

STATE OF NORTH CAROLINA  
DURHAM COUNTY

IN THE OFFICE OF  
ADMINISTRATIVE HEARINGS  
23 INS 738

BLUE CROSS AND BLUE )  
SHIELD OF NORTH CAROLINA, )  
 )  
Petitioner, )  
 )  
v. )  
 )  
NORTH CAROLINA STATE )  
HEALTH PLAN FOR )  
TEACHERS AND STATE )  
EMPLOYEES, )  
 )  
Respondent, )  
 )  
and )  
 )  
AETNA LIFE INSURANCE )  
COMPANY, )  
 )  
Respondent-Intervenor. )

**VOLUME 2 OF APPENDIX TO**  
**BLUE CROSS NC'S RESPONSE IN**  
**OPPOSITION TO MOTIONS FOR**  
**SUMMARY JUDGMENT**

Blue Cross and Blue Shield of North Carolina submits the following  
Volume 2 of Appendix to Blue Cross NC's Response in Opposition to Motions for  
Summary Judgment:

**Appendix Volume 2 – (Filed Under Seal) – Documentary Exhibits and  
Deposition Excerpts Designated CONFIDENTIAL or HIGHLY  
CONFIDENTIAL – ATTORNEYS’ EYES ONLY**

<b>Deposition Ex. No.</b>	<b>Bates Reference</b>	<b>Description</b>	<b>Appendix Page Nos.</b>
11	SHP 1-4	Letter to Mr. Wohl from the State Health Plan (June 16, 2022)	BCNC2 1165-1168
209	SHP 86102-86111	Email chain (including attachment) between Mr. Rish and Mr. Kuhn (May 16, 2022)	BCNC2 1169-1178
216	SHP 92427-92432	Email chain between Mr. Kuhn and Mr. Kersting, et al. (Aug. 25, 2022)	BCNC2 1179-1184
224	AETNA 165	Aetna’s Attachment A-8: Network Pricing Guarantees – BAFO #1	BCNC2 1185-1192
239	NAVIGATOR 2189-2191	Email chain between Mr. Bostian and Ms. Aguirre, et al. (May 11, 2022)	BCNC2 1193-1195
242	NAVIGATOR 3067-3114	Email chain between Ms. Aguirre and Mr. Stewart, et al. (June 20, 2022)	BCNC2 1196-1209
257	NAVIGATOR 5211-5212	Text Messages between Ms. Aguirre and Mr. Baum (Oct. 19, 2022)	BCNC2 1210-1211
259	AETNA 1992-1996	REDACTED	BCNC2 1212-1216
260	AETNA 14000-14001	REDACTED	BCNC2 1217-1218
261	AETNA 13892-13893	REDACTED	BCNC2 1219-1220

<b>Deposition Ex. No.</b>	<b>Bates Reference</b>	<b>Description</b>	<b>Appendix Page Nos.</b>
429	SHP 92745- 92750	Email chain between Mr. Kuhn and Mr. Wohl, et al. (Oct. 24, 2022)	BCNC2 1221-1226
N/A	N/A	Expert Report of Gregory Russo (Oct. 4, 2023)	BCNC2 1227-1336
N/A	N/A	Rebuttal Report of Gregory Russo (Nov. 10, 2023)	BCNC2 1337-1379
N/A	N/A	Excerpts of Transcript of 30(b)(6) Deposition of Aetna Life Insurance Company (Sept. 21, 2023)	BCNC2 1380-1401
N/A	N/A	Excerpts of Deposition Transcript of Andrew Coccia (Dec. 1, 2023)	BCNC2 1402-1428
N/A	N/A	Excerpts of Deposition Transcript of Stuart Wohl (Sept. 15, 2023)	BCNC2 1429-1453

This 11th day of January, 2024.

ROBINSON, BRADSHAW & HINSON, P.A.

/s/ Matthew W. Sawchak

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*Counsel for Blue Cross and Blue Shield of  
North Carolina*

## CERTIFICATE OF SERVICE

I certify that today, I caused this appendix to be filed through this Tribunal's electronic-filing system. Under Rule 03.0501(4), the system will electronically serve the appendix on the following counsel:

J. Benjamin Garner, Esq.  
North Carolina State Health Plan for Teachers and State Employees  
ben.garner@nctreasurer.com

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North Carolina State Health Plan for Teachers and State Employees  
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Sophia V. Blair, Esq.  
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sblair@wyrick.com

*Attorneys for Respondent-Intervenor*

This 11th day of January, 2024.

/s/ Matthew W. Sawchak  
Matthew W. Sawchak



3200 Atlantic Avenue

• Raleigh, NC 27604

• Phone: 919-814-4400

• Fax: 919-855-5817

• www.shpnc.org

June 16, 2022

Mr. Stuart Wohl  
Senior Vice President  
Segal Company (Eastern States), Inc.  
1800 M St N.W., Suite 900S  
Washington, D.C. 20036

Subject: Letter of Agreement ("LOA") for Engagement of Health Benefits Consulting Services  
for 2022 Third Party Administration ("TPA") Request for Proposal ("RFP")

Dear Mr. Wohl:

The Segal Company (Eastern States), Inc. ("Segal") and the North Carolina State Health Plan for Teachers and State Employees ("Plan") entered into a Contract on August 30, 2018, with an initial service term beginning January 1, 2019 through December 31, 2020, for Actuarial/Analytical and Health Benefits Consulting Services ("Contract") that included two (2) one (1) year optional renewals. The Plan exercised the first one (1) year optional renewal for the term January 1, 2021 through December 31, 2021 and the second one (1) year optional renewal for the term January 1, 2022 through December 31, 2022.

