

Appeal by Sharecare of the Board's Notice of Intent to Award contracts resulting from RFPs ETB0047-49



Item 7 – Group Insurance Board

Timothy Steiner, Director
Bureau of Budget, Contract Administration, and Procurement

Diana Felsmann, General Counsel
Office of Legal Services





Action Items

- The Department of Employee Trust Funds (ETF) recommends the Group Insurance Board (Board) deny the appeal filed by Sharecare.

Background

- Appeals of Board procurement decisions are governed by Board Policy
- Board awarded Well WI RFP contracts to WebMD at its February 22 meeting
- Sharecare filed its appeal timely on March 8
- BCAP Director and Chief Legal Counsel conducted investigation into Sharecare's appeal claims

Background (Cont.)

- Appeal must state detailed factual grounds for the objection and any violations of Chapter 40
- Subjective opinion of Eval. Committee members is not appealable
- Potential Board Appeal Options:
 - Rescind Intent to Award and award to a different bidder
 - Rescind Intent to Award and terminate procurement
 - Deny appeal and proceed with original award decision
- Board's Appeal Decision is Final

Overview of Appeal Arguments

- ETF consolidated appeal claims under two general categories
- Argument 1: The evaluation process was unfair or flawed
 - Scores were changed without justification
 - Sharecare's capabilities were understated and WebMD's were overstated
- Argument 2: ETF awarded contracts to the higher-cost vendor
 - Sharecare's price was unjustifiably adjusted upward
 - ETF should not pay a higher price for an inferior solution
 - ETF has not provided pricing information to Sharecare

Conclusions – Argument 1

- The Procurement followed standard Chapter 40 procurement procedures
- Proposal scores were changed based on established procurement practices
- ETF staff asked clarifying questions of both finalist vendors

Conclusions: Argument 1 (Cont.)

- Sharecare cited two examples where it felt WebMD was scored too high
- The proposed scoring changes would not have materially changed vendor finalist rankings for general and technical scoring
- WebMD's proposal consistently scored higher in general and technical scoring across all 3 RFPs

Conclusions – Argument 2

- Sharecare's Best and Final Offer excluded required cost elements
- Estimated \$0.30 additional PEPM for Wellbeing administrative costs
 - \$196,000/year for digital and hard incentive cards + postage for hard cards
 - \$198,000/year for postage for printed mailing campaigns (does not include print costs)
 - Total = \$394,000/year (\$0.30 PEPM based on 110,000 estimated participants)

Conclusions: Argument 2 (Cont.)

- Vendors were provided with sufficient information to inform cost proposals and had opportunities to ask questions
- ETF was unable to verify Sharecare's claim that it had a higher ROI
- ETF may withhold pricing information because contract negotiations have not yet begun

Recommendation

ETF recommends that the Sharecare appeal be denied

- The evaluation committee based its recommendation on the information gleaned through a rigorous evaluation process
- Vendors were treated equally throughout this process
- Proposals submitted by WebMD and Sharecare were competitive; however, the Evaluation Committee unanimously concluded that WebMD had the stronger proposal and would best meet the goals of the State's benefit programs



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Questions?

Thank you



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