



24 June 2022

Dear Service Provider

Request for Proposal: BonCap Management Services – RFP 006-2022

Introduction

Bonitas Medical Fund (“the Scheme” or “Bonitas”) has embarked on a Request for Proposal (RFP) exercise for the administration and management of its BonCap option. The focus of the RFP is to review respondents’ proposals for the restructuring and effective management of the BonCap option; to improve its market competitiveness and to ensure its long-term sustainability. This exercise will also ensure that the Scheme continues to apply the principles of good corporate governance by evaluating alternative models of option management at regular intervals.

The intention of the RFP is to solicit innovative managed care strategies and intervention proposals to align the BonCap option with its target market in terms of costs, access and value. It is also required that the successful provider, when appointed, ensures compliance to all regulatory requirements, the delivery of services and the achievement of the defined strategic objectives of the Scheme. Innovation and efficient administration of the option will also be considered.

Key components of the RFP will be:

- a) the respondents’ proposed management of the high-risk members and the alignment of the cost-effective providers for the BonCap option;
- b) to improve the healthcare / disease management role of the primary care providers using alternative reimbursement funding models to ensure cost effective quality healthcare; and
- c) innovative and streamlined administration to ensure that the non-healthcare cost components are minimized.

Respondents are requested to propose risk transfer models such as capitation for in or out of hospital services for portions of those services. It is a requirement that contracting with healthcare providers be performed within the Scheme’s defined network management arrangements in the name of the Scheme.

Medical Aid for South Africa

Bonitas Medical Fund registration number: 1512

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The successful respondent will be allowed to subcontract portions of the administration or managed care services that the respondent is contracted for but will retain overall responsibility for any service or pricing guarantees as proposed to Bonitas.

Background

Bonitas is an open medical scheme registered in terms of the Medical Schemes Act of South Africa, No. 131 of 1998, as amended (“the Act” or “MSA”) under registration number 1512. The Scheme is incorporated and domiciled in the Republic of South Africa. Bonitas is one of the top three medical schemes registered in South Africa and one of the top two open medical schemes in the country. The Scheme is administered by Medscheme Holdings Proprietary Limited (“the Administrator”). We have been in operation for forty years providing cover for more than 730 000 lives. The Scheme offers twelve registered options (including BonCap) and three efficiency discount options (“EDO”) to suit a range of member needs. The BonCap option services approximately 83 000 beneficiaries and has a national footprint of healthcare providers. The projected implementation of the RFP services is 1 January 2023.

All suitably qualified accredited service providers / respondents / bidders / registered managed care/administration organisations are expected to fully acquaint themselves with the conditions, requirements, and specifications of this RFP before submitting the requested information. Failure to do so will be at the respondent’s detriment and the respondent cannot secure relief on the grounds of any mistakes. Bonitas will not be held liable for any costs incurred by any respondents in connection with their response to this RFP.

To facilitate the review of all submissions, the Scheme requires that all interested, suitably qualified, accredited service providers / respondents / registered managed care/administration organisations submit comprehensive information. Only the requested information should be provided. The Scheme requires clear, concise and factual responses.

The proposal submitted by the respondent constitutes an offer. All respondents are required to provide a full written response to this RFP.

For a set of the Bonitas Annual Report or details on the BonCap option, respondents are referred to the Scheme website at www.bonitas.co.za.

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Confidentiality

This information document may not be used for any purpose by the respondent other than for developing their response to the RFP and all reasonable efforts must be taken by the respondents to ensure confidentiality of any information provided. This document and any other information of a confidential nature provided to the respondent during the course of this RFP process are and shall be covered by a written undertaking.

Bonitas shall be free to share the information submitted with its legal advisors, actuaries, auditors and other professional advisors for purposes of adjudicating on the submissions received.

RFP Requirements

1. The respondents / bidders proposal must include a comprehensive description of the administration and managed care services proposed specifically, the alternative provider risk management proposals as well as any high-cost member management initiatives. This is to include the detail of any risk transfer proposals.
2. All proposed administration, management care or risk transfer fees to be proposed as a rand per principal member per month. These fees are to be effective 1 January 2023 and can be adjusted should the underlying benefits or claims experience change during the latter part of the 2022 benefit year.
3. All proposals must include healthcare cost effective initiatives that will be implemented to ensure the sustainability of the BonCap option and may include strategies to grow this option.
4. The respondents / bidders must also set out the service levels and any penalties that would apply should these or any proposed cost-effective initiative target not be achieved.
5. The RFP specifically excludes dental, optometry and emergency management services (EMS).