The Plan is engaging Segal to provide TPA RFP Support services pursuant to Sections 5.4.2.1 B. and 5.4.2.2 C. of the Contract. The purpose of this LOA is to state the terms under which Segal shall assist with the TPA RFP support.

The Parties agree as follows:

**A. Term.**

This LOA is effective upon signature of both Parties and shall continue through the end of the RFP protest period or, if protests are filed, the resolution of all protests unless otherwise terminated by the Plan.

**B. Obligations of Segal. Segal shall:**

1. Provide support throughout the development and final approval of the TPA RFP specifications that includes, but is not limited to the following.
  - a) Review of the RFP Scope of Work, as requested by the Plan.
  - b) Development of cost proposal requirements and templates. The cost proposal requirements and templates shall include discussion on how Vendors should respond with regard to any alternative payment approaches.
  - c) Meet with Plan staff, as needed and potentially onsite at the Plan, to ensure consistency between the technical proposal requirements and the cost proposal requirements.
  - d) Development of a claims file to be used by Vendors to reprice claims.

**EXHIBIT**

11

2. Evaluate each Vendor's repriced claims submission and administrative fee structures to determine the projected claims cost.
3. Review alternative payment models for their expected impact on future claims costs.
4. Provide a Disruption Analysis, based on the Geo Access reporting requirement in the RFP.
5. Help prepare for and attend oral presentations onsite at the Plan, as requested by the Plan.
6. Assist the Plan in developing follow up questions and evaluating responses from Vendors during the BAFO process.
7. Be available to assist the Plan in negotiation of final contract terms with the selected Vendor and to review the draft contract documents to confirm that the terms proposed and agreed to by Vendor are incorporated.
8. Support the Plan during debriefing of Vendors following contract award.
9. Provide assistance to support resolution of protests, should any be filed.
10. Adhere to the Project Schedule in C. below and as revised based on the actual release of the TPA RFP.

C. **Project Schedule.** The following table outlines the primary steps, milestones, and target dates based on the release of the RFP no later than August 30, 2022, with a contract implementation date of January 1, 2023 – December 31, 2024. The Plan will adjust the target dates to fit the actual schedule based on the final release date of the RFP.

PLAN TPA RFP – TENTATIVE SCHEDULE		
Milestone/Task	Assignment	Target Date
Development of RFP minimum requirements, technical specifications and accompanying tables and data	Plan	June 2, 2022
Draft cost proposal RFP specifications	Segal	July 1, 2022
Discuss cost proposal draft	Plan/Segal	July 5-7, 2022
Cost proposal and claims data requirements finalized	Segal	July 21, 2022
Request for Proposals issued	Plan	August 30, 2022
Plan's responses to Minimum Requirements Questions (Addendum posted to IPS)	Plan/Segal	September 12-16, 2022
Minimum Requirements Responses due to the Plan including executed Nondisclosure Agreement	Vendor	September 26, 2022
Evaluation of Minimum Requirement Responses	Plan/Segal	September 26-29, 2022
Notification and issue to the Proposer's designated recipient, a secure link to Segal's Secure File Transfer (SFT) system for attachments and Data files.	Segal	September 29-30, 2022
Plan's responses to Technical/Cost Requirements Questions (Addendum posted to IPS)	Plan/Segal	October 11-14, 2022
Technical/Cost Proposals Due to the Plan	Vendor	November 7, 2022
Evaluation of Proposals	Plan/Segal	November 8-16, 2022



Cost Proposal analysis based on Vendor submissions provided to the Plan. Vendor clarifications may be reflected in a subsequent draft of the analysis	Segal	November 16, 2022
Best and Final Offer (BAFO) process	Plan/Segal	November 17-30, 2022
Recommendation to Plan's Board of Trustees	Plan	December 2022
Award of Contract	Plan	December 2022
Contract Implementation Period	Plan/Selected Vendor/Segal	January 1, 2023 – December 31, 2024
Contract Service Term Begin Date	Vendor	January 1, 2025
Debriefing of Vendors following contract award; Segal available to assist upon request	Plan/Segal	TBD
Assistance to Plan to support resolution of protests, should any be filed	Plan/Segal	TBD
Project debriefing	Plan/Segal	TBD

**Project Schedule Assumptions:**

1. Segal is not expected to attend any site visits at Vendors' offices. Should the Plan desire Segal to accompany the Plan's team on one or more Vendor site visits, the Plan will amend the Letter of Agreement.
  2. Segal shall develop and release the detailed claims file only to Vendors submitting a signed nondisclosure agreement.
- D. **Project Cost and Key Personnel.** Project cost shall not exceed \$216,344.00 without a written Amendment to the LOA. Estimated costs are based on 540 hours in accordance with the rates established in the Best and Final Offer – RFP # 270-20180312SS, Table B1: Health Benefits Consulting Services. Services shall be provided by key personnel identified as “staff members” in the Chart below.

