

REQUEST FOR PROPOSALS
ISSUED BY
THE NEW MEXICO HUMAN SERVICES DEPARTMENT
MEDICAL ASSISTANCE DIVISION
FOR
ACTUARIAL SERVICES



State of New Mexico
Human Services Department
Medical Assistance Division
P. O. Box 2348
Santa Fe, New Mexico 87504

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I. INTRODUCTION

A. PURPOSE OF THIS REQUEST FOR PROPOSALS

The State of New Mexico's Human Services Department (HSD), Medical Assistance Division (MAD) is requesting proposals for the provision of actuarial services associated with the implementation and administration of Medical Assistance Programs, including, but is not limited to, managed care, State Coverage Insurance (SCI), long term care managed care, behavioral health programs and other initiative projects under the *InsureNM!* program within the New Mexico Medical Assistance Division.

The purpose of this Request for Proposal (RFP) is to select through a competitive procurement process a qualified offeror that has the experience and expertise to perform the consultation services as described in the Scope of Work, Section VI of this RFP and Terms and Condition of the Contract, Appendix B. Offerors shall be required to provide the services identified in the scope of work under the direction of the project manager.

Offerors must meet the following conditions to be an eligible candidate for contract award:

1. Offeror may not be a New Mexico Medicaid provider;
2. Offeror may not currently be a subcontractor to a company performing Medicaid services for the HSD;
3. The offeror may not have a contract with any state or local government entity that is a Medicaid provider or contractor;
4. Offeror must be able to present sufficient assurances to the state that the award of the contract to the offeror will not create a conflict of interest between the contractor, the HSD, Medicaid managed care organizations (MCO) or any MCO subcontractor; and
5. By submitting a proposal in response to this RFP, the offeror agrees not to enter into any contractual relationship as a contractor or employment relationship with any managed care organizations participating in the Medicaid managed care program. The successful offeror may not enter into contractual relationships with potential Medicaid managed care offerors to conduct consultant services related to managed care, SCI, long term managed care and behavioral health during any Medicaid managed care procurement.

B. SUMMARY SCOPE OF WORK

The scope of work will encompass analytic, actuarial and reporting tasks that will provide the Division with meaningful information on the progress and direction of the Medicaid managed care, SCI, long term care managed care, behavioral health programs and other initiatives under the *InsureNM!* program within the New Mexico Medical Assistance Program. The data will assist MAD in determining if the programs are fiscally sound, in all aspects, and operating as

economically and efficiently as possible. The contractor will conduct actuarial studies to determine the validity of existing rates paid to managed care organizations (physical, behavioral health, SCI, along with other managed care programs) and sub-capitated providers, using data from actual experience under managed care as well as comparative data from the previous fee for service system and encounter data. The contractor will assist MAD in future rate setting activities.

C. SCOPE OF PROCUREMENT

The scope of the procurement includes the operation and support services required to accomplish those tasks defined in the Scope of Work, Section VI. The contract is scheduled to begin on July 1, 2010 and run two years, through completion of the final report in June 2012. However, contract funding will be made available annually and aligned with the state fiscal year. Distinct and separate funding will be made available for each of the fiscal years, July 1, 2010 through June 30, 2011 (FY11) and July 1, 2011 through June 30, 2012 (FY12). There shall be no carryover between fiscal years. The contract may be extended for one additional two-year term in the event additional work associated with evaluation of the managed care program is required. Should the contract be extended, funding will again be made available annually pursuant to the state fiscal year, as described above, with no carryover between the fiscal years.

D. OFFEROR QUALIFICATIONS/CONFLICT OF INTEREST

This RFP is open to any offeror capable of performing the work described in the Scope of Work, Section VI, subject to the following stipulations:

1. an offeror shall not contract with HSD for any consultation services for the Medicaid program that would conflict with the requirements of this procurement;
2. pursuant to the Governmental Conduct Act, Sections 10-16-1 et. seq. (NMSA 1978), an offeror shall have no direct or indirect interest which conflicts with the performance of services covered under this agreement;
3. pursuant to Sections 13-19-191, 30-24-2, 30-41-1, through 30-41-3 NMSA 1978, an offeror may not provide or offer bribes, gratuities, and kickbacks to applicable state personnel;
4. an offeror shall ensure that no elected or appointed officer or other employee of the State of New Mexico shall benefit financially or materially from the successful award of the contract to the offeror and that no individual employed by the State of New Mexico shall be admitted to any share or part of the contract or to any benefit that may arise therefrom;
5. the burden is on the offeror to present sufficient assurance to HSD that the award of the Contract to the offeror shall not create a conflict of interest.

E. PROCUREMENT MANAGER

HSD has designated a Procurement Manager who is responsible for the conduct of this procurement whose name; address and telephone number are listed below.

Michael Aragon, Procurement Manager
Human Services Department
P.O. Box 2348
Santa Fe NM 87504-2348
Telephone: (505) 827- 3158
Fax Number: (505) 827-3105
E-Mail: Michael.Aragon@state.nm.us

All deliveries via express carrier should be addressed as follows:

Michael Aragon, Procurement Manager
Human Services Department
2025 Pacheco Street, Ark Plaza, Ste B 100
Santa Fe NM 87505

Any inquiries or requests regarding this procurement shall be submitted, in writing, **ONLY** to the Procurement Manager. Questions shall be clearly labeled and shall cite the specific RFP, or contract section which form the basis of the question. Offerors may contact **ONLY** the Procurement Manager regarding the procurement. Other state employees do not have the authority to respond on behalf of HSD. HSD shall not assume responsibility for any answers or clarifications received from other HSD staff or any other state staff.

F. DEFINITIONS OF TERMINOLOGY

This Section contains definitions that are meaningful to the administration of the Medicaid managed care program, many of which are used throughout this procurement document, including appropriate abbreviations.

"Abuse" provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to Medicaid, in reimbursement for services that are not medically necessary, or in services that fail to meet professionally recognized standards for health care. Abuse also includes client or member practices that result in unnecessary costs to Medicaid.

"Assignment Algorithm" a mathematically weighted pre-determined method for assigning MCO mandatory enrollees who do not select an MCO, based on compliance with the HSD's quality standards.

"Benefit Package" Medicaid covered services which shall be furnished by the MCO and for which payment is included in the capitation rate.

"Behavioral Health Organization" an entity that, pursuant to a subcontract with a MCO, assumes responsibility for the provision of behavioral health services including but not limited to, network

formation, utilization management, and coordination of services. This entity does not have to be licensed to assume risk under the Insurance Code.

"Capitation" a per member, monthly payment to an MCO that covers contracted services and is paid in advance of its delivery.

"Case" a household that Medicaid treats as a unit for purposes of eligibility determination, e.g. a parent and child, a legal guardian and child, a set of siblings, etc.

"Claims Processing Contractor" a contractor who primarily processes data used in the calculation of capitated payments for contractors and who receives, processes, and pays claims for provider reimbursement under the Medicaid fee-for-service program.

"Client" an individual who has applied and been determined eligible for Title XIX (Medicaid) or Title XXI (Children's Health).

"Community-Based" a system of care which seeks to provide services in or near the member's home community to the greatest extent possible.

"Comprehensive Care" a system of care which encompasses primary (including prevention), secondary, and tertiary health care and ensures coordination of a client's physical health, and behavioral health needs.

"Continuous Quality Improvement" (CQI) a process for improving quality which assumes that opportunities of improvement are unlimited, is customer-oriented, is data driven, results in implementation of improvements, requires continual measurement of implemented improvements, and modification of improvements as indicated.

"Contract" means an agreement for the procurement of items of tangible personal property or services.

"Contract Administrator" means the individual selected by HSD to monitor all aspects of the contract resulting from this RFP.

"Contractor" shall mean successful offeror.

"Cultural Competence" cultural competence requires individuals and systems to develop and expand their ability to provide services effectively to people of all cultures, races, ethnic backgrounds and religions in a manner that respects the worth of the individual and protects and preserves their dignity.

"Determination" means the written documentation of a decision of a procurement manager including findings of fact required to support a decision. A determination becomes part of the procurement file to which it pertains.

"Desirable" the terms "may", "can", "preferably", or "prefers" identify a desirable or discretionary item or factor.

"**DFA**" means Department of Finance and Administration for the State of New Mexico.

"**DHHS**" means the U.S. Department of Health & Human Services.

"**Disenrollment**" the due process removal of a member from participation with the MCO.

"**Eligibility Manual**" means the State of New Mexico Medical Assistance Division Eligibility Manual.

"**Emergency**" an emergency condition exists when a patient manifests acute symptoms and/or signs which, by reasonable medical judgment, represent a condition of sufficient severity such that the absence of immediate medical attention could reasonably be expected to result in death, serious impairment of bodily function or major organ, and/or serious jeopardy to the overall health of the patient.

"**Encounter**" record of a medical service rendered by a provider(s) to a MCO member. Encounters do not include records of denied services or services paid entirely by a third party.

"**Enrollment**" the process of joining eligible clients with an MCO for purposes of management and coordination of health care delivery;

"**Evaluation Committee**" means a body appointed by HSD management to perform the assessment of offeror proposals.

