisions and the opinions of the Texas Attorney General with respect to disclosure of public information under the *Texas Public Information Act (TPIA)*, [Chapter 552, Texas Government Code](#). In accordance with §§[552.002](#) and [2252.907](#), *Texas Government Code*, and at no additional charge to University, Contractor will make any information created or exchanged with University pursuant to this Agreement (and not otherwise exempt from disclosure under TPIA) available in a format reasonably requested by University that is accessible by the public.
- 12.11.6 **Termination.** In addition to any other termination rights in this Agreement and any other rights at law or equity, if University reasonably determines that Contractor has breached any of the restrictions or obligations in this Section, University may immediately terminate this Agreement without notice or opportunity to cure.
- 12.11. **Duration.** The restrictions and obligations under this Section will survive expiration or termination of this Agreement for any reason.
- 12.12 **Binding Effect.** This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective permitted assigns and successors.
- 12.13 **Records.** Records of Contractor's costs, reimbursable expenses pertaining to the Project and payments will be available to University or its authorized representative during business hours and will be retained for four (4) years after final Payment or abandonment of the Project, unless University otherwise instructs Contractor in writing.
- 12.14 **Notices.** Except as otherwise provided by this Section, notices, consents, approvals, demands, requests or other communications required or permitted under this Agreement, will be in writing and sent via certified mail, hand delivery, overnight courier, facsimile transmission (to the extent a facsimile number is provided below), or email (to the extent

an email address is provided below) as indicated below, and notice will be deemed given (i) if delivered by certified mailed, when deposited, postage prepaid, in the United States mail, or (ii) if delivered by hand, overnight courier, facsimile (to the extent a facsimile number is provided below) or email (to the extent an email address is provided below), when received:

If to University: _____

Fax: _____
Email: _____
Attention: _____

with copy to: _____

Fax: _____
Email: _____
Attention: _____

If to Contractor: _____

Fax: _____
Email: _____
Attention: _____

or other person or address as may be given in writing by either party to the other in accordance with this Section.

Notwithstanding any other requirements for notices given by a party under this Agreement, if Contractor intends to deliver written notice to University pursuant to [§2251.054, Texas Government Code](#), then Contractor will send that notice to University as follows:

Fax: _____
Email: _____
Attention: _____

with copy to: _____

Fax: _____
Email: _____
Attention: _____

or other person or address as may be given in writing by University to Contractor in accordance with this Section.

- 12.15 **Severability.** In case any provision of this Agreement will, for any reason, be held invalid or unenforceable in any respect, the invalidity or unenforceability will not affect any other provision of this Agreement, and this Agreement will be construed as if the invalid or unenforceable provision had not been included.
- 12.16 **State Auditor's Office.** Contractor understands acceptance of funds under this Agreement constitutes acceptance of authority of the Texas State Auditor's Office or any successor agency (**Auditor**), to conduct an audit or investigation in connection with those funds (ref. §§[51.9335\(c\)](#), [73.115\(c\)](#) and [74.008\(c\)](#), *Texas Education Code*). Contractor agrees to cooperate with Auditor in the conduct of the audit or investigation, including providing all records requested. Contractor will include this provision in all contracts with permitted subcontractors.
- 12.17 **Limitation of Liability.** EXCEPT FOR UNIVERSITY'S OBLIGATION (IF ANY) TO PAY CONTRACTOR CERTAIN FEES AND EXPENSES UNIVERSITY WILL HAVE NO LIABILITY TO CONTRACTOR OR TO ANYONE CLAIMING THROUGH OR UNDER CONTRACTOR BY REASON OF THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT. NOTWITHSTANDING ANY DUTY OR OBLIGATION OF UNIVERSITY TO CONTRACTOR OR TO ANYONE CLAIMING THROUGH OR UNDER CONTRACTOR, NO PRESENT OR FUTURE AFFILIATED ENTERPRISE, SUBCONTRACTOR, AGENT, OFFICER, DIRECTOR, EMPLOYEE, REPRESENTATIVE, ATTORNEY OR REGENT OF UNIVERSITY, OR THE UNIVERSITY OF TEXAS SYSTEM, OR ANYONE CLAIMING UNDER UNIVERSITY HAS OR WILL HAVE ANY PERSONAL LIABILITY TO CONTRACTOR OR TO ANYONE CLAIMING THROUGH OR UNDER CONTRACTOR BY REASON OF THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT.
- 12.18 **Survival of Provisions.** No expiration or termination of this Agreement will relieve either party of any obligations under this Agreement that by their nature survive expiration or termination, including **Sections 6.7, 9, 12.5, 12.9, 12.10, 12.11, 12.13, 12.16, 12.17, 12.19** and **12.21**.
- 12.19 **Breach of Contract Claims.** To the extent that [Chapter 2260, Texas Government Code](#), as it may be amended from time to time (**Chapter 2260**), is applicable to this Agreement and is not preempted by other Applicable Laws, the dispute resolution process provided for in [Chapter 2260](#) will be used, as further described herein, by University and Contractor to attempt to resolve any claim for breach of contract made by Contractor:
- 12.19.1 Contractor's claims for breach of this Agreement that the parties cannot resolve pursuant to other provisions of this Agreement or in the ordinary course of business will be submitted to the negotiation process provided in [subchapter B](#) of Chapter 2260. To initiate the process, Contractor will submit written notice, as required by [subchapter B](#) of Chapter 2260, to University in accordance with the notice provisions in this Agreement. Contractor's notice will specifically state that the provisions of [subchapter B](#) of Chapter 2260 are being invoked, the date and nature of the event giving rise to the claim, the specific contract provision that University allegedly breached, the amount of damages Contractor seeks, and the method used to calculate the damages. Compliance by Contractor with [subchapter B](#) of Chapter 2260 is a required prerequisite to Contractor's filing of a contested case proceeding under [subchapter C](#) of Chapter 2260. The chief business officer of University, or another officer of University as may be designated from time to time by University by written notice to Contractor in accordance with the notice provisions in this Agreement, will examine Contractor's claim and

any counterclaim and negotiate with Contractor in an effort to resolve the claims.

12.19.2 If the parties are unable to resolve their disputes under **Section 12.19.1**, the contested case process provided in [subchapter C](#) of Chapter 2260 is Contractor's sole and exclusive process for seeking a remedy for any and all of Contractor's claims for breach of this Agreement by University.

12.19.3 Compliance with the contested case process provided in [subchapter C](#) of Chapter 2260 is a required prerequisite to seeking consent to sue from the Legislature under [Chapter 107, Texas Civil Practices and Remedies Code](#). The parties hereto specifically agree that (i) neither the execution of this Agreement by University nor any other conduct, action or inaction of any representative of University relating to this Agreement constitutes or is intended to constitute a waiver of University's or the state's sovereign immunity to suit and (ii) University has not waived its right to seek redress in the courts.

12.19.2 The submission, processing and resolution of Contractor's claim is governed by the published rules adopted by the Texas Attorney General pursuant to [Chapter 2260](#), as currently effective, thereafter enacted or subsequently amended.

12.19.3 University and Contractor agree that any periods provided in this Agreement for notice and cure of defaults are not waived.

12.20 **Undocumented Workers.** The *Immigration and Nationality Act* ([8 USC §1324a](#)) (**Immigration Act**) makes it unlawful for an employer to hire or continue employment of undocumented workers. The United States Immigration and Customs Enforcement Service has established the [Form I-9 Employment Eligibility Verification Form \(I-9 Form\)](#) as the document to be used for employment eligibility verification ([8 CFR §274a](#)). Among other things, Contractor is required to: (1) have all employees complete and sign the I-9 Form certifying that they are eligible for employment; (2) examine verification documents required by the I-9 Form to be presented by the employee and ensure the documents appear to be genuine and related to the individual; (3) record information about the documents on the I-9 Form, and complete the certification portion of the I-9 Form; and (4) retain the I-9 Form as required by Applicable Laws. It is illegal to discriminate against any individual (other than a citizen of another country who is not authorized to work in the United States) in hiring, discharging, or recruiting because of that individual's national origin or citizenship status. If Contractor employs unauthorized workers during performance of this Agreement in violation of the Immigration Act then, in addition to other remedies or penalties prescribed by Applicable Laws, University may terminate this Agreement in accordance with **Section 8**. Contractor represents and warrants that it is in compliance with and agrees that it will remain in compliance with the provisions of the Immigration Act.