Scope of services

The scope of services will include but are not limited to:

1. Basic Administration Services

- Monthly report to the Principal Officer and Managed Healthcare Committee and / or the Board of Trustees ("Board") regarding the delivery of the accredited administration services to the Scheme;

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- Correspond with the Registrar of Medical Schemes regarding the obligations of the Scheme in terms of the Medical Schemes Act;
- Provide full financial support function and integrate with Bonitas Administrator for the other options.
- Provide a telephone and e-mail enquiry service for the BonCap option members and service providers;
- Enter into agreements on behalf of the BonCap option as directed by the Board with any association, body, individual or hospital, thus enabling members to enjoy preferential tariffs or fees;
- Establish and maintain all administration records necessary to carry out the objectives of the BonCap option as set out in the Rules;
- Receive and account for contributions, commission payments, co-payments, interest payments and any claims recoveries;
- Register all eligible new applicants to the BonCap option.
- Provide detail to the Bonitas primary administrator to allow for the issuing of membership cards.
- Provide broker support services.
- Receive, assess and pay the medical claims of members of the BonCap option and their registered dependants.
- Process electronic payments for BonCap option creditors;
- Maintain all accounting records necessary to compile monthly reports to the Principal Officer and relevant Board committees and quarterly to the Board on the financial position of the BonCap option;
- Ensure that business continuity and disaster recovery procedures exist and are stable; and
- Ensure full compliance with POPIA and PAIA, and any other confidentiality obligations as may be necessary in the circumstances.

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2. Basic Managed Care Services

- Monthly reports to the Principal Officer and Managed Healthcare Committee and / or the Board regarding the delivery of the BonCap managed care services to the Scheme;
- Maintain and manage the BonCap option hospital / GP network together with the Schemes principal hospital negotiator on behalf of the Scheme;
- Provide pre-authorisation services for access to in-hospital and out-of-hospital treatments;
- Provide and manage all proposed disease management services;
- Manage all maternity, acute and chronic medicine benefit authorisations;
- Manage access to all medication benefits;
- Provide clinical support around treatment requests from healthcare providers;
- Provide reporting services to enable the Scheme to objectively evaluate trends in pricing and the utilisation of benefits;
- Integrate existing managed healthcare interventions with third party service providers where necessary; and
- Report on the cost-effective initiatives projected as a result of the risk management interventions.

All the above services are to be rendered within the ambit of the Medical Scheme's Act, No. 131 of 1998 and the registered Scheme Rules.

Evaluation Criteria

The written proposal should focus on the following aspects to qualify and be considered:

Functionality / Value Proposition

- Administration capability
 - Vehicle / system capability
 - Accreditation Credentials
 - Track record
 - Team/staffing
 - Service level agreement
- Managed Care capability / services
 - Accreditation Credentials

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- Hospital management / negotiation
- Medicine management
- Disease management
- GP network management
 - Network footprint identification
 - Network contracting / reimbursement
 - Network- specialist- hospital alignment
 - Network management tools
 - Network risk management
- Specialist management
 - Network footprint identification
 - Benchmarking
 - Alignment to hospitals
 - Risk management
- Downstream cost management
 - DPM members
 - Demand management
 - In hospital cost management
 - Auxiliary cost management
 - Projected savings /skin in the game – fees offered as penalty

Fees

- Proposed fee models aligned to the objectives. Inclusive but not limited to:
 - Administration / managed care
 - Risk Transfer Fees / Capitation

B-BBEE

- Suitable B-BBEE credentials
- Ownership
- JV credentials (if applicable)

Financials

- Financial Records
- Working Capital Guarantees

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To enable Bonitas to evaluate the bidder on the above criteria, please ensure that adequate information is included in line with the submission instructions below.

Submission Instructions

The following items applicable to the bidder must be provided for in the submission utilising the sections as listed below.

