

PROPOSAL PREPARED FOR

# State of New Hampshire

---

Twin State Voluntary Family and  
Medical Leave Insurance Plan

RFI # 2019-224

Submittal Due: March 7, 2019

---

## SUBMITTED TO:

### State of New Hampshire

C/O Ryan Aubert, Administrative Services  
New Hampshire Bureau of Purchase  
and Property  
25 Capitol Street  
Concord, NH 03301-6312



---

## PREPARED BY:

Derrick Daniel  
Vice President, Public Sector  
p | 608.852.8526  
c | 404.908.5907  
e | [Derrick.Daniel@tasconline.com](mailto:Derrick.Daniel@tasconline.com)

## Table of Contents

Cover Letter .....	1
Vendor Information .....	4
Cost Estimates .....	5
Business and Technical Requirements .....	6
TASC Trade Secrets .....	9

## Cover Letter

March 7, 2019

State of New Hampshire  
C/O Ryan Aubert, Administrative Services  
New Hampshire Bureau of Purchase and Property  
25 Capitol Street  
Concord, NH 03301-6312

RE: *RFI # 2019-224 Twin State Voluntary Family and Medical Leave Insurance Plan*

Dear Mr. Aubert,

Total Administrative Services Corporation (TASC) is pleased to submit this proposal for *Family Medical Leave Insurance* services to the states of New Hampshire and Vermont (Twin States).

With TASC's revolutionary **Universal Benefit Account** platform, our state-of-the-art architecture adds FMLI wage replacement as a smart, easy and connected solution for the Twin States.

We are experts in large market projects of this size. Please consider that TASC:

- Is the largest privately-held Third-Party Administrator in the country (not an insurance carrier).
- Has over 1,000 employees.
- Annual revenues exceed \$115 million with an unblemished record for regulatory oversight.

As to our capacity to handle the Twin States, our largest client is the United States Federal Government, Office of Personnel Management (OPM). Additionally, TASC has public-sector state clients including the State of Wisconsin and the State of Kansas.

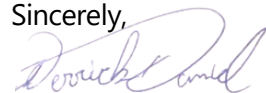
Our FMLI solution is one that will support the following high-level Twin States' goals:

- Providing a cost-effective FMLI program to state employees, as well to private employers.
- Encouraging workers to relocate to New Hampshire and Vermont by providing solutions to support families and a younger workforce (attract and retain top talent).

We commend the Twin States for correctly addressing the concerns surrounding the risks and costs of implementing FMLI as well as the need for the administrator to possess a sophisticated level of technical expertise. Using our model to administer the FMLI plan, the risk of insolvency for a paid leave fund is shifted from taxpayers to TASC; the startup and ongoing administrative costs of establishing the new programs is shifted from taxpayers to TASC; and the coverage will be available more quickly as it will not be necessary for each state to develop the required administrative infrastructure or to initially fund a paid leave trust.

I will serve as TASC's primary contact throughout the State's evaluation, and I can be reached at 404-908-5907 or by e-mail at [derrick.daniel@tasconline.com](mailto:derrick.daniel@tasconline.com).

Sincerely,



Derrick Daniel

Vice President, Large Market: Public-Sector

## Vendor Information

Our origin story comes from humble beginnings. It all started with a friend helping a friend.

TASC was founded on a simple belief: **regular people should benefit from employee benefits.**

The solution worked so well, we continued to invent products that transformed the lives of states governments, towns, farmers, entrepreneurs, their families and their communities. And we are still in the life-changing business today for employers of all sizes, in all markets especially public-sector employers like the Twin States.

### **Brief Description of TASC**

**When benefits feel like work, we make benefits feel like benefits again.** TASC provides innovative outsourcing solutions for a wide variety of employee benefits programs. We offer an infinite number of innovative products and services through our Universal Benefit Account platform that leverages commonalities in benefit types to administer a wide-array of accounts.

TASC is an innovator in the employee health, wellness and well-being space disrupting the industry. We have revolutionized how employers and the industry think about benefits

Long before 'total administrative services outsourcing' became a marketing slogan or buzzword in the benefits industry, TASC was providing comprehensive benefits administration services by delivering solutions through an integrated centralized source. Through a combination of highly skilled people, business processes and technology, we help public-sector clients by managing benefits processes, so they can focus on the strategic issues facing their organizations.

We provide "best in class services" in the areas of FMLI, benefit accounts, customer service, automated enrollment, compliance services, premium services, account management, cafeteria plan administration, tax-favored accounts administration (Flexible Spending Accounts, Health Reimbursement Arrangements, Health Savings Accounts, Qualified Transportation/Commuter benefits), Funded HRA, COBRA/Retiree/Leave administration, PCORI compliance, FMLA services, ACA solutions, Student Loan Reimbursement, Wellness Payments, etc. TASC delivers a single-source, end-to-end solution for its customers. Our services are streamlined and intended to remove the confusion oftentimes experienced by employees and employers when dealing with benefits-related matters.