- 12.21 **Limitations.** THE PARTIES ARE AWARE THERE ARE CONSTITUTIONAL AND STATUTORY LIMITATIONS (**LIMITATIONS**) ON THE AUTHORITY OF UNIVERSITY (A STATE AGENCY) TO ENTER INTO CERTAIN TERMS AND CONDITIONS THAT MAY BE PART OF THIS AGREEMENT, INCLUDING TERMS AND CONDITIONS RELATING TO LIENS ON UNIVERSITY'S PROPERTY; DISCLAIMERS AND LIMITATIONS OF WARRANTIES; DISCLAIMERS AND LIMITATIONS OF LIABILITY FOR DAMAGES; WAIVERS, DISCLAIMERS AND LIMITATIONS OF LEGAL RIGHTS, REMEDIES, REQUIREMENTS AND PROCESSES; LIMITATIONS OF PERIODS TO BRING LEGAL ACTION; GRANTING CONTROL OF LITIGATION OR SETTLEMENT TO ANOTHER PARTY; LIABILITY FOR ACTS OR OMISSIONS OF THIRD PARTIES; PAYMENT OF ATTORNEYS' FEES; DISPUTE RESOLUTION; INDEMNITIES; AND CONFIDENTIALITY, AND TERMS AND CONDITIONS RELATED TO LIMITATIONS WILL NOT BE BINDING ON UNIVERSITY EXCEPT TO THE EXTENT AUTHORIZED BY THE LAWS AND CONSTITUTION OF THE STATE OF TEXAS.
- 12.22 **Ethics Matters; No Financial Interest.** Contractor and its employees, agents, representatives and subcontractors have read and understand [University's Conflicts of Interest Policy](#), [University's Standards of Conduct Guide](#), and applicable state ethics laws and rules at <http://utsystem.edu/offices/general-counsel/ethics>. Neither Contractor nor its employees, agents, representatives or subcontractors will assist or cause University employees to violate University's Conflicts of Interest Policy, University's Standards of Conduct Guide, or applicable state ethics laws or rules. Contractor represents and warrants that no member of the Board has a direct or indirect financial interest in the transaction that is the subject of this Agreement.
- Further, Contractor agrees to comply with [§2252.908, Texas Government Code \(Disclosure of Interested Parties Statute\)](#), and [1 TAC §§46.1 through 46.5 \(Disclosure of Interested Parties Regulations\)](#), as implemented by the Texas Ethics Commission (TEC), including, among other things, providing the TEC and University with information required on the form promulgated by TEC. Proposers may learn more about these disclosure requirements, including the use of TEC's electronic filing system, by reviewing the information on TEC's website at https://www.ethics.state.tx.us/whatsnew/FAQ_Form1295.html.
- 12.23 **Enforcement.** Contractor agrees and acknowledges that University is entering into this Agreement in reliance on Contractor's special and unique knowledge and abilities with respect to performing Work. Contractor's services provide a peculiar value to University. University cannot be reasonably or adequately compensated in damages for the loss of Contractor's services. Accordingly, Contractor acknowledges and agrees that a breach by Contractor of the provisions of this Agreement will cause University irreparable injury and damage. Contractor, therefore, expressly agrees that University will be entitled to injunctive and/or other equitable relief in any court of competent jurisdiction to prevent or otherwise restrain a breach of this Agreement.
- 12.24 **HIPAA Compliance.** University is a HIPAA Covered Entity and some of the information Contractor receives, maintains or creates for or on behalf of University may constitute Protected Health Information (**PHI**) that is subject to HIPAA. Before Contractor may receive, maintain or create any University Records subject to HIPAA, Contractor will execute the HIPAA Business Associate Agreement (**BAA**) in **EXHIBIT D**, HIPAA Business Associate Agreement. To the extent that the BAA conflicts with any term contained in this Agreement, the terms of the BAA will control.
- 12.25 **Access by Individuals with Disabilities. Access by Individuals with Disabilities.** Contractor represents and warrants (**EIR Accessibility Warranty**) the electronic and information resources and all associated information, documentation, and support Contractor provides to University under this Agreement (**EIRs**) comply with applicable requirements in [1 TAC Chapter 213](#) and [1 TAC §206.70](#) (ref. [Subchapter M, Chapter 2054, Texas Government Code](#)). To the extent Contractor becomes aware the EIRs, or any

portion thereof, do not comply with the EIR Accessibility Warranty, then Contractor represents and warrants it will, at no cost to University, either (1) perform all necessary remediation to make the EIRs satisfy the EIR Accessibility Warranty or (2) replace the EIRs with new EIRs that satisfy the EIR Accessibility Warranty. If Contractor fails or is unable to do so, University may terminate this Agreement and, within thirty (30) days after termination, Contractor will refund to University all amounts University paid under this Agreement.

12.26 **Historically Underutilized Business Subcontracting Plan.** Contractor agrees to use good faith efforts to subcontract Work in accordance with the Historically Underutilized Business Subcontracting Plan (**HSP**) (ref. **Exhibit E**). Contractor agrees to maintain business records documenting its compliance with the HSP and to submit a monthly compliance report to University in the format required by Texas Procurement and Support Services Division of the Texas Comptroller of Public Accounts or any successor agency (collectively, **TPSS**). Submission of compliance reports will be required as a condition for payment under this Agreement. If University determines that Contractor has failed to subcontract as set out in the HSP, University will notify Contractor of any deficiencies and give Contractor an opportunity to submit documentation and explain why the failure to comply with the HSP should not be attributed to a lack of good faith effort by Contractor. If University determines that Contractor failed to implement the HSP in good faith, University, in addition to any other remedies, may report nonperformance to the TPSS in accordance with [34 TAC §§20.101 through 20.108](#). University may also revoke this Agreement for breach and make a claim against Contractor.

12.26.1 **Changes to the HSP.** If at any time during the Term, Contractor desires to change the HSP, before the proposed changes become effective (a) Contractor must comply with [34 TAC §20.14](#); (b) the changes must be reviewed and approved by University; and (c) if University approves changes to the HSP, this Agreement must be amended in accordance with **Section 12.6** to replace the HSP with the revised subcontracting plan.

12.26.2 **Expansion of Work.** If University expands the scope of Work through a change order or any other amendment, University will determine if the additional Work contains probable subcontracting opportunities *not* identified in the initial solicitation for Work. If University determines additional probable subcontracting opportunities exist, Contractor will submit an amended subcontracting plan covering those opportunities. The amended subcontracting plan must comply with the provisions of [34 TAC §20.14](#) before (a) this Agreement may be amended to include the additional Work; or (b) Contractor may perform the additional Work. If Contractor subcontracts any of the additional subcontracting opportunities identified by University without prior authorization and without complying with [34 TAC §20.14](#), Contractor will be deemed to be in breach of this Agreement under **Section 8** and will be subject to any remedial actions provided by Applicable Laws, including [Chapter 2161, Texas Government Code](#), and [34 TAC §20.14](#). University may report nonperformance under this Agreement to the TPSS in accordance with [34 TAC §§20.101 through 20.108](#).

12.27 **Responsibility for Individuals Performing Work; Criminal Background Checks.** Each individual who is assigned to perform Work under this Agreement will be an employee of Contractor or an employee of a subcontractor engaged by Contractor. Contractor is responsible for the performance of all individuals performing Work under this Agreement. Prior to commencing Work, Contractor will (1) provide University with a list (**List**) of all individuals who may be assigned to perform Work on University's premises and (2) have an appropriate criminal background screening performed on all the individuals on the List. Contractor will determine on a case-by-case basis whether each individual assigned to perform Work is qualified to provide the services. Contractor will not knowingly assign any individual to provide services on University's premises who has a history of criminal conduct unacceptable for a university campus or healthcare center, including violent or sexual offenses. Contractor will update the List each time there is a change in the individuals assigned to perform Work on University's premises.

Prior to commencing performance of Work under this Agreement, Contractor will provide University a letter signed by an authorized representative of Contractor certifying compliance with this Section. Contractor will provide University an updated certification letter each time there is a change in the individuals on the List.

12.28 **Office of Inspector General Certification.** Contractor acknowledges that University is prohibited by federal regulations from allowing any employee, representative, agent or subcontractor of Contractor to work on site at University's premises or facilities if that individual is not eligible to work on federal healthcare programs including Medicare, Medicaid, or other similar federal programs. Therefore, Contractor will not assign any employee, representative, agent or subcontractor that appears on the List of Excluded Individuals issued by the United States Office of the Inspector General (**OIG**) to work on site at University's premises or facilities. Contractor will perform an OIG sanctions check quarterly on each of its employees, representatives, agents, and subcontractors during the time the employees, representatives, agents, or subcontractors are assigned to work on site at University's premises or facilities. Contractor acknowledges that University will require immediate removal of any employee, representative, agent, or subcontractor of Contractor assigned to work at University's premises or facilities if the employee, representative, agent, or subcontractor is found to be on the OIG's List of Excluded Individuals. The OIG's List of Excluded Individuals may be accessed through the following Internet website: <http://exclusions.oig.hhs.gov/>

12.29 **External Terms.** This Agreement completely supplants, replaces, and overrides all other terms and conditions or agreements, written or oral, concerning Contractor's performance or provision of goods or services under this Agreement (**External Terms**). External Terms are null and void and will have no effect under this Agreement, even if University or its employees, contractors, or agents express assent or agreement to External Terms. External Terms include any shrinkwrap, clickwrap, browserwrap, web-based terms and conditions of use, and any other terms and conditions displayed in any format that University or its employees, contractors, or agents are required to accept or agree to before or in the course of accessing or using any goods or services provided by Contractor.

