THE NEW MEXICO HUMAN SERVICES DEPARTMENT’S DISCUSSION REGARDING PROTEST OF THE REQUEST FOR PROPOSAL NO. 18-630-8000-0001 BY WELLCARE OF NEW MEXICO INCORPORATED

BACKGROUND

The New Mexico Medicaid program is a State and Federal cooperative program authorized by Title XIX of the Social Security Act, 42 U.S.C. ch. 7. The Medicaid program, which is jointly funded by the state and federal government, provides services for physical health, behavioral health and long-term services and supports for qualified low income and disabled New Mexicans. New Mexico Medicaid serves more than 850,000 residents of this state. The New Mexico Human Services Department (“HSD”) is the single state agency legislatively authorized to administer the state’s Medicaid program. NMSA 1978, § 27-2-12 (2006).

In September 2017, HSD issued a request for proposal, RFP No. 18-630-8000-0001 (the “RFP”). The purpose of the RFP was to select managed care organizations to provide managed care Medicaid services through the state’s “Centennial Care” program. “Centennial Care” is the name of the Medicaid managed care program that was launched in January of 2014 and provides a comprehensive delivery system for Medicaid members. The managed care portion of the program currently serves approximately 700,000 members and is administered by four managed care organizations (“MCOs”): United Healthcare of New Mexico, Inc. (“United” or “UHC”); Presbyterian Health Plan, Inc. (“Presbyterian” or “PHP”); Blue Cross Blue Shield of New Mexico, Inc. (“BCBS”); and Molina Healthcare of New Mexico, Inc. (“Molina”).

Through the 2017 RFP process, HSD solicited competitive proposals from MCOs to provide services to members of the New Mexico Medicaid managed care program and the second iteration of Centennial Care, known as “Centennial Care 2.0,” beginning in 2019.

The RFP delineated the process for dispute, or protest, of the award decision. The language of the RFP provides an administrative process that allows all unsuccessful Offerors the ability to protest contract awards. (RFP at 2.2.15, 2.3):

“Any protest by an Offeror must be timely and conform to NMSA 1978, § 13-1-172, and applicable procurement regulations. The fifteen (15) Calendar Day protest period for Responsive Offerors shall begin on the day following the Contract award and will end at the Close of Business fifteen Calendar Days after the Contract award. Protests must be written and must include the protestor’s name and address as well as the RFP number. Protests must also contain a statement of grounds for protest, including appropriate supporting exhibits, and must specify the ruling requested . . . .”

1 A copy of the full RFP is available at: http://www.hsd.state.nm.us/Centennial_Care_RFP.aspx.
Eight Offerors responded to the RFP and three contracts were awarded: PHP, BCBS and Western Sky Community Care, Inc. (“Western Sky”). A Notice of Contract Award was sent by HSD on January 19, 2018, notifying the unsuccessful Offerors and advising them of their right to protest the decision. (Exhibit #1.) The 15-day protest period began on January 20, 2018. Because the 15th day fell on a Saturday (February 3, 2018), HSD granted prospective protestors until 5:00 pm (MT) on Monday, February 5, 2018, to submit their protests.

The protest period is designed to provide each Offeror with an equal opportunity to protest the decision. Four of the unsuccessful Offerors filed protests by the February 5, 2018 deadline: Molina (supplement filed February 16, 2018); United (supplements filed February 21, 2018 and March 8, 2018); AmeriHealth Caritas New Mexico, Inc. (“AmeriHealth”) (supplement filed February 23, 2018); and WellCare of New Mexico, Inc. (“WellCare”) (supplements filed February 12, 2018 and February 21, 2018).²

**SUMMARY OF WELLCare’s PROTEST AND REQUESTED REMEDY**

WellCare’s protest alleges that:

1. The cost proposal in the RFP was fundamentally flawed.

2. Responses to request for records violated the Procurement Code, IPRA and due process rights.

Well Care respectfully requests that:

1. HSD cancel the Awards made pursuant to this RFP and reissue a revised request to address the correct deficiencies in the process regarding this RFP described in this protest; or, in the alternative,

2. Grant an extension of time for disappointed bidders to file revised protests, with a deadline that occurs after HSD has provided all public records requested by such disappointed bidders pursuant to IPRA.

**FINDINGS OF FACT**

A. **Introduction**

1. On August 31, 2012, HSD issued Request for Proposal No. 13-630-8000-0001 (the “2012 RFP”) to select MCOs to provide managed care Medicaid services under a new management delivery system entitled “Centennial Care.”