TASCC offers its own proprietary stored-value "debit" Card, the TASC Card.

We use a proprietary benefits administration application that was developed, is written and maintained by TASC employees. We are not reliant on outside vendors to upgrade our administration software.

**TASC makes benefits feel like benefits again.**

### **Organizational Structure**

TASC is a privately-held Subchapter-S Corporation.

# Cost Estimates

## 1 APPENDIX A: COST ESTIMATE WORKSHEET

### 1.1 : COST ESTIMATE TABLE

Item	General Requirements Description	Cost Estimates (preliminary figures)
<b>1a</b>	Complete Project Low Estimate	\$3.00 per employee per month
<b>1b</b>	Complete Project High Estimate	\$4.00 per employee per month
<b>1c</b>	Complete Project Estimate with a Trust Pool	\$2.75 per employee per month
<b>1d</b>	Complete Project Estimate ( <b><i>without a Trust pool</i></b> ) if TASC is also awarded the contract for our FSA/HRA proposal response to the State of New Hampshire's RFP that is currently under evaluation, separate from this RFI.	\$2.50 per employee per month
<b>1e</b>	Complete Project Estimate ( <b><i>with a Trust pool</i></b> ) if TASC is also awarded the contract for our FSA/HRA proposal response to the State of New Hampshire's RFP that is currently under evaluation, separate from this RFI.	\$2.25 per employee per month

## Business and Technical Requirements

This Twin States tandem FMLI RFI offers a great opportunity to uniquely position TASC's combined service-product linking our Universal Benefit Account capabilities with our superior Compliance offering. With TASC's unique Universal Benefit Account, we will establish an account that would accommodate the funding and disbursements required in a smart, easy and connected way.

This would include the use of the **TASC Debit Card** that will allow a methodology to easily place wage replacements right on the Card. This creates such a positive impact for the employee experience as it provides a form of payment using the most popular medium. Please consider:

- We have a breadth of knowledge and experience with Family Medical Leave Act administration considering our many years of providing this service to our clients.
- TASC is also well-versed at claims administration as we are a TPA proficient in Benefit Account adjudication and processing.
- Further, with over 80,000 clients (2,200 public-sector), TASC is also experienced at premium collection for employers with different cost sharing levels.
- Additionally, we have addressed the potential per employee cost of the plan for Twin State employees (for both six weeks of wage replacement payments and 12 weeks).
- Our pricing and administration are based on the Twin State's FMLI model of providing a higher wage replacement percentage for lower wage earners and/or progressively pricing the individual premium for lower wage earners.

For this project, TASC can accommodate the FMLI services requested without the need of a carrier. TASC asks the Twin States to consider non-insurance carriers when the RFP is officially let. We would think a "service-provider" would be a suitable description for any potential bidders in lieu of strictly "insurance carriers" so as not to limit competition.

We understand the Twin States is asking vendors to take the estimated costs of wage replacement payouts and determine an appropriate funding amount for each employer based on their population. TASC has several preferred relationships that have core competencies in actuarial rate calculations that would provide us a best-in-class partnership to meet this requirement. While we are not an insurance carrier, there is no identified need to exclude a TPA like TASC from being considered for an eventual award. In fact, we would venture to state that the requirements from the Twin States seem to be geared more toward a TPA than a carrier, notwithstanding the calculation of the premium.

As TASC has a proficiency in Leave administration (several years of FMLA administration), other carriers will have a difficult time relative to the interaction for paying out wage replacement and coordination with other types of paid time-off the employee may utilize. Twin States would not want a scenario where an employee could double dip and use eight (8) hours of vacation and get 60% of wage replacement. One possible solution could be to require all client participants to have the same PTO policies and figure out the triggering events or ways to vet before disbursements are made. There is also functions to be gleamed from the premium collection. Generally, being on Leave with wage replacement, employers would deduct benefits so there is

no gap in coverage. If TASC is issuing the payment and has the premium collection account, we could also set the premium collection to deduct from the wage replacement account.

Using the strengths of our total solution, our team would initiate the wage replacement payouts to individuals once the payouts had been approved and had the time validated that was taken away from work.

Optionally, there is an alternative model where we do not require the FMLA purchase, and simply require the employee to request this replacement wage outside of their employer. In this scenario the FMLA approval is provided as substantiation.