12.30 **Discrimination Prohibited.** University and Contractor will abide by the requirements of [41 CFR §§60-1.4\(a\)](#), [60-300.5\(a\)](#) and [60-741.5\(a\)](#) (collectively, **Regulations**). The regulations (1) prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and (2) prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, the regulations require that University and Contractor take affirmative action to employ and advance in employment, individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability

- 12.31 **Access to Documents.** To the extent applicable to this Agreement, in accordance with §1861(v)(I)(i) of the Social Security Act ([42 USC §1395x](#)) as amended, and the provisions of [42 CFR §420.300 et seq](#), Contractor will allow, during and for a period of not less than four (4) years after the expiration or termination of this Agreement, access to this Agreement and its books, documents, and records; and contracts between Contractor and its subcontractors or related organizations, including books, documents and records relating to same, by the Comptroller General of the United States, the U.S. Department of Health and Human Services and their duly authorized representatives.
- 12.32 **Contractor Certification regarding Boycotting Israel.** Pursuant to Chapter 2270, *Texas Government Code* Contractor certifies Contractor (1) does not currently boycott Israel; and (b) will not boycott Israel during the Term of this Agreement. Contractor acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.
- 12.33 **Contractor Certification regarding Business with Certain Countries and Organizations.** Pursuant to Subchapter F, Chapter 2252, *Texas Government*, Contractor certifies Contractor (1) is not engaged in business with Iran, Sudan, or a foreign terrorist organization. Contractor acknowledges this Agreement may be terminated and payment withheld if this certification is inaccurate.

University and Contractor have executed and delivered this Agreement to be effective as of the Effective Date.

UNIVERSITY:

CONTRACTOR:

THE UNIVERSITY OF TEXAS SYSTEM

By: _____
 Name: _____
 Title: _____

By: _____
 Name: _____
 Title: _____

Attach:

- EXHIBIT A – Scope of Work**
- EXHIBIT B – Schedule**
- EXHIBIT C – Payment for Services**
- EXHIBIT D – HIPAA Business Associate Agreement**
- EXHIBIT E – HUB Subcontracting Plan**

EXHIBIT A

SCOPE OF WORK

[Note: Provide a detailed description and break-down of all tasks Contractor is to perform and technical standards for the tasks, if appropriate.]

EXHIBIT B
SCHEDULE

EXHIBIT C

Payment for Services

EXHIBIT D

**ADDENDUM 1
Business Associate Agreement**

This Business Associate Agreement (“Agreement”), effective _____ (“Effective Date”), is entered into by and between The University of Texas System on behalf of its _____ (“Covered Entity”) and _____, a _____ company doing business as “_____” (“Business Associate”, as more fully defined in section 1(c)) (each a “Party” and collectively the “Parties”).

RECITALS

WHEREAS, Covered Entity has entered or is entering into that certain _____ Agreement with Business Associate (“the Underlying Agreement”) by which it has engaged Business Associate to perform services;

WHEREAS, Covered Entity possesses Protected Health Information that is protected under HIPAA and the HIPAA Regulations, HITECH Act and state law, including the Medical Records Privacy Act (MRPA), and is permitted to manage such information only in accordance with HIPAA and the HIPAA Regulations, HITECH Act, and MRPA;

WHEREAS, Business Associate may receive such information from Covered Entity, or create, receive, maintain or transmit such information on behalf of Covered Entity, in order to perform certain of the services under the Underlying Agreement;

WHEREAS, the Parties desire to comply with health information privacy and security protections subsequent to the enactment of the HITECH Act, Subtitle D of the American Recovery and Reinvestment Act of 2009 which has established requirements for compliance with HIPAA. In particular, the requirements provide that: (1) Covered Entity give affected individuals notice of security breaches affecting their PHI, and Business Associate give notice to Covered Entity pursuant to the provisions below; (2) Business Associate comply with the HIPAA security regulations; and (3) additional and/or revised provisions be included in Business Associate Agreement;

WHEREAS, Under HIPAA and HITECH, Covered Entity is required to enter into protective agreements, generally known as “business associate agreements,” with certain downstream entities that will be entrusted with HIPAA-protected health information;

WHEREAS, Health information is further protected by state law, including the MRPA; and

WHEREAS, Covered Entity wishes to ensure that Business Associate will appropriately safeguard Protected Health Information.

NOW THEREFORE, Covered Entity and Business Associate agree as follows:

1. Definitions. The Parties agree that the following terms, when used in this Agreement, shall have the following meanings, provided that the terms set forth below shall be deemed to be modified to reflect any changes made to such terms from time to time as defined in HIPAA and the HIPAA Regulations and the MRPA. All capitalized terms used in this Agreement but not defined below shall have the meaning assigned to them under the HIPAA Regulations.
 - a. “Breach” shall have the meaning given such term under 45 C.F.R. § 164.402 as such regulation is revised from time to time.
 - b. “Breach of System Security” means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of Sensitive Personal Information maintained by a person, including data that is encrypted if the person accessing the data has the key required to decrypt the data.
 - c. “Business Associate” means, with respect to a Covered Entity, a person who:
 - 1) on behalf of such Covered Entity or of an Organized Health Care Arrangement (as defined under the HIPAA Regulations) in which the Covered Entity participates, but other than in the capacity of a member of the workplace of such Covered Entity or arrangement, creates, receives, maintains, or transmits PHI for a function or activity regulated by HIPAA, HIPAA Regulations, or MRPA including claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, patient safety activities listed at 42 C.F.R. 3.20, billing, benefit management, practice management, and re-pricing; or
 - 2) provides, other than in the capacity of a member of the workforce of such Covered Entity, legal, actuarial, accounting, consulting, Data Aggregation, management, administrative, accreditation, or financial services to or for such Covered Entity, or to

or for an Organized Health Care Arrangement in which the Covered Entity participates, where the provision of the service involves the disclosure of PHI from such Covered Entity or arrangement, or from another Business Associate of such Covered Entity or arrangement, to the person.

d. “Data Aggregation” means, with respect to PHI created or received by Business Associate in its capacity as the Business Associate of Covered Entity, the combining of such PHI by Business Associate with the PHI received by Business Associate of another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.

e. “HIPAA” means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.

f. “HIPAA Regulations” means the regulations promulgated under HIPAA by the United States Department of Health and Human Services, including, but not limited to, 45 C.F.R. Part 160 and 45 C.F.R. Part 164 subparts A and E (“The Privacy Rule”) and the Security Standards as they may be amended from time to time, 45 C.F.R. Parts 160, 162 and 164, Subpart C (“The Security Rule”).

g. “HITECH Act” means the provisions of Division A, Title XIII of the American Recovery and Reinvestment Act of 2009, known as The Health Information Technology for Economic and Clinical Health, Act 42 U.S.C. §3000 et. seq., and implementing regulations and guidance, including the regulations implemented in 78 Fed. Reg. 5566 (January 25, 2013).

h. “Individually Identifiable Health Information” means information that is a subset of health information, including demographic information collected from an individual, and:

1) is created or received by a health care provider, health plan, employer, or health care clearinghouse; and

2) relates to past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and

a) that identifies the individual; or

b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

i. “MRPA” means Texas Medical Records Privacy Act, as codified in Section 181 et seq. of the Texas Health and Safety Code and as implemented through regulations including the Standards Relating to the Electronic Exchange of Health Information, codified at Title 1, Section 390.1 et seq. of the Texas Administrative Code.

j. “Protected Health Information” or “PHI” means Individually Identifiable Health Information that is transmitted by electronic media; maintained in any medium described in the definition of the term electronic media in the HIPAA Regulations; or transmitted or maintained in any other form or medium. The term excludes Individually Identifiable Health Information in educational records covered by the Family Educational Right and Privacy Act, as amended, 20 U.S.C. § 1232g; records described at 20 U.S.C. § 1232g(a)(4)(B)(iv); and employment records held by a Covered Entity in its role as employer and regarding a person who has been deceased more than 50 years.

k. “Security Incident” means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system, but does not include minor incidents that occur on a routine basis, such as scans, “pings”, or unsuccessful random attempts to penetrate computer networks or servers maintained by Business Associate.

l. “Sensitive Personal Information” means: (1) an individual’s first name or first initial and last name in combination with any one or more of the following items, if the name and the items are not encrypted: (a) social security number; (b) driver’s license number or government-issued identification number; (c) account number or credit or debit card number in combination with any required security code, access, code, or password that would permit access to an individual’s financial account; or (2) PHI information that identifies an individual and relates to: (a) the physical or mental health or condition of the individual; (b) the provision of health care to the individual; or (c) payment for the provision of health care to the individual.

m. “Unsecured PHI” means PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified in the guidance issued under Section 13402(h)(2) of the HITECH Act on the HHS web site.