Staff Member	Staff Position	Rate	Hours	Total
<i>Account Management and Review</i>				
Stuart Wohl	Account Manager	\$474.05	20	\$9,481
Ken Vieira	Senior Actuary	\$474.05	60	\$28,443
<i>Project Team</i>				
Steve Kuhn	Lead Health Care Consultant	\$439.85	120	\$52,782
Gina Sander	Secondary Health Care Consultant	\$340.10	40	\$13,604
Sadhna Paralkar, MD	Lead Clinical Consultant	\$439.85	10	\$4,399
Joanna Balough-Reynolds	Clinician	\$439.85	10	\$4,399
Eric Miller	Secondary Actuary	\$424.65	30	\$12,740
Kirsten Schatten	Secondary Actuary	\$424.65	10	\$4,247

Matt Kersting	Secondary Actuary	\$424.65	70	\$29,726
Peter Wang	Junior Actuary	\$340.10	90	\$30,609
Albert Shaaya	Data Analyst	\$323.95	80	\$25,916
<b>Total Time Estimate</b>			<b>540</b>	<b>\$216,344</b>

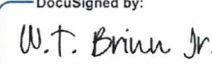
**Cost Estimate Assumptions:**

1. No external Vendor costs are anticipated for this project.
2. The proposed project budget assumes that the Plan will ask that Segal participate in selected aspects of the procurement process, including:
  - a) Assistance with final review of RFP specifications and development of cost proposal formats and content;
  - b) Review technical proposals and advise evaluation committee regarding strengths and weaknesses of each proposal;
  - c) Up to four Evaluation Committee meetings.


The Plan requests that Segal confirm its acknowledgment and acceptance of the above terms by signing below.

Sincerely,

DocuSigned by:  
  
 1D5DB5AF250742D...  
 Dee Jones  
 Executive Administrator

DocuSigned by:  
  
 D9B80AAB6C4B428...  
 Dale R. Folwell, CPA  
 State Treasurer of North Carolina

Acceptance:

DocuSigned by:  
  
 E01BB7F3049C49D...  
 Stuart Wohl  
 Senior Vice President  
 Segal Company (Eastern States), Inc.

6/22/2022

Date

DS  
cm

Message

**From:** Matthew Rish [Matthew.Rish@nctreasurer.com]  
**Sent:** 5/16/2022 1:50:12 PM  
**To:** Kuhn, Stephen [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=46024d291b6540739b86102699395c17-Kuhn, Steph]  
**CC:** Wohl, Stuart [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6f70feb61f154acfbcd15b2103f78154-Wohl, Stuar]; Vieira, Kenneth C. [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f7dd15d3e0654a97bb693bc1a23e1eb7-Vieira, Ken]; Kendall Bourdon [Kendall.Bourdon@nctreasurer.com]  
**Subject:** RE: Medical TPA RFP Proposal  
**Attachments:** SEGAL - SHPNC TPA RFP Proposal Letter - 2022 Draft\_MR edits.docx; Proposed TPA timeline 2022 for Segal.docx

**CAUTION: External Sender**

Steve,

Thanks for getting me the Word draft. Please see our attached edits. We will keep the Thursday meeting...I wasn't able to move up based on our schedules internally.

Thanks again and we'll discuss more on Thursday.

Matt

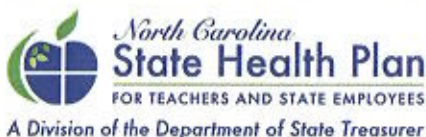
**Matthew T. Rish**

*Sr. Director of Finance,  
Planning & Analytics*  
State Health Plan  
Office: (919) 814-4413  
Mobile: (919) 621-0275

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Sign up for e-Updates



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

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**From:** Kuhn, Stephen <SKuhn@segalco.com>  
**Sent:** Friday, May 13, 2022 1:43 PM  
**To:** Matthew Rish <Matthew.Rish@nctreasurer.com>  
**Cc:** Wohl, Stuart <SWohl@Segalco.com>; Vieira, Kenneth C. <kvieira@segalco.com>; Kendall Bourdon <Kendall.Bourdon@nctreasurer.com>  
**Subject:** RE: Medical TPA RFP Proposal

Matt,

Please find the Word version attached.



We have a 9AM call scheduled for next Thursday (5/19). Would you like us to find some time for earlier in the week?



Thanks,  
Steve

Stephen L. Kuhn  
**Segal**  
T 617.424.7341 | M 617.875.7018

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**From:** Matthew Rish <[Matthew.Rish@nctreasurer.com](mailto:Matthew.Rish@nctreasurer.com)>  
**Sent:** Friday, May 13, 2022 1:32 PM  
**To:** Kuhn, Stephen <[SKuhn@segalco.com](mailto:SKuhn@segalco.com)>  
**Cc:** Wohl, Stuart <[SWohl@Segalco.com](mailto:SWohl@Segalco.com)>; Vieira, Kenneth C. <[kvieira@segalco.com](mailto:kvieira@segalco.com)>; Kendall Bourdon <[Kendall.Bourdon@nctreasurer.com](mailto:Kendall.Bourdon@nctreasurer.com)>  
**Subject:** RE: Medical TPA RFP Proposal  
**Importance:** High

**CAUTION: External Sender**

Steve,

Thanks again for this proposal. We have reviewed and have some requested edits, etc. Would it be possible to get this proposal in Word in order to facilitate edits?

