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STATE PROCUREMENT OFFICE NOTICE & REQUEST FOR SOLE SOURCE

STATE PROCUREMENT OFFICE
STATE OF HAWAII

- 1. TO: Chief Procurement Officer
- 2. FROM: DCCA/Insurance
Department/Division/Agency

Pursuant to HRS §103D-306 and HAR Chapter 3-122, Subchapter 9, the Department requests sole source approval to purchase the following:

3. Description of goods, services, or construction:
 NAIC will provide planning and analysis, including business requirements, to enhance SERFF to allow SERFF to be leveraged for the plan management functions related to the health insurance exchange.

4. Vendor Name: National Assoc. of Insurance Commissioners Address: 444 N. Capitol Street, NW, Suite 701 Washington, DC 20001-1509	5. Price: <u>\$22,250</u>
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6. Term of Contract: (mm/dd/yyyy) From: <u>Upon CPO Approval</u> To: 12 months from approval date. KT & JB	7. Prior Sole Source Ref No. _____
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8. Feature: The good, service, or construction has the following unique features, characteristics, or capabilities: The focus of the planning and analysis is SERFF, which is an electronic filings system implemented by NAIC and used by Hawaii Insurance Division. If we do not take advantage of this opportunity, we will lose the ability to leverage and enhance SERFF for the purposes of the exchange.

9. Essential features. How the unique features, characteristics, or capabilities are essential for the agency to accomplish its work: Because the Hawaii Insurance Division uses SERFF for filings, we are dependent upon NAIC with respect to enhancements of SERFF. This planning and analysis opportunity gives us expertise targeted at the SERFF system that we use and that will enable us to accomplish what we need to with respect to the health insurance exchanges.

11. Alternate source. The following other possible sources for the good, service, or construction were investigated but do not meet our needs because: n/a

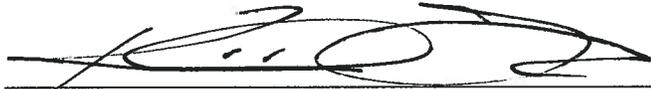
12. Direct any inquiries to:
Department: DCCA/Insurance Division
Contact Name/Title: Jerry Bump, Insurance Program Specialist

13 Phone Number:
586-0985
Fax Number:
586-2806

Expenditure may be processed with a purchase order/pCard: Yes No
If no, a contract must be executed and funds certified.

Agency shall ensure adherence to applicable administrative and statutory requirements, including HAR Chapter 3-122, Subchapter 15, Cost or Pricing Data, if required.

14. *I certify that the information provided above is to the best of my knowledge, true, correct and that the goods, services, or construction are available through only one source.*


Department Head Signature

3/29/2012
Date

Reserved for CPO Use Only

15 Date Notice Posted: 4/9/12

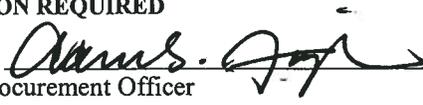
Submit written objections to this notice to issue a sole source contract within seven calendar days or as otherwise allowed from the above posted date to: Chief Procurement Officer
State Procurement Office
P.O. Box 119
Honolulu, Hawaii 96810-0119

16. Chief Procurement Officer's comments:

Request is disapproved as vendor is not compliant with HRS §103D-310(c) and HAR §3-122-112 (i.e. vendor must be compliant on the Hawaii Compliance Express [HCE]). Upon verification of vendor compliance, department may attach a memo to this request, along with a copy of HCE certificate requesting CPO approval.

If there are any questions, please contact Kevin Takaesu at 586-0568, or kevin.s.takaesu@hawaii.gov.