"**Evaluation Committee Report**" means a report prepared by the Procurement Manager and the Evaluation Committee for submission to the Secretary of HSD for contract award that contains all written decisions resulting from the conduct of a procurement requiring the evaluation of competitive sealed proposals.

"**Exempt**" a client who is eligible to participate in managed care based on the combination of eligibility category and Federal match code. However, based on other criteria, the client is not mandated to participate.

"**Family-Centered Care**" when the child is the patient, the system of care recognizes the importance of the family and reflects this in the way services are planned and delivered. Family-centered care facilitates family member/professional collaboration which builds on individual and family strengths and respects diversity of families.

"**Family Planning Services**" services provided to individuals of childbearing age to temporarily or permanently prevent or delay pregnancy.

"**Federally Qualified HMO**" is a Health Management Organization (HMO) that has been determined by the Centers for Medicare and Medicaid (CMS) of DHHS to be a qualified HMO under section 1310 of the Public Health Service Act.

"Fee-for-Service" (FFS) traditional payment mechanism wherein payment is made after services are rendered and billed.

"Finalist" offeror who meets all the mandatory specifications of the RFP and whose score on evaluation factors is sufficiently high to qualify that offeror for further consideration by the Evaluation Committee.

"Fraud" an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or to some other person. It includes any act that constitutes fraud under applicable Federal or State law.

"Full Risk Contracts" contracts that place the MCO at risk for furnishing or arranging for comprehensive services.

"FY" means Fiscal Year of the State of New Mexico and **"FFY"** means the fiscal year of the U.S. Government. The New Mexico State fiscal year is July I through June 30. The Federal fiscal year is October I through September 30.

"Gag Order" subcontract provisions or MCO practices which effectively prevent a provider from furnishing accurate or complete information to members about their options for diagnosis or treatment of a medical illness, injury, or condition or prevents a provider from making comments to the member about the MCO or its business practices.

"Grievance" verbal or written statement by member that expresses dissatisfaction with some aspect of the MCO, PCP, or health care received or requested and not received, which the member wishes to resolve.

"Human Services Department" (HSD) the executive department in New Mexico responsible for the administration of Title XIX (Medicaid). The term HSD may also indicate the Department's designee, as applicable.

"Incurred But Not Reported" (IBNR) claims for services which have been authorized or rendered for which the MCO has incurred financial liability, but the claim has not been received. This estimating method relies on data from prior authorization and referral systems, as well as other data analysis systems.

"Insure New Mexico" a program of initiatives aimed at decreasing the number of uninsured New Mexicans and increasing the number of small employers offering health insurance in New Mexico. (See: [HTTP://insurenwemexico.state.nm.us](http://insurenwemexico.state.nm.us))

"Managed Care Organization" (MCO) an organization that is contracted with HSD and is licensed to manage, coordinate and assume financial risk on a capitated basis for the delivery of a specified set of services to enrolled members in a given geographic area.

"Managed Care Regulations" the regulations that contain HSD's managed care policies and quality standards. A current copy is available in the procurement library.

"Mandatory" the terms "must", "will", "shall", "is required". or "are required", identify a mandatory item or factor.

"MCO Mandatory Enrollee" a client whose enrollment into an MCO is mandated.

"Medicaid" medical assistance program authorized under Section XIX of the Social Security Act furnished to New Mexico residents who meet specific eligibility requirements.

"Medical Assistance Division" (MAD) the Division at the Human Services Department that administers the Medicaid program.

"Medically Necessary Services" those medical services which: (a) are essential to prevent, diagnose, prevent the worsening of, alleviate, correct, or cure member medical conditions that endanger life, cause suffering or pain, cause physical deformity or malfunction, threaten to cause or aggravate a handicap, or result in illness or infirmity of a member; (b) are provided at an appropriate facility and at the appropriate level of care for the treatment of a member's medical condition; and (c) are provided in accordance with generally accepted standards of medical practice.

"Member" a client who has been enrolled in an MCO.

"Member Month" a calendar month in which a member is enrolled in an MCO.

"National Committee for Quality Assurance" (NCQA) national organization which develops quality standards for use in managed care.

"Network Provider" individual provider, clinic, group, association, or facility which is employed or subcontracts with the MCO to furnish medical services to members under the provisions of the Medicaid managed care contract.

"Offeror" is any person, corporation, or partnership which chooses to submit a proposal.

"Payment" amounts the organization pays the physician or physician group in a physician incentive program for services they provide directly, plus amounts paid for administration and amounts paid based on levels and costs of referral services such as withhold amounts, bonuses based on referral levels, and any other compensation to physician or physician group to influence the use of referral services.

"Primary Care Provider" (PCP) provider who agrees to manage and coordinate the care provided to members in the managed care program.

"Procurement Manager" means the person or designee authorized by HSD to manage or administer a procurement requiring the evaluation of competitive sealed proposals.

"Program Manual" means the State of New Mexico Medical Assistance Division Program Policy Manual.

"Rate Cell" a combination of category of eligibility and demographics used to isolate utilization patterns for the determination of capitation.

"Received But Unpaid Claims" (RBUC) claims which are received by the MCO but not paid affecting appropriate expense and aging accounting categories. Such claims are counted as of date of receipt by the MCO.

"Referral" Any speciality, inpatient, outpatient or laboratory services that a physician or physician group orders or arranges, but does not provide directly.

"Reinsurance" reinsurance is a proactive financial instrument which may minimize the MCO's exposure against losses from extensive costs which have occurred when: 1) an MCO's member has utilized health care services beyond an anticipated level; or 2.) overall member utilization is greater than expected .

"Request for Proposals" (RFP) means all documents, including those attached or incorporated by reference, used for soliciting proposals.

"Responsive Offer" or "Responsive Proposal" means an offer or proposal that conforms in all material respects to the requirements set forth in the request for proposals. The term "material respects" includes, but is not limited to the price, quality, quantity or delivery requirements of the relevant product or service.

"Risk" the possibility that revenues of the MCO will not be sufficient to cover expenditures incurred in the delivery of contractual services.

"Routine Care" all care which is not an emergency or urgent.

"State Purchasing Agent" (SPA) means the purchasing agent for the State of New Mexico or a designated representative thereof.

"Subcontract" a written agreement between the MCO and a subcontractor, or between a subcontractor and another subcontractor, to provide services.

"Subcontractor" a third party who contracts with the MCO or parties the MCO has in turn contracted with for the provision of services which the MCO has contracted with HSD to perform.

"Third Party" an individual entity or program which is or may be liable to pay all or part of the expenditures for Medicaid members for services furnished under a State Plan.

"Urgent Condition" an urgent condition exists when a patient manifests acute symptoms and/or signs which, by reasonable medical judgment, represent a condition of sufficient severity such that the absence of medical attention within 24 hours could reasonably be expected to result in an emergency condition.

G. NOTICE TO OFFEROR

This procurement is governed by the Procurement Code, NMSA 1978 Sections 13-1-28 through 13-1-199 and General Services Department regulation 1.4.1 NMAC. The code imposes civil and criminal penalties for its violation. In addition, New Mexico criminal statutes impose felony penalties for bribes, gratuities, and kickbacks.

H. DOCUMENT VALIDITY

The RFP consists of Sections I – VII, including appendices. The offeror's proposal will consist of those documents labeled as such and submitted by the offeror in the manner and time frame described in this RFP.

I. BACKGROUND INFORMATION

This section provides background on the Human Services Department, the Medical Assistance Division, and the Medicaid managed care program that may be helpful to the offeror in preparing a proposal. The information is provided as an overview and is not intended to be a complete and exhaustive description.

1. HSD Mission Statement

- (a) To reduce the impact of poverty on people served by providing services that prevent or reduce poverty.
- (b) To reduce the impact of poverty on the State of New Mexico.
- (c) To impact positively the social and economic health of New Mexico.
- (d) To assure low-income and disabled individuals in New Mexico equal participation in the life of the community.

2. HSD Vision Statement

"Our vision is to create an organization that frees families and individuals from dependency and assists them to go forth and make their own future. As part of this vision:

We affirm the intrinsic and practical value of work.

We encourage clients, employees and communities to identify and develop their assets.

We envision shared responsibility for the health and safety of all New Mexicans

We are committed to strengthening the communities of New Mexico."

3. HSD Resources and Locations

The Medicaid portion of HSD's budget is \$ 3.43 billion. Approximately seventy five percent (75%) of HSD's revenue is from Federal sources, twenty one percent (21%) is from the State General Fund and four percent (4%) from other State funds.

HSD's central offices are located in four Santa Fe office buildings: the Pollon Plaza Building (Secretary's Office, Office of Inspector General, Office of General Counsel, and Child Support Enforcement Division); the Plaza la Prensa Building (Behavioral Health Services Division, Income Support Division and Human Resources Division) and the Plaza San Miguel Building (Administrative Services Division). The Medical Assistance Division is located at the Ark Plaza Building.

4. Organization of HSD

HSD is a cabinet-level agency in the Executive Branch of New Mexico State government, headed by a Secretary who is appointed by the Governor and confirmed by the New Mexico Senate. HSD consists of the Office of the Secretary and six divisions.

(a) Office of the Secretary

The Office of the Secretary consists of the Secretary of Human Services; the Deputy Secretary for Programs; the Deputy Secretary for Finance and Administration; the Office of General Counsel; and the Office of Inspector General. This office provides public information services and includes administrative support personnel.