I would also suggest that we get a quick call scheduled to allow for greater discussion. As we've noted in previous conversations, we're all working under an incredibly tight timeline, so I'd like to get something scheduled early next week for a discussion. We will then need to quickly usher the revised proposal through our internal contracting processes to get the LOA in place.

Thanks again,  
Matt

**Matthew T. Rish**

*Sr. Director of Finance,  
Planning & Analytics  
State Health Plan*  
Office: (919) 814-4413  
Mobile: (919) 621-0275

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*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

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**From:** Kuhn, Stephen <[SKuhn@segalco.com](mailto:SKuhn@segalco.com)>  
**Sent:** Wednesday, May 11, 2022 11:23 AM  
**To:** Matthew Rish <[Matthew.Rish@nctreasurer.com](mailto:Matthew.Rish@nctreasurer.com)>  
**Cc:** Wohl, Stuart <[SWohl@Segalco.com](mailto:SWohl@Segalco.com)>; Vieira, Kenneth C. <[kvieira@segalco.com](mailto:kvieira@segalco.com)>  
**Subject:** Medical TPA RFP Proposal

Matt,

For your review, here is a draft of Segal's proposal for assistance with the upcoming medical TPA RFP. This draft is meant to be a starting point that we wanted to get to you in advance of next week's call. As you will see, we left the time schedule blank.

Please note that we are proposing both pre-RFP meetings with potential bidders as well as a strategy meeting with the SHP and Segal teams. We believe these meetings will help in both the development of the RFP document and the procurement process.

We look forward to discussing this proposal with you.

Thanks,  
Steve

**Stephen L. Kuhn**  
**Vice President, Health Consultant**  
**Segal**

116 Huntington Ave 9<sup>th</sup> Floor | Boston, MA 02116

T 617.424.7341 | M 617.875.7018

[skuhn@segalco.com](mailto:skuhn@segalco.com)

Segal, Segal Marco Advisors and Segal Benz  
are all members of the Segal family.

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Thank you.



DRAFT

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May 11, 2022

Dee Jones  
Executive Administrator  
North Carolina State Health Plan  
3200 Atlantic Ave  
Raleigh, NC 27604

**Re: Third Party Administrator Request for Proposal Support Proposal**

Dear Dee:

Segal Consulting is pleased to provide the State Health Plan (~~SHP~~Plan or the Plan) with a proposal to provide comprehensive support of the request for proposal (RFP) process for the Plan's third-party administration (TPA) and network support services.

**Understanding of the Project**

~~SHP~~The Plan currently contracts with Blue Cross Blue Shield of North Carolina for network management and third-party administration services. That contract is set to expire December 31, 2024. With an intentional effort to reduce medical plan costs, the SHP introduced the Clear Pricing Project – a custom network built specifically for members of the SHP. Provider contracts within this custom network will reimburse providers using a 'reference-based pricing methodology', with Medicare as the reference. The new provider reimbursement model began on January 1, 2020 ~~and this RFP is expected to incorporate these providers and their reference-based pricing.~~

The ~~SHP~~Plan wishes to begin a full competitive bid process and vendor negotiation to select a third-party administrator for the contract period beginning January 1, 2025. Bidders will be invited to submit proposals to administer the full program, the ~~Clear Pricing Project custom network as well as their own national network~~—both inside the state of North Carolina and nationally.

The ~~Plan~~SHP will require consulting assistance throughout the competitive procurement process, to include development and publication of the RFP, evaluation of proposals (or selected components), and guidance and support through contract negotiations with the selected vendor(s). Details of the work Segal will be asked to perform will be determined by the SHP during the procurement process.

**Commented [MR1]:** RBP is an option in the new RFP, but at this point (not finalized), it is not anticipated that the CPP network will roll into the new contract. There are other areas of this proposal that will need to be adjusted accordingly, based on this also.

Benefits, Compensation and HR Consulting, Member of The Segal Group. Offices throughout the United States and Canada



## Scope of Work

Based on our current understanding of the SHP's process for this procurement, we have outlined below the major RFP process steps and milestones, and Segal's proposed plan to assist with each of those steps. We are glad to adjust the steps and timing proposed to meet your specific requirements. Upon request from the SHP:

- ~~Segal will contact potential bidders in the marketplace to engage in pre-RFP vendor meetings (in-person or virtual platform). The selected vendors will be determined with the input from the SHP, along with Segal recommendations. The purpose of the meetings will be as follows:~~
  - a) ~~Introduce the individuals that would be part of the decision-making process for responding to the bid that will be issued.~~
  - b) ~~Request vendors bring forth any new innovative strategies they have or plan to implement. This will help draft tailored questions in the RFP and also provide the SHP the opportunity to press other key vendors if similar solutions exist at their organization.~~
  - c) ~~Allow for any procedural and operational capabilities to be addressed. The dialogue will not only serve to answer any pressing concerns but may also decrease the length of the bid by helping vendors respond to the bid in a more expedited manner with less vendor questions once the bid is issued.~~