2. Permitted Uses and Disclosures.

a. Compliance with Law. Covered Entity and Business Associate agree to comply with HIPAA, HIPAA Regulations, the HITECH Act, and the MRPA.

b. Performance of Services. Except as otherwise permitted by this Agreement, Business Associate may create, receive, maintain or transmit PHI on behalf of Covered Entity only in connection with the performance of the services contracted for in the Underlying Agreement or as Required by Law (as that term is defined by 45 C.F.R. § 164.103).

c. Proper Management and Administration. Business Associate may use PHI it receives in its capacity as Covered Entity's Business Associate for the proper management and administration of Business Associate in connection with the performance of services in the Underlying Agreement, as permitted by this Agreement or as Required by Law (as that term is defined by 45 C.F.R. § 164.103), and to carry out the legal responsibilities of Business Associate. Business Associate may also disclose Covered Entity's PHI for such proper management and administration of Business Associate and to carry out the legal responsibilities of Business Associate. Any such disclosure of PHI shall only be made in accordance with the terms of this Agreement, including Section 5(c) if to an agent or subcontractor of Business Associate, and only if Business Associate obtains reasonable written assurances from the person to whom the PHI is disclosed that: (1) the PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and (2) Business Associate will be notified by such person of any instances of which it becomes aware in which the confidentiality of the PHI has been breached.

d. Data Aggregation. Business Associate may use and disclose PHI received by Business Associate in its capacity as Covered Entity's business associate in order to provide Data Aggregation services relating to Covered Entity's health care operations only with Covered Entity's permission.

e. Business Associate may use and disclose de-identified health information if written approval from the Covered Entity is obtained, and the PHI is de-identified in compliance with the HIPAA Rules.

3. Nondisclosure.

a. As Provided in Agreement. Business Associate shall not use or further disclose Covered Entity's PHI other than as permitted or required by this Agreement or as Required by Law (as that term is defined by 45 C.F.R. § 164.103).

b. Disclosures Required By Law. Business Associate shall not, without prior written consent of Covered Entity, disclose any PHI on the possibility that such disclosure is required by law without notifying, to the extent legally permitted, Covered Entity so that the Covered Entity shall have an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such a disclosure, Business Associate, shall, to the extent permissible by law, refrain from disclosing the PHI until Covered Entity has exhausted all alternatives for relief. Business Associate shall require reasonable assurances from persons receiving PHI in accordance with Section 2(c) that such persons will provide Covered Entity with similar notice and opportunity to object before disclosing PHI when a disclosure is required by law.

c. Additional Restrictions. If Covered Entity notifies Business Associate that Covered Entity has agreed to be bound by additional restrictions on the uses or disclosures of Covered Entity's PHI pursuant to HIPAA or the HIPAA Regulations, Business Associate shall be bound by such additional restrictions and shall not disclose Covered Entity's PHI in violation of such additional restrictions to the extent possible consistent with Business Associate's obligations set forth in the Underlying Agreement.

d. Restrictions Pursuant to Subject's Request. If Business Associate has knowledge that an individual who is the subject of PHI in the custody and control of Business Associate has requested restrictions on the disclosure of PHI, Business Associate must comply with the requested restriction if (a) the Covered Entity agrees to abide by the restriction; or (b) the disclosure is to a health plan for purposes of carrying out payment or health care operations and the PHI pertains solely to a health care item or service for which Covered Entity has been paid out of pocket in full. If the use or disclosure of PHI in this Agreement is based upon an Individual's specific authorization for the use or disclosure of his or her PHI, and the Individual revokes such authorization, the effective date of such authorization has expired, or such authorization is found to be defective in any manner that renders it invalid, Business Associate shall, if it has notice of such revocation, expiration, or invalidity, cease the use and disclosure of the Individual's PHI except to the extent it has relied on such use or disclosure, or if an exception under the Privacy Rule expressly applies.

- e. Remuneration. Business Associate shall not directly or indirectly receive remuneration in exchange for disclosing PHI received from or on behalf of Covered Entity except as permitted by HITECH Act § 13405, the MRPA, and any implementing regulations that may be promulgated or revised from time to time.
 - f. Disclosure. Business Associate shall not use or disclose PHI in a manner that would violate Subpart E of 45 C.F.R. part 164, or MRPA, if done by the Covered Entity itself except as authorized under Section 2 of this Agreement.
4. Minimum Necessary. Business Associate shall limit its uses and disclosures of, and requests for, PHI, to the minimum amount of PHI necessary to accomplish the intended purpose of the use, disclosure or request.
5. Additional Business Associate Obligations.
- a. Safeguards. Business Associate shall use appropriate safeguards and comply with Subpart C of 45 C.F.R. 164 with respect to electronic PHI to prevent use or disclosure of the PHI other than as provided for by this Agreement. Business Associate shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any paper or electronic PHI it creates, receives, maintains, or transmits on behalf of Covered Entity.
 - b. To the extent the Business Associate is to carry out one or more of Covered Entity's obligation(s) under the Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that apply to the Covered Entity in the performance of the obligations.
 - c. Business Associate's Agents and Subcontractors.
 - 1) Business Associate shall ensure that any agents and subcontractors to whom it provides PHI agree to only create, receive, maintain or transmit PHI on behalf of the Business Associate under the same restrictions that apply to Business Associate. Such agreement between Business Associate and subcontractor or agent must be in writing and must comply with the terms of this Agreement and the requirements outlined at 45 C.F.R. §164.504(e)(2); 45 C.F.R. §164.502(e)(1)(ii); 45 C.F.R. §164.314; and 45 C.F.R. §164.308(b)(2). Additionally, Business Associate shall ensure agent or subcontractor agree to and implement reasonable and appropriate safeguards to protect PHI.

2) If Business Associate knows of a pattern of activity or practice of its subcontractor or agent that constitutes a material breach or violation of the agent or subcontractor's obligation under the contract or other arrangement, the Business Associate must take steps to cure the breach and end the violation and if such steps are not successful, must terminate the contract or arrangement if feasible. If it is not feasible to terminate the contract, Business Associate must promptly notify the Covered Entity.

d. Reporting. Business Associate shall, as soon as practicable but not more than five (5) business days after becoming aware of any successful security incident or use or disclosure of Covered Entity's PHI or Sensitive Personal Information in violation of this Agreement, report any such use or disclosure to Covered Entity. With the exception of law enforcement delays that satisfy the requirements under 45 C.F.R. § 164.412 or as otherwise required by applicable state law, Business Associate shall notify Covered Entity in writing without unreasonable delay and in no case later than ten (10) calendar days upon discovery of a Breach of Unsecured PHI or Breach of Security System. Such notice must include, to the extent possible, the name of each individual whose Unsecured PHI or Sensitive Personal Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, or disclosed during such breach. Business Associate shall also provide, to the extent possible, Covered Entity with any other available information that Covered Entity is required to include in its notification to individuals under 45 C.F.R. § 164.404(c) and Section 521.053, Texas Business & Commerce Code at the time of Business Associate's notification to Covered Entity or promptly thereafter as such information becomes available. For purposes of this Agreement, a Breach of Unsecured PHI or Breach of Security System shall be treated as discovered by Business Associate as of the first day on which such breach is known to Business Associate (including any person, other than the individual committing the breach, who is an employee, officer, or other agent of Business Associate, as determined in accordance with the federal common law of agency) or should reasonably have been known to Business Associate following the exercise of reasonable diligence.

e. Mitigation. Business Associate shall have procedures in place to mitigate, to the maximum extent practicable, any deleterious effect from any Use or Disclosure (as defined by 45 C.F.R. §160.103).

f. Sanctions. Business Associate shall apply appropriate sanctions in accordance with Business Associate's policies against any employee,

subcontractor or agent who uses or discloses Covered Entity's PHI in violation of this Agreement or applicable law.

g. Covered Entity's Rights of Access and Inspection. From time to time upon reasonable notice, or upon a reasonable determination by Covered Entity that Business Associate has breached this Agreement, Covered Entity may inspect the facilities, systems, books and records of Business Associate related to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity or the safeguarding of such PHI to monitor compliance with this Agreement. Business Associate shall document and keep current such security measures and safeguards and make them available to Covered Entity for inspection upon reasonable request including summaries of any internal or external assessments Business Associate performed related to such security controls and safeguards. The fact that Covered Entity inspects, or fails to inspect, or has the right to inspect, Business Associate's facilities, systems and procedures does not relieve Business Associate of its responsibility to comply with this Agreement, nor does Covered Entity's (1) failure to detect or (2) detection but failure to require Business Associate's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of Covered Entity's enforcement or termination rights under this Agreement. This Section shall survive termination of this Agreement.

h. United States Department of Health and Human Services. Business Associate shall make its internal practices, books and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Secretary of the United States Department of Health and Human Services for purposes of determining Covered Entity's compliance with HIPAA and the HIPAA regulations, provided that Business Associate shall promptly notify Covered Entity upon receipt by Business Associate of any such request for access by the Secretary of the United States Department of Health and Human Services, and shall provide Covered Entity with a copy thereof as well as a copy of all materials disclosed pursuant thereto, unless otherwise prohibited by law.

i. Training. Business Associate shall provide such training in the privacy and security of PHI to its Workforce (as that term is defined by 45 C.F.R. § 160.103) as is required for Business Associate's compliance with HIPAA, HIPAA Regulations, HITECH, and the MRPA.