17. APPROVED DISAPPROVED NO ACTION REQUIRED


Chief Procurement Officer

4/30/2012
Date

DATE: February 27, 2012

TO: Health Insurance Exchange Grant Contact

FROM: Julienne L. Fritz, NAIC Chief Business Strategy and Development Officer
Joy Morrison, Assistant Director – SERFF/OPTins
Noreen Vergara, Legal Counsel II

RE: Department of Health and Human Services (HHS) Grants to States for Health Insurance Exchange Establishment

This memo is to serve as a summary of information regarding the Health Insurance Exchange Establishment grant opportunity and the ability to leverage System for Electronic Rate and Form Filing (SERFF) to assist states in Plan Management functions related to the health insurance exchanges. The NAIC has held two forums, a one-day event in November 2011 and a three-day event in December 2011, to assess the needs of state insurance regulators relative to utilizing SERFF for Plan Management. SERFF is used in 49 states, District of Columbia, and Puerto Rico. In late 2011, the NAIC approved a budget that included planning and analysis to enhance SERFF to support state insurance regulatory responsibilities for the exchange; however, that approval was based on the expectation that states would support the project through use of the Health Insurance Exchange Establishment grants. To date, 33 states and District of Columbia have received Exchange Establishment awards.

It is understood that many states are not in a position to make a decision to pursue the establishment of a state exchange but are using grant funds for study and planning. For that reason, funding of the planning and analysis for modifications to SERFF has been separated from the development effort. The hope is that states will be able to support the first phase of this effort in the spirit of exploring options without having to commit to backing the development effort. A second phase is planned for the development effort and it is anticipated that, by the time the development on this project begins, states will be able to participate more fully in its implementation.

In states where the exchange is managed through the department of insurance, an addendum to the SERFF license agreement is proposed to document the work to be completed within SERFF in support of the exchange. This is the same procedure used when SERFF was enhanced to accommodate reporting requirements for the Premium Review (Cycle I) and Rate Review (Cycle II) grants. This may also be effective in states where the insurance department is not managing the planning/establishment grants as, for most states, SERFF will be considered a sole source system.

Currently, state regulators and NAIC staff, are engaged in work to determine the scope of SERFF's assistance in Plan Management functions, work with CCIIO to establish a standard set of data for the exchanges, and detail key business requirements that will lead to user interface and web service enhancements. It is anticipated that web services will be available for testing on or before the end of June. Detailed specifications for the key business requirements are to be completed by October.

The deliverables for this effort are defined as follows:

SERFF Planning and Analysis Project

Cost: \$22,250

Description of Deliverables:

- 1) The NAIC will provide business requirements analysis related to the use of SERFF for some plan management functions of a health insurance exchange, consistent with the Department of Health and Human Services (HHS) requirements.
- 2) The NAIC will provide access to conference calls and face to face meetings where state insurance regulators, other state regulators, insurers and CCIIO staff can collaborate. Conference calls will occur

periodically. Face to face meetings will be held no fewer than 4 times between November 2011 and August 2012.

- 3) The NAIC will provide the following deliverables related to the scope of this addendum:
 - a. **Project Scope Document.**
 - b. **Data Standards** specific to information flows into and out of SERFF.
 - c. **Business Requirements Document** illustrating proposed changes to SERFF that support specified functions of plan management.
- 4) **Web Service Testing** this would include a minimum of three calls available for testing, a reference implementation for the three test service calls, and a draft Developer's Guide.
- 5) The proposed functionality, as defined in the delivered Business Requirements Document is not intended to be a state specific expansion of functionality, but will include flexibility, where possible, allowing states to select SERFF enhancements that fit individual state needs.

Delivery Timeline:

The SERFF enhancements incorporating HHS reporting requirements will be implemented in a phased approach with the first release to occur within three months of the receipt of HHS requirements for the uniform template for reporting. The initial release will focus on implementing the means for data collection; subsequent releases will incorporate reporting needs. Releasing functionality in this manner will allow a period of time during which data can then be submitted by insurers prior to any required reporting to HHS, thus avoiding manual data collection processes. Based on the requirements known at this time, the development will occur over an eight month period beginning when the NAIC receives the reporting template and supporting documentation.