² A fifth unsuccessful Offeror, Amerigroup Community Care of New Mexico, Inc. did not file a protest. A copy of each Offeror’s protest, supplements, and exhibits can be found at: [http://www.hsd.state.nm.us/Centennial_Care_RFP.aspx](http://www.hsd.state.nm.us/Centennial_Care_RFP.aspx).
2. Mercer’s Government Human Services Consulting Group (“Mercer GHSC”) provided consulting services during the 2012 MCO procurement assisting with the procurement evaluation process. (Exhibit #2, Affidavit of Nancy Smith-Leslie, ¶12 and Exhibit #3, Affidavit of Jared Nason, ¶5.)

3. All Offerors to the 2012 RFP were aware of Mercer GSHC’s role in the procurement process. (Exhibit #2, Smith-Leslie Affidavit, ¶12.)

4. Seven MCOs submitted proposals and four were selected to provide services under Centennial Care: BCBS; Molina; Presbyterian; and United.

5. Three of the unsuccessful Offerors timely filed protests of that procurement: Amerigroup Community Care of New Mexico, Inc.; Lovelace Health Systems, Inc. d/b/a Lovelace Community Health Plan; and Western Sky.

6. The Centennial Care program serves approximately 700,000 New Mexico Medicaid recipients through a Section 1115 Demonstration Waiver that was approved by the Centers for Medicare & Medicaid Services (“CMS”), a division of the U.S. Department of Health and Human Services (“HHS”), for a five year period, from January 2014 through December 2018. (Exhibit #2, Smith-Leslie Affidavit, ¶¶4 and 5.)

7. Although there were protests to the RFP, the four contracts for Centennial Care were executed by the former HSD Cabinet Secretary, Sidonie Squier, with services to begin on January 1, 2014, to align with the Section 1115 Demonstration Waiver.

8. Most of 2013 was a “readiness review period” to ensure that the four MCOs were prepared to cover all services and accept enrollment for Centennial Care beginning January 1, 2014. (Exhibit #2, Smith-Leslie Affidavit, ¶11.)

9. The Centennial Care waiver agreement with CMS expires December 31, 2018, and HSD is in the process of renewing the 1115 Demonstration Waiver to be effective January 1, 2019. (Exhibit #2, Smith-Leslie Affidavit, ¶6.)

10. HSD conducted extensive public input sessions and outreach events from October 2016 through October 2017, to obtain feedback about its plan to renew the Section 1115 Demonstration Waiver. (Exhibit #2, Smith-Leslie Affidavit, ¶7.)

11. Throughout the year-long process, HSD presented its timeline for both the waiver renewal and the procurement of the MCOs, describing how the two processes were in alignment. (Exhibit #2, Smith-Leslie Affidavit, ¶7.)

12. Representatives from the New Mexico Department of Health (“DOH”) and the New Mexico Children, Youth and Families Department (“CYFD”) also participated in the public input process for the Section 1115 Demonstrative Waiver renewal and offered feedback, including
provisions of new Medicaid services, such as home visiting for at-risk families. (Exhibit #2, Smith-Leslie Affidavit, ¶9)

13. Given that the Section 1115 Demonstration Waiver and MCO contracts expire in December 2018, HSD sought bids from companies for the provision of managed care services for Centennial Care 2.0. (Exhibit #2, Smith-Leslie Affidavit, ¶13.)

B. RFP No. 18-630-8000-0001

14. On September 1, 2017, HSD issued a Request for Proposal (RFP No. 18-630-8000-0001) soliciting “competitive, sealed proposals from managed care organizations (MCOs) to provide services to Members of the New Mexico Medicaid managed care,” with the services to begin on the “Go-Live” date of January 1, 2019. RFP at 6, 15 and 17.

15. The purpose of the “competitive RFP is to select Offerors that have the experience and expertise to perform the requirements described within.” RFP at 10.

16. HSD sought partners that are able to continue to advance the goals of Centennial Care 2.0. MCOs must have the capability to provide an integrated, comprehensive delivery system that offers the full array of Medicaid services, including acute, behavioral health, pharmacy, institutional and home and community-based services. RFP in Section 1.2 p.8


18. The RFP specified that the proposal had to be received by HSD no later than 3:00 pm MDT on November 3, 2017. RFP at 17.