6. Obligation to Provide Access, Amendment and Accounting of PHI.

a. Access to PHI. Business Associate shall make available to Covered Entity, in the time and manner designated by the Covered Entity, such information as necessary to allow Covered Entity to meet its obligations under the HIPAA Regulations, PHI contained in a Designated Record Set held by Business Associate as Covered Entity may require to fulfill Covered Entity's obligations to provide access to, and copies of, PHI in accordance with HIPAA and the HIPAA Regulations and MRP. In the event that any individual requests access to PHI directly from Business Associate, Business Associate shall notify Covered Entity within five (5) business days that such request has been made.

b. Amendment of PHI. Business Associate shall make available to Covered Entity PHI contained in a Designated Record Set held by Business Associate as Covered Entity may require to fulfill Covered Entity's obligations to amend PHI in accordance with HIPAA and the HIPAA Regulations. In addition, Business Associate shall, as directed by Covered Entity, incorporate any amendments to Covered Entity's PHI into copies of such information maintained by Business Associate. In the event that any individual requests amendment of PHI directly from Business Associate, Business Associate shall forward such request to Covered Entity within five (5) business days.

c. Accounting of Disclosures of PHI.

1) Record of Disclosures. Business Associate shall maintain a record of all disclosures of PHI received from, or created or received by Business Associate on behalf of, Covered Entity, except for those disclosures identified in Section 6(c)(2) below, including the date of the disclosure, the name and, if known, the address of the recipient of the PHI, a brief description of the PHI disclosed, and the purpose of the disclosure which includes an explanation of the reason for such disclosure. Business Associate shall make this record available to Covered Entity upon Covered Entity's request. If Business Associate maintains records in electronic form, Business Associate shall account for all disclosures made during the period of three (3) years preceding the request. In the event that any individual requests an accounting of disclosures of PHI directly from Business Associate, Business Associate shall notify Covered Entity within five (5) business days that such request has been made and provide Covered Entity with a record of disclosures within ten (10) days of an individual's request. If the request from an individual comes directly to Covered Entity and Covered Entity notifies Business Associate that it requires information from Business Associate in order to respond to the individual, Business

Associate shall make available to Covered Entity such information as Covered Entity may require within ten (10) days from the time of request by Covered Entity.

2) Certain Disclosures Need Not Be Recorded. The following disclosures need not be recorded:

- a) disclosures to carry out Covered Entity's treatment, payment and health care operations as defined under the HIPAA Regulations;
- b) disclosures to individuals of PHI about them as provided by the HIPAA Regulations;
- c) disclosures for Covered Entity's facility's directory, to persons involved in the individual's care, or for other notification purposes as provided by the HIPAA Regulations;
- d) disclosures for national security or intelligence purposes as provided by the HIPAA Regulations;
- e) disclosures to correctional institutions or law enforcement officials as provided by the HIPAA Regulations;
- f) disclosures that occurred prior to the later of (i) the Effective Date or (ii) the date that Covered Entity is required to comply with HIPAA and the HIPAA Regulations;
- g) disclosures pursuant to an individual's authorization in accordance with HIPAA and the HIPAA Regulations; and
- h) any other disclosures excepted from the right to an accounting by the HIPAA Regulations.

7. Material Breach, Enforcement and Termination.

- a. Term. This Agreement shall become effective on the Effective Date and shall continue unless or until this Agreement terminates, the Underlying Agreement terminates, or the Business Associate has completed performance of the services in the Underlying Agreement, whichever is earlier.
- b. Termination. Either Party may terminate this Agreement:

- 1) immediately if the other Party is finally convicted in a criminal proceeding for a violation of HIPAA or the HIPAA Regulations;
- 2) immediately if a final finding or stipulation that the other Party has violated any standard or requirement of HIPAA or other security or privacy laws is made in any administrative or civil proceeding in which the other Party has been joined; or completed performance of the services in the Underlying Agreement, whichever is earlier.
- 3) pursuant to Sections 7(c) or 8(b) of this Agreement.

c. Remedies. Upon a Party's knowledge of a material breach by the other Party, the non-breaching Party shall either:

- 1) provide an opportunity for the breaching Party to cure the breach and end the violation or terminate this Agreement and the Underlying Agreement if the breaching Party does not cure the breach or end the violation within ten (10) business days or a reasonable time period as agreed upon by the non-breaching party; or
- 2) immediately terminate this Agreement and the Underlying Agreement if cure is not possible.

d. Injunctions. Covered Entity and Business Associate agree that any violation of the provisions of this Agreement may cause irreparable harm to Covered Entity. Accordingly, in addition to any other remedies available to Covered Entity at law or in equity, Covered Entity shall be entitled to seek an injunction or other decree of specific performance with respect to any violation of this Agreement or explicit threat thereof, without any bond or other security being required and without the necessity of demonstrating actual damages.

e. Indemnification. This indemnification provision is enforceable against the Parties only to the extent authorized under the constitution and laws of the State of Texas. The Parties will indemnify, defend and hold harmless each other and each other's respective employees, directors, officers, subcontractors, agents or other members of its workforce, each of the foregoing hereinafter referred to as "indemnified party," against all actual and direct losses suffered by the indemnified party and all liability to third parties arising from or in connection with any breach of this Agreement or of any warranty hereunder or from any negligence or wrongful acts or omissions, including failure to perform its obligations under MRPA, HIPAA, the HIPAA Regulations, and the HITECH Act by the indemnifying party or

its employees, directors, officers, subcontractors, agents or other members of its workforce.

f. Breach of PHI and Breach of System Security. Business Associate will pay or reimburse Covered Entity for all costs and penalties incurred by Covered Entity in connection with any incident giving rise to a Breach of PHI and/or a Breach of System Security, including without limitation all costs related to any investigation, any notices to be given, reasonable legal fees, or other actions taken to comply with HIPAA, the HITECH Act, or any other applicable law or regulation, where (i) the PHI was in the custody or control of Business Associate when the Breach of PHI and/or Breach of System Security occurred, or (ii) the Breach of PHI and/or Breach of System Security was caused by the negligence or wrongful acts or omissions of Business Associate and its employees, directors, officers, subcontractors, agents or other members of its workforce.

8. General Provisions.

a. State Law. Nothing in this Agreement shall be construed to require Business Associate to use or disclose PHI without written authorization from an individual who is a subject of the PHI, or written authorization from any other person, where such authorization would be required under state law for such use or disclosure.

b. Amendment. Covered Entity and Business Associate agree to enter into good faith negotiations to amend this Agreement to come into compliance with changes in state and federal laws and regulations relating to the privacy, security and confidentiality of PHI. Covered Entity may terminate this Agreement upon thirty (30) days written notice in the event that Business Associate does not promptly enter into an amendment that Covered Entity, in its sole discretion, deems sufficient to ensure that Covered Entity will be able to comply with such laws and regulations.

c. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended or shall be deemed to confer upon any person other than Covered Entity, Business Associate, and their respective successors and assigns, any rights, obligations, remedies or liabilities.

d. Ambiguities. The Parties agree that any ambiguity in this Agreement shall be resolved in favor of a meaning that complies and is consistent with applicable law protecting the privacy, security, and confidentiality of PHI, including, without limitation, MRP, HIPAA, the HIPAA Regulations, and the HITECH Act.

e. Primacy. To the extent that any provision of this Agreement conflicts with the provision of any other agreement or understanding between the Parties, this Agreement shall control.

f. Destruction/Return of PHI. Business Associate agrees that, pursuant to 45 C.F.R. § 164.504(e)(2)(ii)(I), upon termination of this Agreement or the Underlying Agreement, for whatever reason,

1) It will return or destroy all PHI, if feasible, received from or created or received by it on behalf of Covered Entity that Business Associate maintains in any form, and retain no copies of such information which for purposes of this Agreement shall mean all backup tapes. Prior to doing so, Business Associate further agrees to recover any PHI in the possession of its subcontractors or agents. An authorized representative of Business Associate shall certify in writing to Covered Entity, within thirty (30) days from the date of termination or other expiration of the Underlying Agreement, that all PHI has been returned or disposed of as provided above and that Business Associate or its subcontractors or agents no longer retain any such PHI in any form.