~~Overall, we believe this innovative approach can streamline the entire RFP process and better achieve the SHP's medical plan goals with targeted solutions.~~
- Segal will review ~~provide consulting support throughout the development of the third-party administration RFP specifications.~~ This support will include specifically:
  - a) Review of the Scope of Work in the RFP, as requested by the Plan.
  - b) Development of cost proposal requirements and templates to ensure accurate and comparable representations of projected costs from bidder-to-bidder. The cost proposal requirements and template will include discussion on how bidders should respond with regard to any alternative payment approaches.
  - c) Meet with SHP staff, as needed and potentially onsite at SHP, to ensure consistency between the technical proposal requirements and the cost proposal requirements.
  - d) ~~Provide expert guidance and perspective on best practices among large state employee health plans with respect to their medical plan administration through third-party administrators.~~
  - e)d) Development of a claims file to be used by the bidders to reprice claims.
- Segal will receive and evaluate a copy of each cost proposal identified by the SHP as meeting the minimum requirements and will conduct a thorough financial assessment and provide the SHP with a detailed comparison of the cost proposals.
  - a) Segal will evaluate each bidder's repriced claims submission and administrative fee structures to determine the projected claims cost.

b) Segal will ~~with~~ review alternative payment models for their expected impact on future claims costs.

b)c) Segal will provide a Disruption Analysis, based on the Geo Access reporting requirement in the RFP.

- Segal will provide expert analysis regarding advantages / disadvantages of each network scenario - bidders administering the North Carolina State Health Plan Network, with access to a national network, versus bidders administering their own local and national provider network(s).
- At SHP's request, Segal will help prepare for, and attend, oral presentations onsite at SHP.
- If the RFP leads to a Best and Final Offer (BAFO) process, Segal will assist the SHP in developing follow up questions and evaluating responses from the bidders.
- Segal will be available to assist the SHP in negotiation of final contract terms with the selected bidder and to review the draft contract documents to confirm that the terms proposed and agreed to by the bidder are incorporated.
- Support the SHP during debriefing of bidders following contract award.
- Provide assistance to support resolution of protests, should any be filed.

### **Third Party Administrator RFP Consulting Team**

Segal is highly experienced with large, complex Third-Party Administrator (TPA) procurements and regularly supports state-level and other large public sector clients with these types of services. We adjust our processes as needed to support the specific procurement needs for each client as well as to address the evolving business practices of TPAs.

Our TPA consulting experts have a deep understanding of the current marketplace, including strengths and weaknesses of the various vendors providing administration and network services – including their ability to administer custom, plan-specific provider networks. We are also highly experienced in analyzing and monitoring the pricing methodologies used by these vendors. We are skilled negotiators in obtaining the highest quality service commitments and best pricing terms on behalf of our clients. Our consulting team will include clinical and public health expertise to support any needs around provider network adequacy and progressive initiatives.

If requested by the SHP, Segal is prepared to support the procurement with two separate consulting and analytical teams – one for analyzing the technical proposals and the other for analyzing the cost proposals, which includes the claims re-pricing exercise. This is common for our large public sector clients and we propose the following team assignments:

### **Account Management**

Account management and overall project review will be handled by **Stuart Wohl** with senior-level input and review from **Ken Vieira**.

### Evaluation Team

The Evaluation Team will be led by **Steve Kuhn**. Steve will be joined by **Gina Sander**, as well as other health benefit analysts and subject matter experts as may be required to assist with the analysis. **Sadhna Paralkar, M.D.**, Segal's Medical Director and **Joanna Balough-Reynolds**, DNP, MSN, RN-BC, will be available to assist with any clinical or network provider issues during the project.

Segal's actuarial and analytical staff, including **Eric Miller**, **Peter Wang**, **Patrick Klein** and **Kirsten Schatten** will assist in the review of cost proposals.

### Project Timing

This project will begin May 16, 2022 (or as determined by the SHP) and will continue through the end of the RFP protest period or, if protests are filed, the resolution of all protests. The following table outlines the primary steps and milestones with target dates based on our understanding that the RFP will be released on or by *{to be determined}*, with a contract implementation date of January 1, 2025. We understand that the target dates will be adjusted to fit the actual schedule based on final release date of the RFP. *{The target RFP release date and the target dates in the schedule chart below will be populated with input from the SHP.}*

Segal understands that there is no margin for error in the timeline for this RFP. Segal agrees to meet all turnaround times specified by the Plan for all deliverables specified for this project. It is incumbent upon Segal to adhere to the project specifications and time frames as any inaccuracies or errors will be detrimental to the overall success of the project.

Commented [MR2]: Please see draft timeline attached to the email and incorporate here.

STATE HEALTH PLAN TPA RFP – TENTATIVE SCHEDULE		
Milestone/Task	Assignment	Target Date
Development of RFP minimum requirements, technical specifications and accompanying tables and data	SHP	
Draft technical and cost proposal RFP specifications	Segal / SHP	
Request for Proposals issued	SHP	
Proposal submission deadline and opening		
Evaluation of Technical Proposals; meeting(s) with Evaluation Committee to review results	SHP / Segal	
Evaluation of Cost Proposals; meeting(s) with Evaluation Committee to review results upon request	Segal / SHP	
Finalist Oral Presentations; Segal to assist and attend upon request	SHP Evaluation Committee / Segal	
Recommendation to Plan's Board of Trustees	SHP	



STATE HEALTH PLAN TPA RFP – TENTATIVE SCHEDULE		
Milestone/Task	Assignment	Target Date
Award of Contract	SHP	
Implementation Period	SHP / Selected Contractor / Segal	
Contract period begins		January 1, 2025
Debriefing of Bidders following contract award; Segal available to assist upon request	SHP / Segal	
Assistance to Plan to support resolution of protests, should any be filed	SHP / Segal	
Project debriefing	Segal / SHP	

This proposed schedule also assumes that:

- Segal is not expected to attend any site visits at vendor offices. Should the SHP desire Segal to accompany the SHP team on one or more vendor site visits, we will be glad to modify the Letter of Agreement.
- Segal will develop and release the detailed claims file only to bidders submitting a signed nondisclosure agreement.