The Secretary provides cabinet-level direction for data processing services in HSD and serves as a point of appeal when contractual disputes arise. The Office of General Counsel provides legal support for all Medical Assistance Division contracts. The Office of Inspector General investigates and pursues cases of fraud and abuse.

(b) Administrative Services Division (ASD)

The Administrative Services Division performs those duties associated with data processing, accounting, budgeting, federal reporting, grant administration and general administrative support.

(c) Behavioral Health Services Division (BHSD)

The Behavioral Health Services Division is responsible for improving the access, quality, and accountability of the delivery of behavioral health services to New Mexico residents in need of those services. The division coordinates comprehensive behavioral health treatment and prevention for New Mexicans in partnership with the Behavioral Health Purchasing Collaborative.

(d) Child Support Enforcement Division (CSED)

The Child Support Enforcement Division provides child support enforcement services to the general public and to recipients of Temporary Assistance to Needy Families (TANF) and Medicaid. The division was created to establish and enforce support obligations owed by absent parents to their children.

(e) Income Support Division (ISD)

The Income Support Division determines eligibility for all programs administered by HSD, including Medicaid and issues payments to recipients of cash assistance programs such as TANF. The division administers its programs from a central office in Santa Fe as well as field offices in each county. Field staff are responsible for interviewing clients, determining eligibility and issuing benefits for the food stamp, TANF, Medicaid and other assistance programs.

(f) Information Technology Division (ITD)

The Information Technology Division develops and maintains HSD's automated systems and equipment including large scale information systems that establish and record eligibility for public assistance, deliver services and benefits, and produce financial accounting transaction and performance measurement data.

(g) Medical Assistance Division (MAD)

The Medical Assistance Division manages and administers the Medicaid program for the State of New Mexico. Medicaid is authorized under Title XIX of the Social Security Act. The program provides access to medically necessary health services for eligible individuals. The federal and state governments jointly fund the program, with the federal contribution determined by the relative national ranking of the state in per capita income. Currently, New Mexico receives about 73 federal dollars for every 27 state dollars to fund the program.

The fee-for-service Medicaid program has traditionally represented one of the fastest growing segments of the State's budget. Annual growth rates have far out paced growth in the General Fund revenues needed to support the State's share of the program. HSD has now met the challenge of reducing the growth rate of Medicaid program costs by implementing SALUD!, the New Mexico Medicaid managed care program. The program is in its' twelfth year of existence.

MAD is the lead agency for the Children's Health Insurance Program (Title XXI). Implementation of this program includes enrolling children between 185-235% of the federal poverty level in Medicaid managed care. The program is an extension of Title XIX and began on March 1, 1998, on a statewide basis.

5. Overview of the Medical Assistance Program - Medicaid

(a) Medicaid Eligibles

While New Mexico's Medicaid Program covers more than 30 eligibility categories, the following are the major groups of persons eligible for Medicaid: individuals in households receiving TANF under welfare reform; blind and disabled individuals receiving Supplemental Security Income (SSI); certain aged, blind, and disabled individuals requiring nursing home care; children under the jurisdiction of the state; pregnant women in households with incomes at or below 185 percent of the federal poverty level (FPL) guidelines; children up to age 19 in households with incomes at or below 185 percent of the FPL; and children in households with income up to 235% of the FPL under Title 21. The remainder of the categories are related to special circumstances and/or type of

service needed. It is estimated that as of July 2009 340,742 of these clients are served under the Medicaid managed care program.

(b) Covered Services

As of July 2009 approximately 465,340 individuals in New Mexico had Medicaid eligibility for at least part of the year. Further, about 80 percent of the individuals utilized at least one covered health service during the year.

Medicaid program regulations allow reimbursement for a broad array of health services and providers. Mandated services include: general acute inpatient hospital care; outpatient hospital services; physician services provided in a variety of settings; nursing home care; home health care; hospice care; rural health clinic services including services in Federally Qualified Health Care centers; laboratory and radiology; nurse practitioner services; medically necessary EPSDT (Early Periodic Screening, Diagnosis, and Treatment) services for clients under age 21; family planning; nurse midwife services; and emergency and non-emergency transportation. Optional services covered in New Mexico include specialty inpatient hospital services; outpatient drugs; rehabilitation services; dental services; medical supplies and durable medical equipment; case management; home and community-based waiver services; optometry and related services; prosthetics; and intermediate care services for the mentally retarded. The managed care benefit package includes most, but not all, of these services which are currently covered under the Medicaid fee-for-service program. The managed care program is administered as a fully capitated, risk based system under contract.

(c) Administration of the Medicaid Program

The Medical Assistance Division, staffed by about 150 employees, is organized by functional area and includes ten (10) bureaus: Director's Office, Quality Assurance, Client Services, Benefit Services Bureau, Program Administration Bureau, Program Oversight Bureau, Program Information Bureau, School Health Unit, Insure New Mexico Project and the Contract Administration Bureau. Administrative support and program coordination functions are assigned to the Office of the Division Director. The Medical Assistance Division works collaboratively with other agencies in managing the Medicaid program. Specifically, it works with the Aging and Long Term Services Division (ALTSD) and Department of Health (DOH) in administration of the Home and Community-based Waivers and behavioral health services for adults, and with the Children, Youth, and Families Department (CYFD) in administration of behavioral health services for children and adolescents.

(d) Information Systems

The Medical Assistance Division, under contract with ACS, Inc., operates the Medicaid Management Information System (MMIS). This system processes medical claims, issues payments to providers and generates management reports. Approximately twelve years ago the managed care component was designed, developed and implemented to enroll clients in managed care plans, issue capitation payments to the MCOS, and generate management reports from encounter data submitted to ACS by the MCOs.

6. Other Medical Assistance Programs

(a) State Coverage Insurance

State Coverage Insurance (SCI) is a public/private partnership that allows small employers to purchase subsidized health insurance through two Medicaid waiver programs. The product is directed toward working adults under 200% of the Federal Poverty Level employed by small businesses. It uses Federal S-CHIP and Title XIX Medicaid monies that provide a Federal match, combined with a small employer contribution and a sliding scale premium for the employee. Fifty Thousand enrollees currently participate in the program.

(b) Premium Assistance Programs

The Medical Assistance Division offers a premium assistance program for children and pregnant women who do not meet the income qualifications for the Medicaid program and who are uninsured. These programs are funded with state general fund and have no federal monies.

(c) Throughout the course of this contract, there may be other non-Medicaid programs developed and implemented by the Medical Assistance Program.

J. PROCUREMENT LIBRARY

The Procurement Manager has established a Procurement Library in the Medical Assistance Division Building at 2025 Pacheco Street, Ark Plaza, Contract Administration Bureau, Santa Fe, New Mexico 87505. Offerors are encouraged to review the material contained in the Procurement Library by contacting the Procurement Manager or his designee and scheduling an appointment. Offerors are welcome to take notes in the Procurement Library. All of the materials are available for review only and may not be copied or removed from the library and other copies shall not be made available, with the exception of the Procurement Regulations which may be found at the internet address provided below.

The library contains the information listed below:

1. Medicaid program utilization data
2. Managed Care Organization contracts (7)
3. Mercer – Actuarial Data
4. Procurement Regulations – www.state.nm.us/spd
5. Managed Care Regulations

II. CONDITIONS GOVERNING THE PROCUREMENT

A. PROCUREMENT SCHEDULE

The following schedule will be followed as closely as possible, in the procurement of the services described in this RFP. The HSD reserves the right to revise this schedule without the need for formal amendment. Offerors will be notified, in advance, in the event a schedule revision is required:

| | Action | Responsibility | Date |
|-----|--|---------------------------|-------------------------------|
| 1. | Issue RFP | HSD | <i>February 8, 2010</i> |
| 2. | Pre-Proposal Conference | HSD Potential Offerors | <i>To Be Determined</i> |
| 3. | Acknowledgement of Receipt Forms Due | Potential Offerors | <i>February 22, 2010</i> |
| 4. | Deadline To Submit Written Questions | Potential Offerors | <i>March 3, 2010</i> |
| 5. | Response to Written Questions/RFP Amendments | HSD | <i>March 19, 2010</i> |
| 6. | Submission of Proposal | Offerors | <i>April 1, 2010</i> |
| 7. | Proposal Evaluation | Evaluation Committee | <i>April 20, 2010</i> |
| 8. | Selection of Finalists | Evaluation Committee | <i>April 27, 2010</i> |
| 9. | Best and Final Offers from Finalists | Offerors | <i>May 4, 2010</i> |
| 10. | Oral Presentation and/or Product Demonstrations by Finalists | Offerors | <i>May 11, 2010</i> |
| 11. | Notice of Contractor Selection | HSD | <i>May 20, 2010</i> |
| 12. | Contract Negotiations | HSD Offeror | <i>May 27, 2010</i> |
| 13. | Finalize Contract | HSD Offeror | <i>To Be Determined</i> |
| 14. | Contract Award | HSD | <i>June 11, 2010</i> |
| 15. | Protest Deadline | Offerors | <i>As provided by statute</i> |
| 16. | Contract Effective Date | | <i>July 1, 2010</i> |

B. EXPLANATION OF EVENTS

The following paragraphs describe the activities listed in the sequence of events shown in Section II, Paragraph A.

