

**Request for Information (RFI)**  
Third Party Administration (TPA)

I. Introduction and background

The Hawaii Employer-Union Health Benefits Trust Fund ("Trust Fund") is a new trust fund created by Act 88, 2001, Session Laws of Hawaii. Under Chapter 87A of the Hawaii Revised Statutes ("HRS") the Trust Fund is to design, provide and administer health and other benefit plans for State and County employees, retirees, and their dependents. The Trust Fund replaces the current Hawaii Public Employees Health Fund ("PEHF"), effective July 1, 2003. The PEHF currently provides health, group life, and long-term care insurance benefits to State and County employees, retirees, and their dependents. It is estimated that the plans to be offered by the Trust Fund will cover approximately 177,600 persons, including dependents.

As a State governmental agency, the Trust Fund is administratively attached to the Department of Budget and Finance. The Trust Fund is currently located c/o Department of Budget and Finance, State of Hawaii, No. 1 Capitol District Building, 250 South Hotel Street, Honolulu, Hawaii 96813.

Under Chapter 87A, HRS, the Trust Fund is administered by a Board of Trustees (the "Board") composed of ten trustees appointed by the Governor of the State of Hawaii. The Board is responsible for determining the nature and scope of benefit plans offered by the Trust Fund, negotiating and entering into contracts with insurance carriers and vendors, establishing eligibility and management policies for the Trust Fund, and overseeing all Trust Fund activities. The Board relies on professional services provided by a salaried Administrator, the State Attorney General and a Benefit Plan Consultant.

The Administrator and his staff and/or a third party administrator (TPA) handles day-to-day operations of the Trust Fund. It is anticipated that the Trust Fund will function as a centralized enrollment, contribution collection and premium payment organization, and that either in-house or third party computer support services will be utilized to produce monthly membership and premium liability reports, carrier enrollments and financial reports, accounts receivable notices, and other data distributions. The Trust fund or its designated TPA will train 500 State and County personnel officers to enroll approximately 61,000 active employees in its plans. The Trust Fund will also service the enrollments of approximately 28,000 retirees to be enrolled in its plans. The Trust Fund may assist the State and the counties to implement and administer cafeteria plans authorized under Title 26 United States Code Section 125, the Internal Revenue Code of 1986, as amended, and Part II of Chapter 78, HRS.

II. Purpose

This RFI is being issued for the purpose of assessing the feasibility of obtaining the services of a third party administrator to administer the health and other benefit plans that it is tasked to provide under Chapter 87A, HRS. In fiscal year 2003-2004, it is anticipated that the Trust Fund will collect and disburse \$550 million to insurance carriers and Medicare Part B reimbursements to retirees.

### III. Services Needed

The Trust Fund is considering outsourcing certain administrative services. The outsourcing vendor would be required to provide the following core services:

- Open enrollment processing
- Eligibility management
- Maintenance of basic employee database
- Premium collection (interface with payroll), transmittal to carriers and reconciliation
- Customer Service Call Center

The Trust Fund also may be willing to consider proposals to outsource the following optional services:

- COBRA Notices
- Direct Billing
- Preparation of Open Enrollment Materials

### IV. Request for information

For purposes of responding to this RFI, assume the following:

- TPA RFP issued September 6, 2002
- Proposals due September 30, 2002
- Contract award October 18, 2002
- Open enrollment April, 2003
- Enrollments effective July 1, 2003

Given this timeline please respond to the questions below.

- A. Has your firm successfully implemented a contract with a major client with a comparable timeframe? If so, please describe, including the size of the client, the services implemented, and the time from contract award to implementation.
- B. Would your firm be interested in submitting a proposal to provide the services identified above, given the timeframe indicated? If so, please submit background information on your firm and the services it offers by August 2, 2002, to:  

Hawaii Employer Union Health Benefits Trust Fund, c/o Department of Budget and Finance, State of Hawaii, No. 1 Capitol District Building, 250 South Hotel Street, Honolulu, Hawaii 96813.
- C. Would your firm be interested in having a representative make a 30-minute presentation to the Board of Trustees in August? If so, please provide the name and contact information for the representative.