### Project Cost

We estimate that the project will require approximately 640 hours and a budget of approximately \$257,000 in time charges based on our agreed contract rates. The following hours are anticipated for each person identified to be involved in the project:

Staff Member	Staff Position	Rate	Hours	Total
<i>Account Management and Review</i>				
Stuart Wohl	Account Manager	\$474.05	20	\$9,481
Kent Vieira	Senior Actuary	\$474.05	70	\$33,184
<i>Project Team</i>				
Steve Kuhn	Lead Health Care Consultant	\$439.85	120	\$52,782
Gina Sander	Secondary Health Care Consultant	\$340.10	100	\$34,010
Sadhna Paralkar, MD	Lead Clinical Consultant	\$439.85	20	\$8,797
Joanna Balough-Reynolds	Clinician	\$439.85	20	\$8,797
Eric Miller	Secondary Actuary	\$424.65	70	\$29,726
Kirsten Schatten	Secondary Actuary	\$424.65	30	\$12,740
Patrick Klein	Senior Actuary	\$474.05	30	\$14,222
Peter Wang	Junior Actuary	\$340.10	90	\$30,609

Dee Jones  
May 11, 2022  
Page 6

Albert Shaaya	Data Analyst	\$323.95	70	\$22,677
<b>Total Estimate</b>			<b>640</b>	<b>\$257,023</b>

No external vendor costs are anticipated for this project.



Dee Jones  
May 11, 2022  
Page 7

The proposed project budget assumes that the SHP will ask that Segal participate in selected aspects of the procurement process, including:

- Assistance with final review of RFP specifications and development of cost proposal formats and content
- Review technical proposals and advise evaluation committee regarding strengths and weaknesses of each proposal
- Up to four Evaluation Committee meetings
- Oral interviews with selected bidders.

If the SHP's needs change as the project progresses, we will remain flexible and committed to working within the approved project budget. Should the scope change significantly, we will provide a revised budget estimate to incorporate the necessary changes.

We look forward to your approval of this proposed work plan and will be glad to discuss any questions you may have or adjust the scope to fit your specific needs.

Sincerely,

Stuart Wohl  
Senior Vice President

cc: Matthew Rish  
Kenneth Vieira  
Stephen Kuhn

9489040V3/13399.048

Message

**From:** Kuhn, Stephen [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=46024D291B6540739B86102699395C17-KUHN, STEPH]  
**Sent:** 8/25/2022 3:31:52 PM  
**To:** Kersting, Matthew [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=48e40ec6161d44abbd5b24ba2c75160d-Kersting, M]; Wohl, Stuart [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=6f70feb61f154acfbcd15b2103f78154-Wohl, Stuart]; Vieira, Kenneth C. [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f7dd15d3e0654a97bb693bc1a23e1eb7-Vieira, Ken]; Wang, Peter [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=aab3f8f064464e409206a69f41bcf9da-Wang, Peter]  
**Subject:** RE: TPA RFP Cost scoring

Right now, it's up in the air and I think it's a combination of the 2.

Stephen L. Kuhn  
**Segal**  
T 617.424.7341 | M 617.875.7018



**From:** Kersting, Matthew <MKersting@segalco.com>  
**Sent:** Thursday, August 25, 2022 11:30 AM  
**To:** Kuhn, Stephen <SKuhn@segalco.com>; Wohl, Stuart <SWohl@Segalco.com>; Vieira, Kenneth C. <kvieira@segalco.com>; Wang, Peter <pwang@segalco.com>  
**Subject:** RE: TPA RFP Cost scoring

I read it as ratio based originally, but your explanation below afterwards sounded like you're going 3/2/1.

**From:** Kuhn, Stephen <SKuhn@segalco.com>  
**Sent:** Thursday, August 25, 2022 11:28 AM  
**To:** Kersting, Matthew <MKersting@segalco.com>; Wohl, Stuart <SWohl@Segalco.com>; Vieira, Kenneth C. <kvieira@segalco.com>; Wang, Peter <pwang@segalco.com>  
**Subject:** RE: TPA RFP Cost scoring

That's how they proposed it, but I mentioned that could be problematic. My text doesn't suggest 1 and 0, does it?

Stephen L. Kuhn  
**Segal**  
T 617.424.7341 | M 617.875.7018

**From:** Kersting, Matthew <MKersting@segalco.com>  
**Sent:** Thursday, August 25, 2022 11:26 AM  
**To:** Kuhn, Stephen <SKuhn@segalco.com>; Wohl, Stuart <SWohl@Segalco.com>; Vieira, Kenneth C. <kvieira@segalco.com>; Wang, Peter <pwang@segalco.com>  
**Subject:** RE: TPA RFP Cost scoring

So it's ranked based scoring rather than ratio based? In the case of 1 point being awarded, what happens? Best gets 1 everyone else gets 0?