1. **Issue RFP**

This RFP is being issued by the New Mexico Human Services Department on **February 8, 2010**.

2. **Pre-Proposal Conference**

The Pre-Proposal Conference will be held on **a date to be determined**.

3. Acknowledgement of Receipt Forms Due

Potential offerors should hand-deliver or return by facsimile or by registered or certified mail the "Acknowledgement of Receipt of Request For Proposals Form" that accompanies this document (See Appendix A) to have their organization placed on the procurement distribution list. The form should be signed by an authorized representative of the organization, dated and returned by close of business on **February 22, 2010**.

The procurement distribution list will be used for the distribution of written responses to questions and any RFP amendments.

Failure to return this form shall constitute a presumption of receipt and rejection of the RFP, and the potential offeror's organization name shall not appear on the distribution list.

4. Deadline to Submit Written Questions

Potential offerors may submit additional written questions as to the intent or clarity of this RFP until close of business on **March 3, 2010**. All written questions must be addressed to the Procurement Manager (See Section I, Paragraph E).

5. Response to Written Questions/RFP Amendments

Written responses to written questions and any RFP amendments will be distributed on **March 19, 2010** to all potential offerors whose organization name appears on the procurement distribution list. An Acknowledgement of Receipt Form will accompany the distribution package. The form should be signed by the offeror's representative, dated, and hand-delivered or returned by facsimile or by registered or certified mail by the date indicated thereon. Failure to return this form shall constitute a presumption of receipt and withdrawal from the procurement process. Therefore, the offeror's organization name shall be deleted from the procurement distribution list.

Additional written requests for clarification of distributed answers and/or amendments must be received by the Procurement Manager no later than seven (7) days after the answers and/or amendments were issued.

6. Submission of Proposal

ALL OFFEROR PROPOSALS MUST BE RECEIVED BY THE PROCUREMENT MANAGER OR DESIGNEE NO LATER THAN 5:00 PM MOUNTAIN DAYLIGHT TIME ON April 1, 2010. Proposals received after this deadline will not be accepted. The date and time will be recorded on each proposal. Proposals must be addressed and delivered to the Procurement Manager at the address listed in Section I, Paragraph E. Proposals must be sealed and labeled on the outside of the package to clearly indicate that they are in response to the ACTUARIAL SERVICES Request for Proposals. Proposals submitted by facsimile will not be accepted.

A public log will be kept of the names of all offeror organizations that submitted proposals. Pursuant to Section 13-1-116 NMSA 1978, the contents of any proposal shall not be disclosed to competing offerors prior to contract award.

7. Proposal Evaluation

The evaluation of proposals will be performed by an evaluation committee appointed by HSD management. This process will take place during **April 5, 2010 – April 20, 2010**. During this time, the Procurement Manager may initiate discussions with offerors who submit responsive or potentially responsive proposals for the purpose of clarifying aspects of the proposals, but proposals may be accepted and evaluated without such discussion. Discussions **SHALL NOT** be initiated by the offerors.

8. Selection of Finalists

The Evaluation Committee will select and Procurement Manager will notify the finalist offerors on **April 27, 2010**. Only finalists will be invited to participate in the subsequent steps of the procurement.

9. Best and Final Offers From Finalists

Finalist offerors may be asked to submit revisions to their proposals for the purpose of obtaining best and final offers by **May 4, 2010**. Best and final offers may be clarified and amended at the finalist offeror's oral presentation (if necessary)

10. Oral Presentation and/or Product Demonstrations by Finalists

Finalist offerors may be required to present their proposals to the Evaluation Committee on **May 11, 2010**. The Procurement Manager will schedule the time for each offeror presentation. All offeror presentations will be held in Medical Assistance Division's Conference room, Ark Plaza, 2025 S. Pacheco Street, Santa Fe, New Mexico. Each presentation will be limited to two hours (2) in duration. The need for an Oral Presentation will be determined by the Procurement Manager and the Evaluation Committee.

11. Notice of Contractor Selection

HSD shall send a notice of intent to award to the selected offeror(s) **May 20, 2010**. However, HSD reserves the right to delay the contract award until after that date if such a delay is in the best interest of the State. The contract will be awarded to the offeror(s) whose proposal is most advantageous to HSD, taking into consideration the evaluation factors set forth in this RFP. The most advantageous proposal may or may not have received the most points or have the lowest cost.

The actual award of the contract shall not occur until all required approvals are obtained including the Department of Finance and Administration (DFA).

12. Contract Negotiations

Contract negotiations will be conducted with the selected offeror on **May 27, 2010**. In the event that mutually agreeable terms cannot be reached within the time specified, HSD reserves the right to finalize a contract with the next most advantageous offeror without undertaking a new procurement process.

13. Finalize Contract

Contract will be finalized on **a date to be determined.**

14. Contract Award

This contract shall be awarded to the offeror whose proposal is most advantageous, taking into consideration the evaluation factors set forth in the RFP.

15. Protest Deadline

Any protest by an offeror must be timely and in conformance with Section 13-1-172 NMSA 1978 and applicable procurement regulations. The protest must be delivered to:

Danny Sandoval, Deputy Director
Administrative Services Division
Human Services Dept.
P. O. Box 2348
Santa Fe, New Mexico 87504-2348
Telephone: 505-827-9412
E-mail: Danny.Sandoval@state.nm.us
Fax: 505-827-8199

16. Contract Effective Date

The anticipated contract start date is **July 1, 2010**. As stated in paragraph 11 above, the contract is subject to the appropriate state approvals. No work may be performed by the offeror until the contract is fully executed. HSD assumes no liability for any work performed by the selected offeror in anticipation of a binding contract prior to the approval date from the Department of Finance and Administration.

C. AMENDMENTS TO RFP

Any amendments to this RFP will be issued to all offerors. Offerors will be required to acknowledge receipt of the amendments in writing.

D. QUESTIONS ABOUT THE RFP

Questions regarding this RFP must be submitted in writing to the Procurement Manager.

Offeror may contact **ONLY** the Procurement Manager regarding the procurement. Other state employees do not have the authority to respond on behalf of HSD.

E. GENERAL REQUIREMENTS

This procurement shall be conducted in accordance with the State Purchasing Agent's procurement regulations, GSD Rule 1.4.1 NMAC et. seq.

1. Acceptance of Conditions Governing the Procurement

Offerors shall indicate their acceptance of the "Conditions Governing the Procurement" section of the RFP in the letter of transmittal. Submission of a proposal constitutes acceptance of the Evaluation Factors contained in Section V of this RFP.

2. Incurring Cost

Any cost incurred by the offeror in preparation, transmittal and presentation of any proposal or material submitted in response to this RFP shall be borne solely by the offeror.

3. Prime Contractor Responsibility

Any contract that may result from this RFP shall specify that the prime contractor is solely responsible for fulfillment of the contract with HSD. HSD shall make contract payments to only the prime contractor and shall consider the selected offeror to be the sole point of contact with regard to any final contract.

4. Subcontractors

Use of subcontractors shall be clearly explained in the proposal. Major subcontractors shall be identified by name. The prime contractor shall be wholly responsible for the entire performance.

5. Amended Proposals

An offeror may submit an amended proposal before the deadline for receipt of proposals. Such amended proposals shall be a complete replacement for a previously submitted proposal and shall be clearly identified as such in the transmittal letter. HSD personnel shall not merge, collate, or assemble proposal materials.

6. Offerors' Rights to Withdraw Proposal

Offerors shall be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. The offeror shall submit a written withdrawal request signed by the offeror's duly authorized representative addressed to the Procurement Manager.

The approval or denial of withdrawal requests received after the deadline for receipt of the proposals is governed by the applicable procurement regulations.

7. Proposal Offer Firm

Responses to the RFP, including proposal prices, will be considered firm for ninety (90) days after the due date for receipt of proposals or sixty (60) days after receipt of the best and final offer, if one is submitted.

8. Disclosure of Proposal Contents

All proposals shall be kept confidential until contract is awarded. At that time, all proposals and documents pertaining to the proposals shall be open to the public, except for the material that is identified as proprietary or confidential. Proprietary or confidential data shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal. Confidential data are normally restricted to confidential financial information concerning the offeror's organization and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act, Sections 57-3A-1 to 57-3A-7 NMSA 1978. The price of products offered or the cost of services proposed shall not be designated as proprietary or confidential information.

If a request is received for disclosure of data for which an offeror has made a written request for confidentiality, the Procurement Manager shall examine the offeror's request and make a written determination that specifies which portions of the proposal should be disclosed. Unless the offeror takes legal action to prevent the disclosure, the proposal shall be so disclosed. The offeror shall notify the Procurement Manager ten (10) days in advance of instituting legal action intended to prohibit disclosure. The proposal shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data.

9. No Obligation

This procurement in no manner obligates the State of New Mexico or any of its agencies to the eventual purchase of services offered until valid written contracts are fully executed and approved by the Department of Finance and Administration and other appropriate Federal and State authorities.

10. Termination

This RFP may be canceled at any time and any and all proposals may be rejected in whole or in part when HSD determines such action to be in the best interest of the State of New Mexico.