2) If it is not feasible for Business Associate to return or destroy said PHI, Business Associate will notify the Covered Entity in writing. The notification shall include a statement that the Business Associate has determined that it is infeasible to return or destroy the PHI in its possession, and the specific reasons for such determination. Business Associate shall comply with the Security Rule and extend any and all protections, limitations and restrictions contained in this Agreement to Business Associate's use and/or disclosure of any PHI retained after the termination of this Agreement, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the PHI infeasible.

3) If it is infeasible for Business Associate to obtain, from a subcontractor or agent any PHI in the possession of the subcontractor or agent, Business Associate must provide a written explanation to Covered Entity and require the subcontractors and agents to agree to comply with the Security Rule and extend any and all protections, limitations and restrictions contained in this Agreement to the subcontractors' and/or agents' use and/or disclosure of any PHI retained after the termination of this Agreement, and to limit any

further uses and/or disclosures to the purposes that make the return or destruction of the PHI infeasible.

g. Offshore Work. In performing the functions, activities or services for, or on behalf of Covered Entity, Business Associate shall not, and shall not permit any of its agents or subcontractors who receive Covered Entity’s PHI to, transmit or make available any PHI to any entity or individual outside the United States without prior written consent of Covered Entity.

h. Integration. This Agreement embodies and constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, commitments and understandings pertaining to the subject matter hereof.

i. Governing Law. This Agreement is governed by, and shall be construed in accordance with, applicable federal law and the laws of the State of Texas without regard to choice of law principles.

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

If to Covered Entity:
The applicable U.T. Institution(s)’s Privacy Officer.

With copy to:
The University of Texas System Privacy Officer
Office of Systemwide Compliance

If to Business Associate: _____

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

k. Privilege. Notwithstanding any other provision in this Agreement, this Agreement shall not be deemed to be an agreement by Business Associate to disclose information that is privileged, protected, or confidential under applicable law to the extent that such privilege, protection or confidentiality (a) has not been waived or (b) is not superseded by applicable law.

l. Multiple Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. Facsimile and electronic (pdf) signatures shall be treated as if they are original signatures.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives in the manner legally binding upon them as of the date indicated below.

BUSINESS ASSOCIATE

COVERED ENTITY
THE UNIVERSITY OF TEXAS

By: _____
(Authorized Signature)
Name: _____
(Type or Print)
Title: _____
Date: _____

By: _____
(Authorized Signature)
Name: _____
(Type or Print)
Title: _____
Date: _____

EXHIBIT E

HUB SUBCONTRACTING PLAN

**INFORMATION SECURITY
THIRD-PARTY ASSESSMENT SURVEY**

NOTE: Please complete the survey below and return with Proposal.

Administrator Name: _____ Date: _____
 Address : _____ Website: _____
 IT Security Contact: _____ Email: _____ Phone: _____
 Location of Data Center: _____ Contact: _____ Phone: _____
 Location of Recovery Center: _____ Contact: _____ Phone: _____
 Years in Business: _____ Number of Employees: _____ Number of Customers Using the Product: _____
 UT Entity's Sponsoring Dept. **Office of Employee Benefits**

Name & Description of Service/Product: _____

Describe the Target Users for the Service/Product: _____

Technical Description (client, agent, SSL, FTP, hosted website, ASP, cloud computing, etc.): _____

Other Customer Software Required to Run the Product/Service: _____

Describe Pertinent Outsourced/Contracted Service Arrangements: (such as: support, cloud services, third-party applications, etc.) _____

Describe Security Features/Testing/External Assessments: _____

Note: Respond "yes" or "no" to the questions below. Explain Proposer's answer in the Comments column.

A. Data Centers	Answer	Comments
1. Has contract with third-party for data center services. If yes, specify type of service provided by data center provider: a. Managed Hosting (full responsibility for admin, mgmt, architecture, hardware and software), b. Managed Services (same as Managed Hosting but with administrator access to infrastructure and responsibility at the application level), c. Co-Location (Administrator has full responsibility of hardware but leveraging private data suites, cages, etc.)		
2. Number of years doing business with data center service provider?		
B. Policies, Standards and Procedures	Answer	Comments
1. Has formal written Information Security Policies.		
2. Will provide copies of the Information Security Policies.		
3. Will provide, if asked, examples of security documents, which you have indicated you maintain.		
4. Can provide supporting documentation of certifications and results of a third-party external Information Security assessment conducted within the past 2 years (SAS-70, SSAE-16, penetration test, vulnerability assessment, etc.)		
5. Maintains incident response procedures.		
6. Policy protects client information against unauthorized access; whether stored, printed, spoken, or transmitted.		
7. Policy prohibits sharing of individual accounts and passwords.		
8. Policy implements the following Information Security concepts: need to know, least privilege, and checks and balances.		
9. Receives and implements protections for security vulnerability alerts (such as CERTs).		
10. Requires system administrators to be educated and qualified.		
11. Implements AAA (Authentication, Authorization, Accounting) for all users.		
12. Performs background checks for individuals handling sensitive information.		
13. Termination or job transfer procedures immediately protect unauthorized access to information.		
14. Provides customer support with escalation procedures.		
15. Documented change control processes.		

16. Requires contractors, subcontractors, vendors, outsourcing ventures, or other external third-party contracts to comply with policies and customer		
17. Policy implements federal, state, and local regulatory requirements.		
18. Maintains a routine user Information Security awareness program.		
19. There is a formal routine Information Security risk management program for risk assessments and risk management.		
C. Architecture	Answer	Comments
1. Will provide a network architecture drawing for the customer solution, which demonstrates the defense-in-depth strategies.		
2. Implements and monitors firewall protections.		
3. Maintains routers and ACLs.		
4. Provides network redundancy.		
5. IDS/IPS technology is implemented and alerts are assessed.		
6. There is a DMZ architecture for Internet systems.		
7. Web applications that 'face' the Internet are on DMZ servers are separate from internal servers that house sensitive customer information.		
8. Maintains enterprise-wide virus/malware protection.		
9. There is an enterprise patch management system.		
10. Provides dedicated customer servers or explain how this is accomplished in a secure virtual or segmented configuration.		
11. Remote access is achieved over secure connections.		
12. Test environments both physical and logical are separated from production environments.		
13. Will provide architectural software solution data flow diagrams, which include implemented security controls.		
14. Wireless networks are encrypted, require user authentication, and there are secured/controlled access points.		
D. Configurations	Answer	Comments
1. All computers systems involved are kept current with security patches and have up-to-date malware protection.		
2. Encryption, with the strength of at least 256 bit, is used, required, and monitored when sensitive information is transmitted over untrusted or public connections.		
3. System banners are displayed prior to access and require the user's acknowledgment and agreement concerning: unauthorized use is prohibited, system are monitored, policies are enforced, and there is no expectation of privacy.		
4. Computers have password-protected screen savers that activate automatically to prevent unauthorized access when unattended.		
5. All unnecessary services are removed from computers.		
6. Servers run anti-intrusion software (such as tripwire, etc.).		
7. All administrator-supplied default passwords or similar "published" access codes for all installed operating systems, database management systems, network devices, application packages, and any other commercially produced IT products have been changed or disabled.		
8. Passwords have a minimum of 8 characters, expire, and have strength requirements.		
9. Passwords are never stored in clear text or are easily decipherable.		
10. All system operating systems and software are routinely checked to determine whether appropriate security settings are enabled.		
11. File and directory permissions are managed for least privilege and need-to-know accesses.		
12. Redundancy or high availability features are implemented for critical functions.		
13. All user access is authenticated with either a password, token or biometrics.		
14. All system changes are approved, tested and logged.		
15. Production data is not used for testing unless the data has been		
16. Application security follows industry best practices (such as OWASP).		
17. For system's support users, the account lockout feature is set for successive failed logon attempts.		
18. Split tunneling is prohibited when connecting to customer systems or networks.		
E. Product Design	Answer	Comments
1. If the product integrates with portable devices, sensitive information or information protected by law is encrypted when stored on these portable devices and requires password access.		