**From:** Kuhn, Stephen <SKuhn@segalco.com>  
**Sent:** Thursday, August 25, 2022 11:23 AM  
**To:** Wohl, Stuart <SWohl@Segalco.com>; Kersting, Matthew <MKersting@segalco.com>; Vieira, Kenneth C.

<kvieira@segalco.com>; Wang, Peter <pwang@segalco.com>

**Subject:** RE: TPA RFP Cost scoring

I think the attempt to "simplify" has potentially made it more complicated.

I believe some at the State are thinking most competitive pricing is "ranked 1" and gets all 3 points and then the second gets 2, third gets 1. But two bidders could be tied for first and both be "ranked 1" so two bidders would get 3 points and the third would still get 1. I asked about the sections with the 1 point and I believe they were thinking the lowest admin would get 1 point and everyone else would get 0....I mentioned some potential issues with that.

The issue here is I think they are going the wrong way...rank then give points based on the rank, where it's better to give points then rank based on points.

Stephen L. Kuhn

**Segal**

T 617.424.7341 | M 617.875.7018

**From:** Wohl, Stuart <SWohl@Segalco.com>

**Sent:** Thursday, August 25, 2022 11:13 AM

**To:** Kersting, Matthew <MKersting@segalco.com>; Kuhn, Stephen <SKuhn@segalco.com>; Vieira, Kenneth C.

<kvieira@segalco.com>; Wang, Peter <pwang@segalco.com>

**Subject:** RE: TPA RFP Cost scoring

Yes, it is very common. But having "ranks" at the same time is a little unusual.....

**From:** Kersting, Matthew <MKersting@segalco.com>

**Sent:** Thursday, August 25, 2022 11:12 AM

**To:** Wohl, Stuart <SWohl@Segalco.com>; Kuhn, Stephen <SKuhn@segalco.com>; Vieira, Kenneth C.

<kvieira@segalco.com>; Wang, Peter <pwang@segalco.com>

**Subject:** RE: TPA RFP Cost scoring

Sounds like this would be ratio scoring? So partial points (e.g., 2.4 / 3) ... is that typical?

**From:** Wohl, Stuart <SWohl@Segalco.com>

**Sent:** Thursday, August 25, 2022 11:08 AM

**To:** Kuhn, Stephen <SKuhn@segalco.com>; Vieira, Kenneth C. <kvieira@segalco.com>; Wang, Peter

<pwang@segalco.com>; Kersting, Matthew <MKersting@segalco.com>

**Subject:** RE: TPA RFP Cost scoring

ok

**From:** Kuhn, Stephen <SKuhn@segalco.com>

**Sent:** Thursday, August 25, 2022 11:06 AM

**To:** Wohl, Stuart <SWohl@Segalco.com>; Vieira, Kenneth C. <kvieira@segalco.com>; Wang, Peter

<pwang@segalco.com>; Kersting, Matthew <MKersting@segalco.com>

**Subject:** RE: TPA RFP Cost scoring

I agree, but if we start doing examples it will further define the process. Which may be the way they want to go, but I'd rather the request come from them.

Thanks



Stephen L. Kuhn  
**Segal**  
T 617.424.7341 | M 617.875.7018

**From:** Wohl, Stuart <SWohl@Segalco.com>  
**Sent:** Thursday, August 25, 2022 11:03 AM  
**To:** Kuhn, Stephen <SKuhn@segalco.com>; Vieira, Kenneth C. <kvieira@segalco.com>; Wang, Peter <pwang@segalco.com>; Kersting, Matthew <MKersting@segalco.com>  
**Subject:** RE: TPA RFP Cost scoring

I'm fine then even though an example (with 3 bidders) might be useful

**From:** Kuhn, Stephen <SKuhn@segalco.com>  
**Sent:** Thursday, August 25, 2022 11:02 AM  
**To:** Wohl, Stuart <SWohl@Segalco.com>; Vieira, Kenneth C. <kvieira@segalco.com>; Wang, Peter <pwang@segalco.com>; Kersting, Matthew <MKersting@segalco.com>  
**Subject:** RE: TPA RFP Cost scoring

That was part of our discussion and I'm not sure...they aren't sure.

I tried to keep it vague.

I told Matt that the drafting of this language will likely be a multi-step process and this is the first "attempt".

Stephen L. Kuhn  
**Segal**  
T 617.424.7341 | M 617.875.7018

**From:** Wohl, Stuart <SWohl@Segalco.com>  
**Sent:** Thursday, August 25, 2022 10:55 AM  
**To:** Kuhn, Stephen <SKuhn@segalco.com>; Vieira, Kenneth C. <kvieira@segalco.com>; Wang, Peter <pwang@segalco.com>; Kersting, Matthew <MKersting@segalco.com>  
**Subject:** RE: TPA RFP Cost scoring

So, my basic question:

Will each bidder get a portion of the points (say 3 for Network pricing) based on the ratio of lowest cost bidder / bidder's cost? Will those actual points be disclosed to the Board or will just the rankings be disclosed?