11. Sufficient Appropriation

Any contract awarded as a result of this RFP process may be terminated or modified if sufficient appropriations or authorizations do not exist. Such termination shall be effected by sending written notice to the contractor. HSD's decision as to whether sufficient appropriations and authorizations are available shall be accepted by the contractor as final.

12. Legal Review

HSD requires that all offerors agree to be bound by the General Requirements contained in this RFP. Any offeror's concerns shall be promptly brought to the attention of the Procurement Manager.

13. Governing Law

This procurement and any agreement with offerors that may result shall be governed by the laws of the State of New Mexico.

14. Basis for Proposal

Only information supplied by HSD in writing through the Procurement Manager or in this RFP should be used as the basis for the preparation of offeror proposals.

15. Contract Terms and Conditions

The contract between HSD and a contractor shall follow the format specified by HSD and contain the terms and conditions set forth in Appendix B, "Sample Contract". HSD reserves the right to negotiate with a successful offeror provisions in addition to those contained in this RFP. The contents of this RFP, as revised and/or supplemented, and the successful offeror's proposal shall be incorporated into the contract.

Should an offeror object to any of HSD's contract terms and conditions, as contained in this section or in Appendix B, the offeror must propose specific written alternative language at the time of submission of their proposal. HSD may or may not accept the alternative language. Should HSD reject any of the offeror's proposed changes, then the offeror agrees that the terms and conditions of the contract will be those originally proposed by HSD and any changes(s) agreed to in writing by HSD. General references by an offeror to the terms and conditions or attempts at complete substitutions are not acceptable to HSD and shall result in disqualification of the offeror's proposal.

Offerors shall provide a brief discussion of the purpose and impact, if any, of each proposed change followed by the specific proposed alternate wording.

16. Offeror's Terms and Conditions

Offerors shall submit with the proposal a complete set of any additional terms and conditions which they expect to have included in a contract negotiated with HSD.

17. Contract Deviations

Any additional terms and conditions, which may be the subject of negotiation, shall be discussed only between HSD and the selected offeror and shall not be deemed an opportunity to amend the offeror's proposal.

18. Offeror Qualifications

The Evaluation Committee may make such investigations as necessary to determine the ability of the offeror to adhere to the requirements specified within this RFP. The Procurement Manager shall reject the proposal of any offeror who is not a responsible offeror or fails to submit a responsive offer as defined in Sections 13-1-83 and 13-1-85 NMSA 1978.

19. Right to Waive Minor Irregularities

The Evaluation Committee, reserves the right to waive minor irregularities. The Evaluation Committee also reserves the right to waive mandatory requirements provided that all of the otherwise responsive proposals failed to meet the mandatory requirements and/or doing so does not otherwise materially affect the procurement. This right is at the sole discretion of the Evaluation Committee.

20. Change in Contractor Representative

HSD reserves the right to require a change in contractor representative if the assigned representative is not, in the opinion of HSD, meeting its needs adequately.

21. Imposition of Penalties

The Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978, imposes civil and misdemeanor criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities and kickbacks.

22. HSD Rights

HSD reserves the right to accept all or a portion of an offeror's proposal.

23. Right to Publish

Throughout the duration of this procurement process and contract term, potential offerors, offerors and contractors shall secure from HSD written approval prior to the release of any information that pertains to the potential work or activities covered by this procurement or the subsequent contract. Failure to adhere to this requirement may result in disqualification of the offeror's proposal or termination of the contract.

24. Ownership of Proposals

All documents submitted in response shall become the property of HSD and the State of New Mexico.

25. Contract Notice of Award Date

HSD reserves the right to delay the notice of award of contracts until after the date indicated on the schedule if such a delay is in the best interest of the State.

26. Electronic Mail Address Required

A large part of the communication regarding this procurement will be conducted by electronic mail (e-mail). Offeror must have a valid e-mail address to receive this correspondence.

27. Use of electronic Versions of this RFP

This RFP is being made available by electronic means. If accepted by such means, the offeror acknowledges and accepts full responsibility to insure that no changes are made to the RFP. In the event of conflict between a version of the RFP in the offeror's possession and the version maintained by HSD, the versions maintained by HSD shall govern.

III. RESPONSE FORMAT AND ORGANIZATION

A. NUMBER OF RESPONSES

Offerors shall submit only one proposal.

B. NUMBER OF COPIES

Offerors shall provide ten (10) identical copies of their technical and (3) identical copies of their cost proposal, each bound separately, with the cost proposal sealed, to the location specified in Section I, Paragraph E.

C. PROPOSAL FORMAT

All proposals shall be typewritten on standard 8 1/2 x 11 paper and placed within a binder with tabs delineating each section. Larger paper is permissible for charts, spreadsheets and other graphics. Proposals submitted by facsimile or other electronic means will not be accepted.

1. Proposal Organization

The technical proposal shall be organized and indexed in the following format and shall contain, as a minimum, all listed items in the sequence indicated.

Binder #1

- a) Letter of transmittal
- b) Table of contents
- c) Summary of proposed services
- d) Response to mandatory specifications

Binder #2

- e) Response to HSD Terms and Conditions
- f) Offeror's Additional Terms and Conditions
- g) Budget Proposal Form

Binder #3 (Optional)

- h) Other Supporting Material

Within each section of their proposal, offerors must address the items in the order in which they appear in this RFP. All forms provided in the RFP must be thoroughly completed and included in the appropriate section of the proposal.

Any proposal that does not adhere to these requirements may be deemed non-responsive and rejected on that basis.

The proposal summary may be included by offerors to provide the Evaluation Committee with an overview of the technical and business features of the proposal; however, this material will not be

used in the evaluation process unless specifically referenced from other portions of the offeror's proposal.

Offerors may attach other materials that they feel may improve the quality of their responses. However, these materials should be included as items in a separate appendix.

2. Letter of Transmittal

Each proposal shall be accompanied by a letter of transmittal. The letter of transmittal shall:

- (a) Identify the submitting organization;
- (b) Identify the name and title of the person authorized by the organization to contractually obligate the organization;
- (c) Identify the name and title of the person authorized by the organization to negotiate the contract on behalf of the organization;
- (d) Identify the name(s) and title(s) of the person(s) to be contacted for clarification of the proposal.;
- (e) Explicitly indicate acceptance of the Conditions Governing the Procurement Stated in Section II, Paragraph E1;
- (f) Be signed by the person authorized to contractually obligate the organization
- (g) Acknowledge receipt of any and all amendments to this RFP, if applicable.

IV. SPECIFICATIONS AND REQUIREMENTS

The Offerors should respond in the form of a thorough narrative to each mandatory specification. The narratives along with required supporting materials will be evaluated and awarded points accordingly.

A. INFORMATION

1. Contractor Staffing

The offeror's staffing will provide adequate personnel to accomplish all work described in the Scope of Work. Staff location will depend on the nature of ongoing tasks. Meetings will normally be conducted at MAD facilities in Santa Fe. It is anticipated that direct collaborative working sessions will be necessary to accomplish some of the tasks related to preliminary managed care program review activities. For estimating purposes the offeror should consider the following staff levels.

- (a) Project Director: (1) with direct experience in actuarial work related to managed care within a Medicaid environment. The Director will serve as the contract point of contact for all contract work.
- (b) Lead Actuary: (1) with directly related experience with data collection and analysis similar to those described in the Scope of Work. The Lead Actuary must be a member of the American Academy of Actuaries or the American Society of Actuaries.
- (c) Staff Members with directly related experience with actuarial analysis and rate setting.

2. HSD Support

HSD will assign staff to assist in the acquisition of program information. The Project Manager is the primary contact person and facilitator for the Contractor, and will assist the Contractor in obtaining system related information, setting up meetings, and otherwise facilitate the work. HSD support does not relieve the Contractor of the primary responsibility for completion of assigned work on the project.

B. MANDATORY SPECIFICATIONS

1. Corporate Experience:

- (a) The offeror must submit a statement of relevant corporate experience including experience of proposed subcontractors. Corporate experience should describe how the offeror has applied expertise similar to those anticipated as requirements of the New Mexico Medical Assistance Program actuarial services contract.

- (b) Offerors must submit five (5) references of previous clients who have received similar services to those proposed by the offeror for this contract. Each reference must include the name of contact person, address, telephone number and description of services provided.
- (c) Samples of material used in previous or similar projects may be submitted with the proposal.

2. Staff Experience:

The offeror must submit resumes of all proposed key staff members to be assigned to the project. The resumes or experience of each project staff member should demonstrate the member's understanding of at least the following:

- (a) Experience in actuarial analysis and rate setting.
- (b) Working knowledge of the Medicaid program;
- (c) Experience with actuarial work related to managed care health systems and its adaptation to Medicaid managed care;
- (d) Experience with rate setting for other types of insurance products such as those being contemplated in *InsureNM!*

3. References of Individual Proposed Staff Members:

Offerors must submit three (3) references for each proposed key staff member, showing work for previous clients who have received similar services to those proposed by the offeror for this contract. Each reference must include the name of contact person, address, telephone number and description and dates of services provided.