Section A:

1. Proposals must be made in the official name of the company or individual under which the business is conducted (showing official business address) and **MUST BE SIGNED** by a person duly authorised to legally bind the person, partnership, company or corporation submitting the proposal. Where a special vehicle entity or a joint venture (JV) is to be formed for purposes of providing a submission, and subsequent services if the bid is successful, a full breakdown of all accreditations held by the entity/JV must be furnished, as well as full details of the distribution of duties and services. The entity/JV must be duly represented by at least one person who is duly authorized by all the JV players.
2. The bidder's company background and profile. This will include the information relating to the shareholding, the association with the Holding company and / or subsidiaries and JV arrangements.
3. The latest BEE rating certificate. An official rating to be done by an accredited ratings agency or DTI.
4. Proof of registration / accreditation / licensing (e.g., valid Certificate of Incorporation).
5. Proven track record regarding the provision of the required services and / or benefit.

Section B:

1. The latest South African Revenue Services Tax Compliance Certificate (or exemption) or letter of good standing.
2. The audited financial statements of the bidder (and / or the Holding company where these are available) for the last financial year. Where audited financial statements are not available, the management accounts for the last twelve (12) months accompanied by a letter from the accountant or financial manager explaining why there are no audited financial statements.
3. Valid Insurance Certificate for Professional Indemnity.

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Section C:

1. Experience – summary of experience and special expertise in providing the type of services identified in the requested services and include resumes of key personnel.
2. Include the relevant accreditation, professional association or registration with relevant authoritative bodies (where required). Where no such accreditation or registration is required, this is to be stated.
3. Value proposition and / or differentiated service offering to Bonitas.

Section D:

1. Project Approach – Provide a brief overview of your project management philosophy, methods and practices and how they would meet the needs identified in the requested services section.
2. A detailed project timeline utilising a commencement date of 01 January 2023.

Section E:

1. Proposed fee structure aligned to the Scope of Services.
 - a. This may include risk transfer structures, management fee structures for clinically reviewing claims if the Scheme pays the claim, or similar.

Section F:

1. Proposed service level agreement detailing the services on offer.

Section G:

1. Confirmation and approach regarding the management and review of all contracted network service providers as well non-network providers.
2. You may also include the management approach of fraud, waste and abuse within this section.

Section H:

1. References - Include a list of references (including contact names, telephone numbers and email addresses) of at least three (3) recent or current clients within the last four (4) years with accompanying reference letters. The Scheme reserves the right to contact references without prior notification.

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Section I:

1. Compliance to POPIA.

Section J:

1. Information Technology (you are not required to produce certificates, policies, plans, etc., on the following, only the company / organisation approach to each):
 - a. Approach to Cyber Security, including penetration testing, vulnerability assessments or similar.
 - b. Approach to disaster recovery and business continuity.
 - c. Approach to IT System audits - ISAE3402 or similar.
 - d. ISO IT standards.
 - e. Cyber liability cover.

Section K:

1. A written undertaking regarding the confidentiality of this RFP process is required upon submission of the proposal.

Bonitas reserves the right to engage in a second phase which may require further proposals from other interested service providers. Short listed service providers may be invited to present to the Scheme at the Bonitas Medical Fund offices situated in Melrose Arch, Gauteng. Due to Covid-19 regulations, the presentation may be conducted via a virtual channel. The Scheme will advise short listed providers in advance.

Bonitas hereby invites you to submit an RFP by **12h00 on 29 July 2022**. All submissions are to be sent through by email to RFP.INFO@Bonitas.org.za. Please use subject: BONCAP RFP 006/2022 – “company name”. All enquiries can also be directed to the above email address. Take note that bidders can request claims, membership and benefit data for pricing purposes through the email indicated above before close of business 15 July 2022.

The following disqualification criteria shall be applicable in the RFP process:

- RFP submitted late, or
- RFP, wherein the minimum required documents listed above, have not been submitted.

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The respondents who apply for this contract must adhere and operate within the ambit of all relevant legislations and regulatory standards.

Please note that Bonitas reserves the right to terminate this process, extend it, or otherwise amend or vary any aspect thereof in its sole discretion. Participation in this process does not mean that any participant will be guaranteed any commercial or other relationship with Bonitas.

Bonitas looks forward to receiving your proposal.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Lee R. Callakoppen', is written over a solid horizontal line.

LEE R. CALLAKOPPEN
PRINCIPAL OFFICER

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