2. Access to sensitive information or information protected by law, across a public connection is encrypted with a secured connection and requires user authentication.		
3. If the product manages Protected Health Information (PHI), the product and company processes are HIPAA compliant.		
4. Management of any payment card information is compliant with the Payment Card Industry (PCI) Standards.		
5. Web applications are scanned, tested, and monitored for common application security vulnerabilities.		
6. Software, applications, and databases are kept current with the latest security patches.		
7. This product has been and can be Shibbolized.		
8. This product integrates with Active Directory or LDAP		
9. Encryption, with the strength of at least 256 bit, is available for stored data if the customer so desires.		
F. Access Control	Answer	Comments
1. Access is immediately removed or modified when personnel terminate, transfer, or change job functions.		
2. Achieves individual accountability by assigning unique IDs and prohibits password sharing.		
3. Critical data or systems are accessible by at least two trusted and authorized individuals.		
4. Access permissions are reviewed at least monthly for all server files, databases, programs, etc.		
5. Users only have the authority to read or modify those programs or data, which they need to perform their assigned duties.		
G. Monitoring	Answer	Comments
1. Access logs for all servers, sensitive databases, and sensitive files are reviewed at least monthly for anomalies.		
2. System event logging is implemented on all servers and records at a minimum who, what, and when.		
3. After normal business hours system activity and access (physical or logical) is reviewed and analyzed at least monthly.		
4. System logs are reviewed for failed logins or failed access attempts at least monthly.		
5. Dormant accounts on systems are reviewed and removed at least monthly.		
7. Network and firewall logs are reviewed at least monthly.		
8. Wireless access is reviewed at least monthly.		
9. Scanning is done routinely for rogue access points.		
10. IDS/IPS systems are actively managed and alert notifications have been implemented.		
11. Vulnerability scanning is performed routinely.		
12. Password complexity checking is done routinely.		
H. Physical Security	Answer	Comments
1. Access to secure areas are controlled such as: key distribution management, paper/electronic logs, or a receptionist always present when the doors are opened.		
2. Access to server rooms are controlled and follow need-to-know and least privilege concepts.		
3. Computer rooms have special safeguards in place i.e., cipher locks, restricted access, room access log.		
4. Disposal of printed confidential or sensitive information is shredded or otherwise destroyed securely.		
5. Customer information is either prohibited or encrypted (PHI, student data, SSN, etc.) on laptop computers or other portable devices.		
6. Desktops which display sensitive information are positioned to protect from unauthorized viewing.		
7. All visitors are escorted in computer rooms or server areas.		
8. Appropriate environmental controls been implemented where possible to manage the equipment risks such as: alarms, fire safety, cooling, heating, smoke detector, battery backup, etc.		
9. There are no external signs indicating the content or value of the server room or any room containing sensitive information.		
10. There are secure processes for destroying sensitive data on hard drives, tapes or removable media when it is no longer needed.		
I. Contingency	Answer	Comments
1. There is a written contingency plan for mission critical computing operations.		

2. Emergency procedures and responsibilities are documented and stored securely at multiple sites.		
3. The contingency plan is reviewed and updated at least annually.		
4. You have identified what computing services must be provided within specified critical timeframes in case of a disaster.		
5. Cross-functional dependencies been identified so as to determine how the failure in one system may negatively impact another one.		
6. You have written backup procedures and processes.		
7. You periodically test the integrity of backup media.		
8. Backup media is stored in a secure manner and access is controlled.		
9. You maintain a documented and tested disaster recovery plan.		
10. You have off-site storage and documented retrieval procedures for backups.		
11. You have rapid access to backup data.		
12. Backup media is appropriately labeled to avoid errors or data exposures.		
J. BUSINESS RELATIONSHIPS	Answer	Comments
1. Confidential agreements have been signed before proprietary and/or sensitive information is disclosed.		
2. Business associate contracts or agreements are in place and contain appropriate risk coverage for customer requirements.		
3. Business associates are aware of customer security policies and what is required of them.		
4. Business associates agreements document agreed transfer of customer's data when the relationship terminates.		
5. Contractual agreements will or do include the UT Entity's required information security language.		
6. By contractual agreement, the provider's outsource service arrangements and changes are made know to the customer and require preapproval when it involves management changes of the customer's data (such as: cloud services, offshoring, etc.).		
7. Contractual agreements accommodate customer requirements/restrictions concerning the physical storage location customer data and/or physical routing of sensitive information.		
8. Contractual language requires release of customer information to government agencies or other authorities must be managed by the customer.		
9. Technologies or management of customer information facilitates customer open records and records retention requirements.		
10. Technologies or management of customer information can facilitate customer requests for investigations, and if necessary, forensic analysis to include a documented chain of custody.		
11. Contracts protect customer correspondence with the provider (such as: email, voice, SMS, IM, etc.) and release requires customer approval.		

Your UT SELECT Medical Benefits

In-Area Summary of Benefits

In-Area Network and Non-Network benefits apply to eligible employees, retirees and their covered dependents residing in Texas, New Mexico or Washington, D.C. Payment for non-network (including **ParPlan**) services is limited to the **allowable amount** as determined by Blue Cross and Blue Shield of Texas. ParPlan providers accept the **allowable amount**. **Any charges over the allowable amount for non-network services are the patient's responsibility and are in addition to deductible, coinsurance and out-of-pocket maximums.**

In-Area		
Coverage	BCBS In-Network	BCBS Out-of-Network*
Annual Deductible (applicable when coinsurance is required)	\$350/person \$1,050/family	\$750/person \$2,250/family
Coinsurance Maximum	\$2,150/person \$6,450/family	Unlimited
Annual Out-of-Pocket Maximum	\$7,150/person \$14,300/family (includes medical and prescription drug deductibles, copayments, and coinsurance)	Unlimited
Pre-existing Condition Limitation	None	
Lifetime Maximum Benefit	No Limit	
OFFICE SERVICES		
Preventive Care	Plan pays 100% (no copayment required)	60% Plan/40% Member
Diagnostic Office Visit – Office Setting Family Care Physician (FCP) Family Practice Internal Medicine OB/GYN Pediatrics	FCP \$30 Copay	60% Plan /40% Member
Specialist Office Visit	\$35 Copay	60% Plan /40% Member
Urgent Care	\$35 Copay	60% Plan /40% Member
Diagnostic Lab and X-Ray	Included in Office Visit Copay	60% Plan/40% Member
Other Diagnostic Tests	FCP \$30 Copay; Specialist \$35 Copay	60% Plan /40% Member
Allergy Testing	FCP \$30 Copay; Specialist \$35 Copay	60% Plan/40% Member
Allergy Serum/Injections (if no office visit billed)	Plan pays 100% (no copayment required)	60% Plan/40% Member

In-Area		
Coverage	BCBS In-Network	BCBS Out-of-Network*
EMERGENCY CARE		
Ambulance Service (if transported)	80% Plan/20% Member	80% Plan/20% Member
Hospital Emergency Room	\$150 Copay/Visit, then 20% Member (no deductible; copay waived if admitted) If admitted, ER services are added to claims for inpatient services	\$150 Copay/Visit, then 20% Member (no deductible; copay waived if admitted) If admitted, ER services are added to claims for inpatient services
Emergency Physician Services	80% Plan/20% Member	80% Plan/20% Member
OUTPATIENT CARE		
Observation	80% Plan/20% Member	60% Plan/40% Member
Surgery – Facility	\$100 Copay; then 80% Plan/20% Member	60% Plan/40% Member
Surgery – Physician	80% Plan/20% Member	60% Plan/40% Member
Diagnostic Lab and X-Ray	100% covered (except when billed with surgery; then 80% Plan/20% Member)	60% Plan/40% Member
MRI/CT Scans	\$100 Copay/Service (copay waived if member calls <u>Benefits Value Advisor/BVA</u> prior to service) Note: For related services, such as contrast materials or injections, 80% Plan/20% Member	\$100 Copay/Service, then 40% Member (copay waived if member calls <u>Benefits Value Advisor/BVA</u> prior to service)
Other Diagnostic Tests	80% Plan/20% Member	60% Plan/40% Member
Outpatient Procedures	80% Plan/20% Member	60% Plan/40% Member
INPATIENT CARE		
Hospital - Semi private Room and Board**	\$100 Copay/Day (\$500 max/admission); then 80% Plan/20% Member	60% Plan/40% Member
Hospital Inpatient Surgery**	80% Plan/20% Member	60% Plan/40% Member
Physician	80% Plan/20% Member	60% Plan/40% Member
OBSTETRICAL CARE		
Prenatal and Postnatal Care Office Visits	FCP \$30 Copay; Specialist \$35 Copay (initial visit only)	60% Plan/40% Member
Delivery – Facility/Inpatient Care**	\$100 Copay (\$500 max/admission); then 80% Plan/20% Member	60% Plan/40% Member
Obstetrical Care and Delivery - Physician	80% Plan/20% Member	60% Plan/40% Member
THERAPY		
Physical Therapy/Chiropractic Care (max. 20 visits/year/condition)	\$35 Copay/Visit	60% Plan/40% Member
Occupational Therapy (max. 20 visits/year/condition)	\$35 Copay/Visit	60% Plan/40% Member
Speech and Hearing Therapy (max. 60 visits/year/condition)	\$35 Copay/Visit	60% Plan/40% Member
EXTENDED CARE		
Skilled Nursing/Convalescent Facility** (max. 180 visits)	80% Plan/20% Member	60% Plan/40% Member
Home Health Care Services** (max. 120 visits)	80% Plan/20% Member	60% Plan/40% Member
Hospice Care Services**	80% Plan/20% Member	60% Plan/40% Member
Home Infusion Therapy**	80% Plan/20% Member	60% Plan/40% Member