4. Work Plan

- (a) Offerors must submit a comprehensive work plan including a Gantt type chart describing the tasks to be performed, resources required, and a time frame for completion of each task listed in the Scope of Work.
- (b) Offerors must propose the use of a methodology for this project. The methodology must thoroughly describe how the contractor plans to use proposed staffing to accomplish the tasks described in the Scope of Work.

5. Suspension and Debarment and other Responsibility Matters

The offeror must complete and submit, as part of the proposal, the certification form set out as Appendix C to certify compliance with Federal Regulations relating to suspension and debarment and other responsibility matters.

C. COST

Offeror's must propose a total cost of a two-year contract. The proposed cost will be evaluated using the following:

$$A + B(X) = C1$$

A = Price for conducting typical Actuarial work for the two years

B = Hourly rate of consultation

X = Eighty hours of consultation

C1 = Total price for the two year contract.

V. EVALUATION

HSD shall conduct a comprehensive, fair and impartial evaluation of proposals received in response to this RFP. HSD shall be the sole judge in the selection of the offerors. HSD shall establish an Evaluation Committee, which shall evaluate proposals. The Committee shall consist of members who are familiar with particular aspects of this procurement and standards or criteria for the specific areas of the RFP. HSD may, at its discretion, designate members to the Committee who are not employees of HSD and who have experience in specific areas of the RFP. The Committee shall evaluate each qualifying proposal on the basis of technical merit. Cost proposals shall only be reviewed for offerors achieving an adequate score on technical merit.

A. EVALUATION PROCESS

1. All offeror proposals will be reviewed for compliance with the mandatory requirements as stipulated within the RFP. Proposals deemed non-responsive will be eliminated from further consideration.
2. The Evaluation Committee may at its option waive requirement(s) as specified in Section II, Paragraph E19.
3. The Procurement Manager may at his option contact offerors for clarification of responses.
4. The Evaluation Committee may use other sources of information to perform the evaluation as specified in Section II, Paragraph E18.
5. Responsive proposals will be evaluated on the factors in Section V which have been assigned a point value. The responsible offerors with the highest scores will be elected as finalist offerors based upon the proposals submitted. Finalist offerors who are asked or choose to submit revised proposals for the purpose of making best and final offers will have their points recalculated accordingly. Points awarded from the oral presentation will be added to the previously assigned points to attain final scores. The responsible offeror whose proposal is most advantageous to the HSD, taking into consideration the evaluation factors in Section IV, will be recommended for contract award to the HSD Secretary. Please note, however, that a serious deficiency in the response to any one factor may be grounds for rejection regardless of overall score.

B. EVALUATION POINT TABLE SUMMARY OF FACTORS

The following is a summary of evaluation factors and the point value assigned to each. These weighted factors will be used in the evaluation of the individual offeror proposals. Only finalist offerors will receive points for oral presentation.

| Factor | Points |
|-----------------------------|---------------------|
| 1. Corporate Experience | 100 |
| 2. Corporate References | 75 |
| 3. Project Staff Experience | 125 |
| 4. Work Plan | 150 |
| 5. Methodology | 200 |
| 6. Cost | 250 |
| 7. Suspension and Debarment | Accept/Reject |
| 8. Oral Presentation | <u>100</u> |
| Total | <u>1,000</u> |

C. EVALUATION FACTORS

Points will be awarded on the basis of the following evaluation factors:

1. Corporate Experience (100 points)

The Offeror's Corporate experience on tasks similar to those described in the Scope of Work will be evaluated for quality of work delivered.

2. Corporate References (75 points)

Offeror's Corporate references will be evaluated on how well the work performed met the requirements of the clients' expectations.

3. Project Staff Experience (125 points)

The Offeror's staff experience of proposed project staff members on tasks similar to those described in the Scope of Work will be evaluated for quality of work delivered.

4. Work Plan (150 points)

The Offeror's work plan will be evaluated on completeness and degree to which it covers areas for each tasks listed in the Scope of Work.

5. Methodology (200 points)

The Offeror's methodology will be evaluated on the soundness of approach to successfully accomplish all tasks described in the Scope of Work.

6. Cost (250 points)

The evaluation of each Offeror's cost proposal will be conducted using the following formula:

$$\frac{\text{Lowest Responsive Offer or Total Cost}}{\text{Offeror's Total Cost}} \times 250 = \text{Award Points}$$

For instance the lowest responsive offer or total cost divided by offeror's total cost times 250 will equal the Award of Points.

7. Suspension and Debarment and other Responsibility Matters (accept or reject)

Offeror proposals that demonstrate compliance with federal requirements relating to suspension, debarment, and other responsibility requirements will be accepted. Any proposal that does not meet the requirement will be rejected without evaluation.

8. Oral Presentation (100 points)

The Offeror's oral presentation if any, will be evaluated on clarity of presentation, ability to answer technical questions, and demonstrated understanding of the project.

VI. SCOPE OF WORK

A. REQUIREMENTS

The scope of work of this procurement shall include but not be limited to the following:

1. Review managed care programs in other states and develop a best practices list that would be feasible for implementation in New Mexico with regard to data for actuarial analysis;
2. Analyze rate structure for special populations, including but not limited to, newborns, pregnant women, the developmentally disabled, children with special health needs, and the chronically mentally ill, to determine need for refinement of rates and rate cohorts;
3. Review available data and reports on managed care, which includes but is not limited to, SCI, long term care managed care, behavioral health programs and other initiative projects under the *InsureNM!* program within the New Mexico Medical Assistance Program to recommend types of information needed for regular reporting and program monitoring;
4. Perform an array of rate computations based on any one or a combination of factors including but not limited to: geographic areas, benefit packages, or eligibility groups.
5. Perform actuarial analyses that will assist in the evaluation of the fiscal stability of managed care organizations, sub-capitated MCO providers, and/or self insured pools.
6. Perform actuarial analyses that will determine the appropriateness of existing rates relative to services that are being performed.
7. Perform actuarial analyses to make recommendations on proposed capitation rates for subsequent MCO contract year(s).
8. Perform actuarial analyses to review any statement/documentation by an MCO(s) and/or a sub-capitated MCO provider(s) that it/they have been placed at undue financial risk due to adverse selection by one or more special needs populations.
9. Provide claim reserve reviews and estimates on a quarterly basis.
10. Perform actuarial analyses for Medicaid and non-Medicaid programs that may be developed by the Medical Assistance Program during the course of this contract.

APPENDIX A

Acknowledgment of Receipt Form

**REQUEST FOR PROPOSAL
CONSULTATION SERVICES ASSOCIATED WITH
MEDICAID MANAGED CARE PROCUREMENT**

ACKNOWLEDGMENT OF RECEIPT FORM

In Acknowledgment of receipt of this Request for Proposal the undersigned agrees that he/she has received a complete copy, beginning with the title page and table of contents, and ending with Appendix D.

Only potential offerors who return this form will receive copies of all offeror written questions and the HSD's written responses to those questions as well as RFP amendments.

FIRM: _____

REPRESENTED BY: _____

TITLE: _____ **PHONE NO:** _____

E-MAIL ADDRESS: _____

FAX NO.: _____

MAILING ADDRESS: _____

CITY: _____ **STATE:** _____ **ZIP CODE:** _____

SIGNATURE: _____ **DATE:** _____

This name and address will be used for all correspondence related to the Request for Proposal.

Firm does/does not (circle one) intend to respond to this Request for Proposals.

Return this Acknowledgment (original by 1st class mail) by February 22, 2010 at 4:00 p.m. MST to the Procurement Manager.

APPENDIX B
SAMPLE CONTRACT

STATE OF NEW MEXICO
HUMAN SERVICES DEPARTMENT
PROFESSIONAL SERVICES CONTRACT

This Professional Services Contract (PSC) is made and entered into by and between the State of New Mexico **Human Services Department**, hereinafter referred to as "HSD", and **NAME OF CONTRACTOR**, hereinafter referred to as the "Contractor", and is effective as of the date set forth below upon which it is executed by the Department of Finance and Administration (DFA).

IT IS MUTUALLY AGREED BETWEEN THE PARTIES:

1. **Scope of Work.**

A. The Contractor shall perform all services detailed in Exhibit A, Scope of Work, attached to this PSC, and incorporated in this PSC by reference.

B. Contractor shall substantially perform the Performance Measures identified in Exhibit A. In the event that the Contractor fails to obtain the results described in Exhibit A, HSD may provide written notice to the Contractor of the default and specify a reasonable period of time in which the Contractor shall advise HSD of specific steps that it will take to achieve these results in the future and the timetable for implementation. Nothing in this subparagraph shall be construed to prevent HSD from exercising its right pursuant to Paragraph 4 below.

2. **Compensation.**

A. The total amount payable to the Contractor under this PSC, including gross receipts tax and expenses, shall not exceed _____ dollars (\$xxxxx.00). This amount is a maximum and not a guarantee that the work assigned to Contractor under this PSC to be performed shall equal the amount stated herein.

B. HSD shall pay to the Contractor in full payment for services satisfactorily performed at the rate of _____ dollars (\$_____) per hour (OR BASED UPON DELIVERABLES, MILESTONES, BUDGET, ETC.), such compensation not to exceed (AMOUNT) (as set forth in Paragraph A) excluding gross receipts tax. The New Mexico gross receipts tax levied on the amounts payable under this PSC totaling (AMOUNT) shall be paid by HSD to the Contractor. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work, and to approval by HSD. All invoices MUST BE received by HSD no later than TEN (10) DAYS after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date WILL NOT BE PAID.