**Option to Consider for Additional Cost Savings**

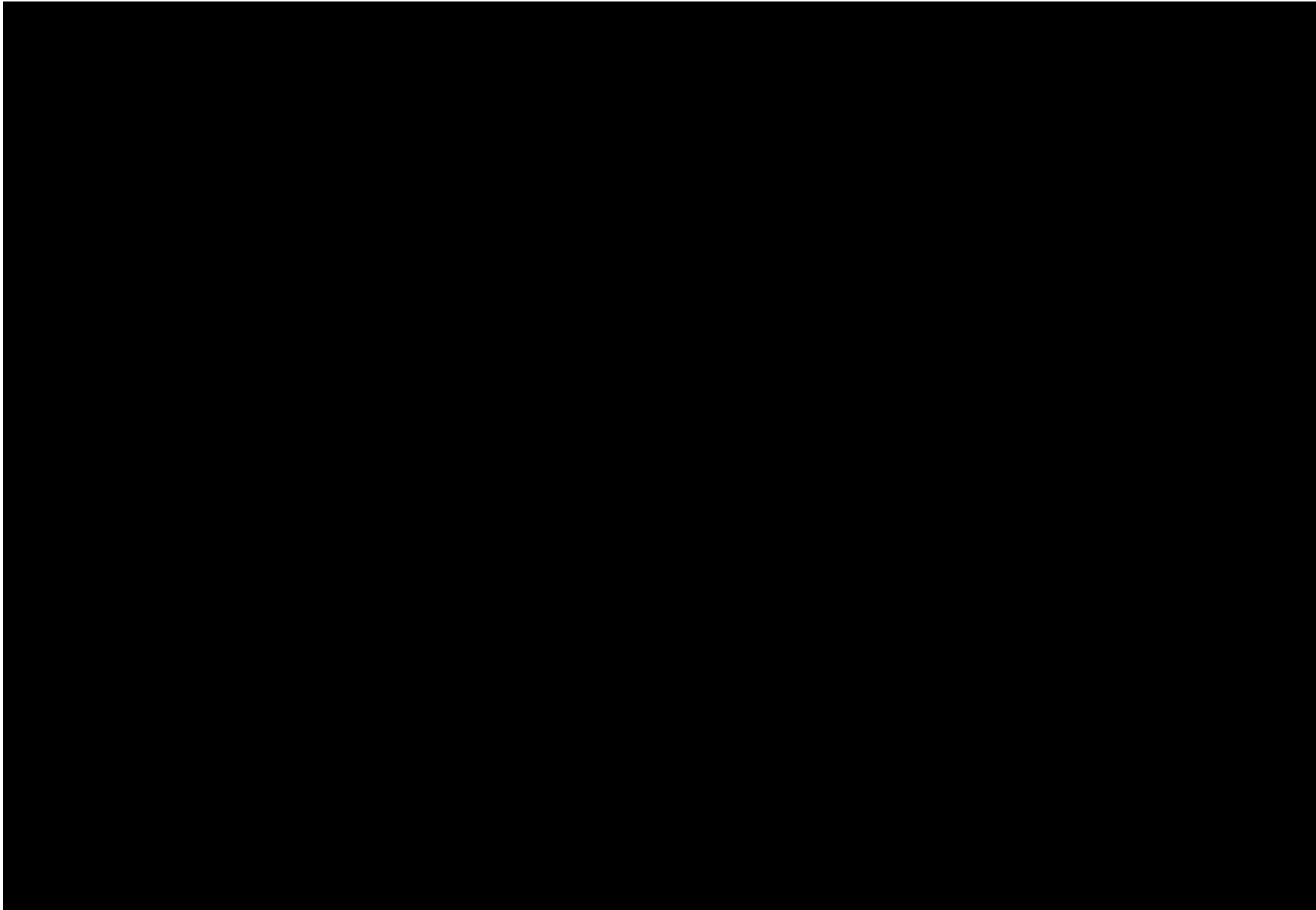
[Redacted content]

**Knowledge of Existing FMLI Programs on The Market/Operational Challenges**

TASC believes the Twin States FMLI program has been designed to uniquely address the specific set of circumstance pertinent to its Plan with mandated state laws. Be cautious in grouping all Paid FMLI programs from other states together.

**Administrative Flow Preliminary Model**

What follows on the next page is a preliminary flowchart mapping out the administrative model for our FMLI services to the Twin States.





## Trade Secrets, Confidentiality, and Proprietary Information

This response contains information and materials that are the **Proprietary, Confidential, and Trade Secret** information of Total Administrative Services Corporation (TASC). No part of this response may be disclosed, used, or duplicated – in whole or in part – for any purpose other than internal evaluation of TASC as a service provider for your organization.

TASC has made all reasonable efforts to accurately respond to your Request for Proposal (RFP). TASC views this response solely as a tool to aid your knowledge. TASC is not rendering legal, accounting, or other professional advice.

The information contained herein is subject to change without notice. All rights reserved.

All trademarks, service marks, trade names, trade dress, product names, and logos appearing in this document are the property of their respective owners, including in some instances TASC.