In-Area		
Coverage	BCBS In-Network	BCBS Out-of-Network*
BEHAVIORAL HEALTH		
Serious Mental Illness – Office Visit	FCP \$30 Copay; Specialist \$35 Copay	60% Plan/40% Member
Serious Mental Illness – Outpatient**	80% Plan/20% Member	60% Plan/40% Member
Serious Mental Illness – Inpatient**	\$100 Copay/Day (\$500 max/admission) then 80% Plan/20% Member	60% Plan/40% Member
Mental Illness – Office	FCP \$30 Copay; Specialist \$35	60% Plan/40% Member
Mental Illness – Outpatient**	80% Plan/20% Member	60% Plan/40% Member
Mental Illness – Inpatient**	\$100 Copay/Day (\$500 max/admission) then 80% Plan/20% Member	60% Plan/40% Member
Chemical Dependency – Office	FCP \$30 Copay; Specialist \$35 Copay	60% Plan/40% Member
Chemical Dependency – Outpatient Treatment**	80% Plan/20% Member	60% Plan/40% Member
Chemical Dependency – Inpatient Treatment**	\$100 Copay/Day (\$500 max/admission) then 80% Plan/20% Member	60% Plan/40% Member
OTHER SERVICES		
Durable Medical Equipment**	80% Plan/20% Member	60% Plan/40% Member
Prosthetic Devices	80% Plan/20% Member	60% Plan/40% Member
Hearing Aids (\$500 per ear; once every 4 years)	80% Plan/20% Member	
Bariatric Surgery (pre-determination recommended)	\$3,000 deductible (does not apply to plan year deductible or out-of-pocket maximum) After \$3,000 bariatric surgery deductible, plan pays 100% of covered services—for example: surgeon, assistant surgeon, anesthesia and facility charges—when using network providers. (For non-network providers, after \$3,000 deductible, plan pays 100% up to the allowable amount; member pays charges exceeding the allowable amount). Individual must be enrolled in the UT SELECT plan for 36 continuous months prior to the date of the surgery to receive benefits.	

* For services provided out-of-network and out-of-area, any charges over the allowable amount are the patient's responsibility.

**These services require preauthorization to establish medical necessity.

The UT Health Network

A new benefit tier known as the UT Health Network offers an enhanced plan design for UT SELECT Medical participants receiving services from certain UT physicians and certain UT medical facilities. You will pay lower copays and coinsurance when seeing a participating UT physician at a participating UT-owned facility, and you can also save on physician charges when treatment is received from a participating UT physician at a non-UT-owned facility. Benefits of the new UT Health Network along with several claims examples are illustrated below.

	UT HEALTH NETWORK BENEFIT	CURRENT UT SELECT NETORK BENEFIT*
PRIMARY CARE	\$20 copay	\$30 copay
SPECIALIST	\$25 copay	\$35 copay
EMPLOYEE CLINIC*	\$10 copay	\$30 copay
DEDUCTIBLE	\$350	
COINSURANCE	10%	20%
INPATIENT COPAY*	\$0 / day	\$100 / day (max \$500)

*See the Summary of Benefits charts for Out of Network details.

Current points of service for the UT Health Network include:

UT Medical Branch Galveston facilities & providers;

UT Health Northeast (Tyler) facilities & providers; and

UT Austin, UT Health Houston, and UT Health San Antonio providers and Employee & Nursing Clinics.

The UT Health Network benefit is not available at this time for services received from UT Rio Grande Valley, UT Southwestern, or UT MD Anderson Cancer Center physicians or facilities. Your regular UT SELECT Medical in-network benefits apply for these providers and facilities.

For additional information, including details about available Employee & Nursing Clinics, please see the individual city links under "UT Health Network" in the navigation menu of the OEB website.

You can also log into Blue Access for Members to access the Provider Finder specific to UT SELECT Medical, where participating providers and facilities are clearly marked as being part of the UT Health Network. You must be logged in to see the "UT Health Network" designation.

BENEFITS EXAMPLES

Your UT Health Network benefit applies depending on the status of the provider and facility as shown below.

1) Visit to a Participating Employee or Nursing Clinic

Member pays \$10 copay.

2) Office Visit with a UT Provider at a UT-owned or non-UT-owned Facility

Member pays office visit copay of \$20 (primary care) or \$25 (specialist).

3) Inpatient or Outpatient Services with a UT Provider at a UT-owned Facility

Member pays regular \$350 deductible, 10% coinsurance on provider and facility charges, and a \$0 inpatient/\$100 outpatient copay.

4) Inpatient or Outpatient Services with a UT Provider at a non-UT-owned Facility

Member pays regular \$350 deductible, 10% coinsurance on provider charges, 20% coinsurance on facility charges, and \$100 facility copay per day.

Out-of-Area Summary of Benefits

Out-of-Area Benefits apply to any eligible Employees, Retirees and their dependents whose residence of record is outside of the State of Texas, New Mexico or Washington, D.C. Payment for services is limited to the **allowable amount** as determined by Blue Cross and Blue Shield. **ParPlan** (Texas) and Traditional Indemnity Network (outside of Texas) providers accept the **allowable amount**. To maximize your benefits and to avoid charges over the **allowable amount**, seek care through a BCBS provider when possible. **Any charges over the allowable amount are the patient's responsibility and will be in addition to deductible, coinsurance and out-of-pocket maximums.**

Coverage	Out of Area*
Annual <u>Deductible</u>	\$350/person \$1,050/family (applicable when <u>coinsurance</u> is required)
Annual Coinsurance Maximum	\$2,150/person; \$6,450 family
Annual <u>Out-of-Pocket Maximum</u>	\$7,150/person \$14,300/family (includes medical and prescription drug deductibles, copayments, and coinsurance)
Pre-existing Condition Limitation	None
Lifetime Maximum Benefit	No Limit
OFFICE SERVICES	
Preventive Care	Plan pays 100% (no copayment required)
Diagnostic Office Visit	75% Plan/25% Member
Diagnostic Lab and X-Ray	75% Plan/25% Member
Other Diagnostic Tests	75% Plan/25% Member
Allergy Testing	75% Plan/25% Member
Allergy Serum (if no office visit billed)	75% Plan/25% Member
EMERGENCY CARE	
Ambulance Service (if transported)	75% Plan/25% Member
Hospital Emergency Room	75% Plan/25% Member
Emergency Physician Services	75% Plan/25% Member
OUTPATIENT CARE	
Observation	75% Plan/25% Member
Surgery – Facility	75% Plan/25% Member
Surgery – Physician	75% Plan/25% Member
Diagnostic Lab and X-Ray	75% Plan/25% Member
Other Diagnostic Tests	75% Plan/25% Member
Outpatient Procedures	75% Plan/25% Member
INPATIENT CARE	
Hospital – Semi private Room and Board**	75% Plan/25% Member
Hospital Inpatient Surgery**	75% Plan/25% Member
Physician	75% Plan/25% Member
OBSTETRICAL CARE	
Prenatal and Postnatal Care Office Visits	75% Plan/25% Member
Delivery – Facility/Inpatient Care**	75% Plan/25% Member
Obstetrical Care and Delivery – Physician	75% Plan/25% Member
THERAPY	
Physical Therapy/Chiropractic Care (max. 20 visits/yr/condition)	75% Plan/25% Member
Occupational Therapy (max. 20 visits/yr/condition)	75% Plan/25% Member
Speech and Hearing Therapy (max. 60 visits/yr/condition)	75% Plan/25% Member
EXTENDED CARE	
Skilled Nursing/Convalescent Facility** (max. 180 visits)	75% Plan/25% Member
Home Health Care Services** (max. 120 visits)	75% Plan/25% Member
Hospice Care Services**	75% Plan/25% Member
Home Infusion Therapy**	75% Plan/25% Member

Coverage	Out of Area*
BEHAVIORAL HEALTH	
Serious Mental Illness – Office Visit	75% Plan/25% Member
Serious Mental Illness – Outpatient**	75% Plan/25% Member
Serious Mental Illness – Inpatient**	75% Plan/25% Member
Mental Illness – Office	75% Plan/25% Member
Mental Illness – Outpatient**	75% Plan/25% Member
Mental Illness – Inpatient**	75% Plan/25% Member
Chemical Dependency – Office	75% Plan/25% Member
Chemical Dependency – Outpatient Treatment**	75% Plan/25% Member
Chemical Dependency – Inpatient Treatment**	75% Plan/25% Member
OTHER SERVICES	
Durable Medical Equipment**	75% Plan/25% Member
Prosthetic Devices	75% Plan/25% Member
Hearing Aids (\$500 per ear; once every 4 years)	75% Plan/25% Member
Bariatric Surgery (pre-determination recommended)	After \$3,000 deductible, plan pays 100% up to the allowable amount; member pays charges exceeding the allowable amount. (individual must be enrolled in the UT SELECT plan for 36 continuous months prior to date of the surgery to receive benefits.)

* For services provided out-of-network and out-of-area, any charges over the allowable amount are the patient’s responsibility.

**These services require preauthorization to establish medical necessity; see page 14 for preauthorization requirements.