CHOICE – MULTI-YEAR – HSD shall pay to the Contractor in full payment for services satisfactorily performed pursuant to the Scope of Work at the rate of _____ dollars (\$_____) in FYXX (USE FISCAL YEAR NUMBER TO DESCRIBE YEAR; DO NOT USE FY1, FY2, ETC.). The New Mexico gross receipts tax levied on the amounts payable under this PSC in FYXX totaling (AMOUNT) shall be paid by HSD to the Contractor. The total amount

payable to the Contractor under this PSC, including gross receipts tax and expenses, shall not exceed (AMOUNT) in FYXX.

(REPEAT LANGUAGE FOR EACH FISCAL YEAR COVERED BY THE PSC -- USE FISCAL YEAR NUMBER TO DESCRIBE EACH YEAR; DO NOT USE FY1, FY2, ETC.).

Payment in FYXX, FYXX, FYXX, and FYXX is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work, and to approval by HSD. All invoices MUST BE received by HSD no later than ten (10) days after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date WILL NOT BE PAID.

C. Contractor must submit a detailed statement accounting for all services performed and expenses incurred. If HSD finds that the services are not acceptable, within thirty days after the date of receipt of written notice from the Contractor that payment is requested, it shall provide the Contractor a letter of exception explaining the defect or objection to the services, and outlining steps the Contractor may take to provide remedial action. Upon certification by HSD that the services have been received and accepted, payment shall be tendered to the Contractor within thirty days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, HSD shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein. Invoices received after (TIME LIMIT) will not be paid.

3. Term.

THIS PSC SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY DFA. This PSC shall terminate on **June 30, 2012** unless terminated pursuant to paragraph 4, infra, or paragraph 5. In accordance with Section 13-1-150 NMSA 1978, no contract term for a professional services contract, including extensions and renewals, shall exceed four years, except as set forth in Section 13-1-150 NMSA 1978.

4. Termination.

A. Termination. This PSC may be terminated by either of the parties hereto upon written notice delivered to the other party at least thirty (30) days prior to the intended date of termination. Except as otherwise allowed or provided under this PSC, HSD's sole liability upon such termination shall be to pay for acceptable work performed prior to Contractor's receipt of the notice of termination, if HSD is the terminating party, or Contractor's sending of the notice of termination, if Contractor is the terminating party; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this PSC. Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. Notwithstanding the foregoing, this PSC may be terminated immediately upon written notice to Contractor if Contractor becomes unable to perform the services contracted for, as determined by HSD or if, during the term of this PSC, Contractor or any of its officers, employees or agents is indicted for fraud, embezzlement or other crime due to misuse of state funds or due to the Appropriations paragraph herein. THIS PROVISION IS NOT

EXCLUSIVE AND DOES NOT WAIVE THE STATE'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY CONTRACTOR'S DEFAULT/BREACH OF THIS PSC.

B **Termination Management.** Immediately upon receipt by either HSD or the Contractor's of notice of termination of this PSC, Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this PSC without written approval of HSD; 2) comply with all directives issued by HSD in the notice of termination as to the performance of work under this PSC; and 3) take such action as HSD shall direct for the protection, preservation, retention or transfer of all property titled to HSD and records generated under this PSC. Any non-expendable personal property or equipment provided to or purchased by HSD with contract funds shall become property of HSD upon termination and shall be submitted to HSD as soon as practical.

5. Appropriations.

The terms of this PSC are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this PSC. If sufficient appropriations and authorization are not made by the Legislature, this PSC shall terminate immediately upon written notice being given by HSD to the Contractor. HSD's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If HSD proposes an amendment to the PSC to unilaterally reduce funding, the Contractor shall have the option to terminate the PSC or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

6. Status of Contractor.

The Contractor and its agents and employees are independent contractors performing professional services for HSD and are not employees of the State of New Mexico. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the State of New Mexico as a result of this PSC. The Contractor acknowledges that all sums received hereunder are personally reportable by it for income tax purposes as self-employment or business income and are reportable for self-employment tax.

7. Assignment.

The Contractor shall not assign or transfer any interest in this PSC or assign any claims for money due or to become due under this PSC without the prior written approval of HSD.

8. Subcontracting.

The Contractor shall not subcontract any portion of the services to be performed under this PSC without the prior written approval of HSD.

9. Release.

Final payment of the amounts due under this PSC shall operate as a release of HSD, its officers and employees, and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this PSC.

10. Confidentiality.

Any confidential information provided to or developed by the Contractor in the performance of this PSC shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of HSD.

11. Product of Service -- Copyright.

All materials developed or acquired by the Contractor under this PSC shall become the property of the State of New Mexico and shall be delivered to HSD no later than the termination date of this PSC. Nothing developed or produced, in whole or in part, by the Contractor under this PSC shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

12. Conflict of Interest; Governmental Conduct Act.

The Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the PSC. The Contractor certifies that the requirements of the Governmental Conduct Act, Sections 10-16-1 through 10-16-18, NMSA 1978, regarding contracting with a public officer or state employee or former state employee have been followed.

13. Amendment.

This PSC shall not be altered, changed or amended except by instrument in writing executed by the parties hereto.

14. Merger.

This PSC incorporates all the agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written PSC. No prior PSC or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this PSC.

15. Penalties for violation of law.

The Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

16. Equal Opportunity Compliance.

The Contractor agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this PSC. If Contractor is found not to be in compliance with these requirements during the life of this PSC, Contractor agrees to take appropriate steps to correct these deficiencies.

17. Applicable Law.

The laws of the State of New Mexico shall govern this PSC, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with Section 38-3-1 (G) NMSA 1978. By execution of this PSC, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this PSC.

18. Workers Compensation.

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this PSC may be terminated by HSD.

19. Records and Audit.

The Contractor shall maintain, for five (5) years, detailed time records which indicate the date, time and nature of services rendered. These records shall be subject to inspection by HSD and the State Auditor. HSD shall have a right to audit billings both before and after payment; payment under this PSC shall not foreclose the right of HSD to recover excessive and/or illegal payments.

20. Indemnification.

The Contractor shall defend, indemnify and hold harmless HSD and the State of New Mexico from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this PSC, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this PSC. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this PSC is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days

after it receives notice thereof, notify the legal counsel of HSD and the Risk Management Division of the New Mexico General Services Department by certified mail.

21. New Mexico Employees Health Coverage.

A. If Contractor has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Contractor certifies, by signing this PSC, to:

(1) have in place, and agree to maintain for the term of the contract, health insurance for those employees and offer that health insurance to those employees no later than July 1, 2008 if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed one million dollars or;

(2) have in place, and agree to maintain for the term of the contract, health insurance for those employees and offer that health insurance to those employees no later than July 1, 2009 if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed \$500,000 dollars or;

(3) have in place, and agree to maintain for the term of the contract, health insurance for those employees and offer that health insurance to those employees no later than July 1, 2010 if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed \$250,000 dollars.

B. Contractor agrees to maintain a record of the number of employees who have (a) accepted health insurance; (b) declined health insurance due to other health insurance coverage already in place; or (c) declined health insurance for other reasons. These records are subject to review and audit by a representative of the state.

C. Contractor agrees to advise all employees of the availability of State publicly financed health care coverage programs by providing each employee with, as a minimum, the following web site link to additional information: <http://insurenwemexico.state.nm.us/>.

D. For Indefinite Quantity, Indefinite Delivery contracts (price PSCs without specific limitations on quantity and providing for an indeterminate number of orders to be placed against it); Contractor agrees these requirements shall apply the first day of the second month after the offeror reports combined sales (from state and, if applicable, from local public bodies if from a state price PSC) of \$250,000, \$500,000 or \$1,000,000, depending on the dollar value threshold in effect at that time.

22. Invalid Term or Condition.

If any term or condition of this PSC shall be held invalid or unenforceable, the remainder of this PSC shall not be affected and shall be valid and enforceable.

23. Enforcement of PSC.

A party's failure to require strict performance of any provision of this PSC shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this PSC shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

24. Notices.

Any notice required to be given to either party by this PSC shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To HSD: Michael Aragon, Contract Manager
Medicaid Assistance Division
P.O. Box 2348
Santa Fe, NM 87504-2348
Michael.Argaon@state.nm.us

To Contractor: (Insert name, address and email.)

25. Authority.

If Contractor is other than a natural person, the individual(s) signing this PSC on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

26. Debarment And Suspension.

A. Consistent with either 7 C.F.R. Part 3017 or 45 C.F.R. Part 76, as applicable, and as a separate and independent requirement of this PSC the Contractor certifies by signing this PSC, that it and its principals, to the best of its knowledge and belief: (1) are not debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal department or agency; (2) have not, within a three-year period preceding the effective date of this PSC, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; (3) have not been indicted for, or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with, commission of any of the offenses enumerated above in this Paragraph A; (4) have not, within a three-year period preceding the effective date of this PSC, had one or more public agreements or transactions (Federal, State or local) terminated for cause or default;

and (5) have not been excluded from participation from Medicare, Medicaid or other federal health care programs pursuant to Title XI of the Social Security Act, 42 U.S.C. § 1320a-7.