**From:** Kuhn, Stephen <SKuhn@segalco.com>  
**Sent:** Thursday, August 25, 2022 10:48 AM  
**To:** Wohl, Stuart <SWohl@Segalco.com>; Vieira, Kenneth C. <kvieira@segalco.com>; Wang, Peter <pwang@segalco.com>; Kersting, Matthew <MKersting@segalco.com>  
**Subject:** FW: TPA RFP Cost scoring  
**Importance:** High

Stu / Matt,

Could one of you review the text in the attached? I spoke to Matt and trying to provide as much detail without "hand cuffing" us.

We need to get this to them as soon as possible.

Thanks,  
Steve

Stephen L. Kuhn  
**Segal**  
T 617.424.7341 | M 617.875.7018

---

**From:** Matthew Rish <Matthew.Rish@nctreasurer.com>  
**Sent:** Thursday, August 25, 2022 9:26 AM  
**To:** Kuhn, Stephen <SKuhn@segalco.com>; Vieira, Kenneth C. <kvieira@segalco.com>; Wang, Peter <pwang@segalco.com>; Wohl, Stuart <SWohl@Segalco.com>  
**Cc:** Dee Jones <Dee.Jones@nctreasurer.com>; Caroline Smart <Caroline.Smart@nctreasurer.com>; Kendall Bourdon <Kendall.Bourdon@nctreasurer.com>; Charles Sceiford <Charles.Sceiford@nctreasurer.com>  
**Subject:** RE: TPA RFP Cost scoring  
**Importance:** High

CAUTION: External Sender

Steve,

See my thoughts below in red.

Caroline/Kendall, do you want to weigh in on #2? I like the idea, but not sure what that means for the document.

Thanks,  
Matt

**Matthew T. Rish**

*Sr. Director of Finance,  
Planning & Analytics*  
State Health Plan  
Office: (919) 814-4413  
Mobile: (919) 621-0275

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STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

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**From:** Kuhn, Stephen <SKuhn@segalco.com>  
**Sent:** Wednesday, August 24, 2022 10:33 AM  
**To:** Matthew Rish <Matthew.Rish@nctreasurer.com>; Vieira, Kenneth C. <kvieira@segalco.com>; Wang, Peter <pwang@segalco.com>; Wohl, Stuart <SWohl@Segalco.com>

**Cc:** Dee Jones <Dee.Jones@nctreasurer.com>; Caroline Smart <Caroline.Smart@nctreasurer.com>; Kendall Bourdon <Kendall.Bourdon@nctreasurer.com>; Charles Sceiford <Charles.Sceiford@nctreasurer.com>  
**Subject:** RE: TPA RFP Cost scoring

Matt,

We have a few questions/comments:

1. The current cost specifications don't mention scoring. Is it correct to assume that the scoring specifics will be in the technical specifications? I would appreciate Segal drafting some language on the scoring, then we will drop it in accordingly. If you could get me something ASAP today, that would be most appreciated!
2. Network access – Did you want to make this a minimum qualification? For example, "Bidder's network must offer at least XX% overall network access using the access distance definitions provided." Caroline/Kendall...thoughts?
3. Disruption – This will be captured in the "Network" sections as the projected claims will be a function of network size and discounts. Just confirming there will be no other disruption scoring criteria. Correct

Here is a brief summary of our interpretation of the cost sections that will be included in the scoring:

Score Category	Points	Cost Specifications Section	Cost Section Attachments	Comments
Network Pricing	3	1.2, 1.5	A-3, A-4, A-5, A-6, A-9	Projected claim costs
Admin Fees	1	1.3	A-7	Projected administrative expenses
Guarantees	1	1.4	A-8 (and possibly A-6)	Value of guaranteed network pricing terms
Access	0	1.1	A-1, A2	Do you want to make this a minimum qualification?

Please let me know if you would like to discuss.

Thanks,  
Steve

Stephen L. Kuhn  
**Segal**  
T 617.424.7341 | M 617.875.7018

**From:** Matthew Rish <Matthew.Rish@nctreasurer.com>  
**Sent:** Tuesday, August 23, 2022 10:23 AM  
**To:** Kuhn, Stephen <SKuhn@segalco.com>; Vieira, Kenneth C. <kvieira@segalco.com>; Wang, Peter <pwang@segalco.com>; Wohl, Stuart <SWohl@Segalco.com>  
**Cc:** Dee Jones <Dee.Jones@nctreasurer.com>; Caroline Smart <Caroline.Smart@nctreasurer.com>; Kendall Bourdon <Kendall.Bourdon@nctreasurer.com>; Charles Sceiford <Charles.Sceiford@nctreasurer.com>  
**Subject:** TPA RFP Cost scoring

CAUTION: External Sender

Steve and Team,

We have discussed internally and would like to score the Network, Admin and Guarantees sections. We're thinking 1 point each for Admin and Guarantees and 3 points for Network. Then the bidders can be ranked 4, 3, 2, 1 (assuming 4 bidders). We would then do the same on the Technical scores and combine the rankings for a total score.



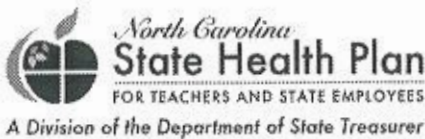
Let me know if any questions. Then we would need to get this into the documents.

Thanks,  
Matt

**Matthew T. Rish**

*Sr. Director of Finance,  
Planning & Analytics*  
State Health Plan  
Office: (919) 814-4413  
Mobile: (919) 621-0275

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DALE R. FOLWELL, CPA

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