B. The Contractor's certification in Paragraph A, above, is a material representation of fact upon which the HSD relied when this PSC was entered into by the parties. The Contractor's certification in Paragraph A, above, shall be a continuing term or condition of this PSC. As such at all times during the performance of this PSC, the Contractor must be capable of making the certification required in Paragraph A, above, as if on the date of making such new certification the Contractor was then executing this PSC for the first time. Accordingly, the following requirements shall be read so as to apply to the original certification of the Contractor in Paragraph A, above, or to any new certification the Contractor is required to be capable of making as stated in the preceding sentence:

(1) The Contractor shall provide immediate written notice to HSD's Contract Administrator if, at any time during the term of this PSC, the Contractor learns that its certification in Paragraph A, above, was erroneous on the effective date of this PSC or has become erroneous by reason of new or changed circumstances.

(2) If it is later determined that the Contractor's certification in Paragraph A, above, was erroneous on the effective date of this PSC or has become erroneous by reason of new or changed circumstances, in addition to other remedies available to HSD, HSD may terminate the PSC.

C. As required by statute, regulation or requirement of this contract, and as contained in Paragraph A, above, Contractor shall require each proposed first-tier sub-contractor whose subcontract will equal or exceed \$25,000, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the sub-contractor, or its principals, is or is not debarred, suspended, or proposed for debarment by any Federal department or agency. The Contractor shall make such disclosures available to the HSD when it requests sub-contractor approval from the HSD. If the sub-contractor, or its principals, is debarred, suspended, or proposed for debarment by any Federal, state or local department or agency, the HSD may refuse to approve the use of the sub-contractor.

27. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions.

A. The applicable definitions and exceptions to prohibited conduct and disclosures contained in 31 U.S.C. § 1352 and 45 C.F.R. Part 93 or Subparts B and C of 7 C.F.R. Part 3018, as applicable, are hereby incorporated by reference in subparagraph (B) of this certification.

B. The Contractor, by executing this Agreement, certifies to the best of its knowledge and belief that:

(1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of any

Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement; and

(2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the offeror shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, to the Contracting Officer.

C. The Contractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

D. This certification is a material representation of fact upon which reliance is placed when this Agreement is made and entered into. Submission of this certification is a prerequisite for making and entering into this Agreement imposed under 31 U.S.C. § 1352. It shall be a material obligation of the Contractor to keep this certification current as to any and all individuals or activities of anyone associated with the Contractor during the pendency of this Agreement. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to: (1) a civil penalty of not less than \$10,000 and not more than \$100,000 for such failure; and/or (2) at the discretion of the HSD, termination of the Agreement.

The remainder of this page is intentionally left blank.

IN WITNESS WHEREOF, parties have executed this PSC as of the date of signature by the DFA Contracts Review Bureau, below.

By: _____ Date: _____
Kathryn Falls, Secretary Designate
Human Services Department

By: _____ Date: _____
Mark H. Reynolds, Acting General Counsel
Human Services Department

By: _____ Date: _____
Contractor

The records of the Taxation and Revenue Department reflect that the Contractor is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross receipts and compensating taxes.

ID Number: 00-000000-000
By: _____ Date: _____
New Mexico Taxation and Revenue Department

This PSC is approved by the DFA Contract Review Bureau:

By: _____ Date: _____
Contracts Review Bureau
New Mexico Department of Finance and Administration

Exhibit A
Scope of Work

Performance Measures

GOAL: Assure New Mexicans can easily access the health and human services they need, and improve health status outcomes.

OBJECTIVE: Eliminate fraud and abuse in public programs so services are maintained for those who need them.

PERFORMANCE MEASURE:

Expand Medicaid payment accuracy programs through actuarial services that will determine the efficiency and economy of the Managed Care Program. The Contractor will conduct actuarial studies to determine the validity of existing rates and assist HSD in future rate setting activities.

ACTIVITIES:

REQUIREMENTS:

The scope of work of this procurement shall include but not be limited to the following:

1. Review managed care programs in other states and develop a best practices list that would be feasible for implementation in New Mexico with regard to data for actuarial analysis;
2. Analyze rate structure for special populations, including but not limited to, newborns, pregnant women, the developmentally disabled, children with special health needs, and the chronically mentally ill, to determine need for refinement of rates and rate cohorts;
3. Review available data and reports on managed care, which includes but is not limited to, SCI, long term care managed care, behavioral health programs and other initiative projects under the *InsureNM!* program within the New Mexico Medical Assistance Program to recommend types of information needed for regular reporting and program monitoring;
4. Perform an array of rate computations based on any one or a combination of factors including but not limited to: geographic areas, benefit packages, or eligibility groups.
5. Perform actuarial analyses that will assist in the evaluation of the fiscal stability of managed care organizations, sub-capitated MCO providers, and/or self insured pools.
6. Perform actuarial analyses that will determine the appropriateness of existing rates relative to services that are being performed.

7. Perform actuarial analyses to make recommendations on proposed capitation rates for subsequent MCO contract year(s).
8. Perform actuarial analyses to review any statement/documentation by an MCO(s) and/or a sub-capitated MCO provider(s) that it/they have been placed at undue financial risk due to adverse selection by one or more special needs populations.
9. Provide claim reserve reviews and estimates on a quarterly basis.
10. Perform actuarial analyses for Medicaid and non-Medicaid programs that may be developed by the Medical Assistance Program during the course of this contract.

APPENDIX C

**CERTIFICATION REGARDING
DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS**

APPENDIX C

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT AND OTHER RESPONSIBILITY MATTERS

The entering of a contract between HSD and the successful Offeror pursuant to this RFP is a “covered transaction,” as defined by either 7 C.F.R. Part 3017 or 45 C.F.R. Part 76, as applicable. HSD’s contract with the successor Offeror shall contain a provision relating to debarment, suspension, and responsibility substantially in the form contained in Section 21 of Appendix B. All Offerors must provide as a part of their proposals a certification to HSD in the form provided below. Failure of an Offeror to furnish a certification or provide such additional information as requested by the Procurement Manager for this RFP will render the Offeror non-responsible. Furthermore, the Offeror shall provide immediate written notice to the Procurement Manager for this RFP if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

Although HSD may review the veracity of the certification through the use of the federal Excluded Parties Listing System or by other means, the certification provided by the Offeror in paragraph (a), below, is a material representation of fact upon which HSD will rely when making a contract award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to HSD, HSD may terminate the contract resulting from request for proposals for default.

The certification provided by the Offeror in paragraph (a), below, will be considered in connection with a determination of the Offeror's responsibility. A certification that any of the items in paragraph (a), below, exists may result in rejection of the Offeror’s proposal for nonresponsibility and the withholding of an award under this RFP. If the Offeror’s certification indicates that that any of the items in paragraph (a), below, exists, the Offeror shall provide with its proposal a full written explanation of the specific basis for, and circumstances connected to, the item; the Offeror’s failure to provide such explanation will result in rejection of the Offeror’s proposal. If the Offeror’s certification indicates that that any of the items in paragraph (a), below, exists, HSD, in its sole discretion, may request, that the U.S. Department of Health and Human Services grant an exception under 45 C.F.R. §§ 76.120 and 76.305 if HSD believes that the procurement schedule so permits and an exception is applicable and warranted under the circumstances. In no event will HSD award a contract to an Offeror if the requested exception is not granted for the Offeror.

(a)(1) By signing and submitting a proposal in response to this RFP, the Offeror certifies, to the best of its knowledge and belief, that:

(i) The Offeror and/or any of its Principals-

(A) Are are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal department or agency;

(B) Have have not , within a three-year period preceding the date of the Offeror’s proposal, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public

(Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property;

(C) Are are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with, commission of any of the offenses enumerated in paragraph (a)(1)(i)(B) of this certification;

(D) Have have not , within a three-year period preceding the date of Offeror's proposal, had one or more public agreements or transactions (Federal, State or local) terminated for cause or default; and

(E) Have have not been excluded from participation from Medicare, Medicaid or other federal health care programs pursuant to Title XI of the Social Security Act, 42 U.S.C. § 1320a-7.

(ii) "Principal," for the purposes of this certification, shall have the meaning set forth in 45 C.F.R. § 76.995 and shall include an officer, director; owner, partner, principal investigator, or other person having management or supervisory responsibilities related to a covered transaction. "Principal" also includes a consultant or other person, whether or not employed by the participant or paid with Federal funds, who: is in a position to handle Federal funds; is in a position to influence or control the use of those funds; or occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction.

(iii) For the purposes of this certification, the terms used in the certification, such as *covered transaction, debarred, excluded, exclusion, ineligible, ineligibility, participant, and person* have the meanings set forth in the definitions and coverage rules of 45 C.F.R. Part 76.

(iv) Nothing contained in the foregoing certification shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

OFFEROR: _____

SIGNED BY: _____

TITLE: _____

DATE: _____

APPENDIX D
COST RESPONSE FORM

COST RESPONSE FORM

- A = Price of conducting normal scope of Actuarial work**
- B(x) = (Plus the) Hourly rate of consultation multiplied by 80 hours of consultation.**
- C1 = Total Price for the two-year contract: \$ _____**

TOTAL COST \$ _____