19. In the RFP, HSD published its “best estimate” of the schedule that will be followed to complete the procurement process. (Exhibit #2, Smith-Leslie Affidavit ¶14 and RFP at 16.)

20. The initial RFP estimated dates were “subject to change at HSD’s discretion.” RFP at 17.

21. The estimated timeline for contract negotiations with successful Offerors was shorter than anticipated, largely because a draft of the expected contract was provided with the RFP and there were few requested changes. (Exhibit #2, Smith-Leslie Affidavit, ¶14.)

22. In Amendment 2 to the RFP, issued on October 20, 2017, HSD stated that:

Following the procurement, HSD’s intent is to contract with three to five MCOs unless it is in the State’s best interest to do otherwise. The number of contractors selected and awarded through this procurement process is solely at HSD’s discretion based on the best interests of the State. HSD intends to award a contract that shall be effective on or about [March 15, 2018] and ending [December 31,
Thereafter, HSD reserves the right to renew this Agreement for on-year period(s), not to exceed 8 years for the total contract period. Rates will be re-evaluated every year.

Amendment 2 to the RFP at 2.

23. Oral presentations were at HSD’s discretion. RFP at 17 and 21.

24. The RFP disclosed the criteria that HSD would consider in evaluating the bids, including each factor, the maximum points available for each factor and each sub-factor. RFP at 37 (Scoring Summary), 41 (Technical Proposal Scoring), and 64 (Cost Proposal Scoring).

25. The RFP referenced that successful Offerors “who enter into a Contract will have adjustments made to their cost bids for the impacts of items excluded from the Cost Proposal and adjustments made for any changes deemed ‘material’ by the State and its actuaries which may include: significant changes in program demographics; programmatic changes (benefits or reimbursements) occurring after the procurement; [and] list of excluded Cost Proposal rate elements (e.g., 1115 [Demonstration] Waiver Renewal impacts, add-ons, and assessments).” RFP at 65.

26. Offerors were also advised that their “Cost Proposal [would] be adjusted based on the relative position of its proposal within the revised minimum and maximum rate range.” RFP at 65.

27. The RFP did not require Offerors to propose price offers that the Offeror deemed “actuarially sound.” (Exhibit #2, Smith-Leslie Affidavit, ¶19.)

28. Offerors were advised that there would be two mandatory pre-proposal conferences to permit Offeror representatives “to ask questions and clarify issues concerning the RFP and procurement process.” RFP at 18.

29. The pre-proposal conference were held on September 17, 2017, with the morning conference focused on the RFP & Technical Proposal and the afternoon session, Actuarial & Cost Proposal, focused on “data, rates, costs, Cost Proposal and actuarial issues related to the procurement.” RFP at 18.

30. No later than September 29, 2017, Offerors were permitted to submit written questions “about the intent or clarity of the RFP and its appendices.” RFP at 17 and 19.

31. The RFP was open “to any Offeror capable of performing work as described in the Sample Contract (Appendix O) and addressed in Section 1.3 of the RFP, Summary of Work, subject to the following stipulations:

1. An Offeror must be licensed by the New Mexico Public Regulation Commission, Division of Insurance, to assume risk and enter into prepaid capitation contracts at least six (6) months before the Go-Live date;
2. An Offeror must be either (i) National Committee for Quality Assurance (NCQA) accredited in the State of New Mexico, or (ii) NCQA accredited in another state that currently provides Medicaid services and achieve New Mexico NCQA accreditation within two (2) years of the Contract start date;

3. Pursuant to the Government Conduct Act, NMSA 1978, §§ 10-16-1 et seq., an Offeror shall have no direct or indirect interest that conflicts with the performance of services covered under this Contract;

4. Pursuant to NMSA 1978, § 13-1-191, § 30-24-1 through 30-24-2, and §§ 30-41-1 through 30-41-3, an Offeror shall not provide or offer bribes, gratuities, or kickbacks to applicable State personnel;

5. An Offeror shall ensure that it will comply with the New Mexico Governmental Conduct Act, NMSA 1978, §§ 10-16-1 et seq.;

6. An Offeror shall complete any and all required disclosure forms, including but not limited to campaign disclosure forms and other attestations; and

7. The burden is on the Offeror to present sufficient assurances to HSD that awarding the Contract to the Offeror shall not create a conflict of interest.

8. An Offeror must disclose to HSD its relationships with other entities contracting with the State, noting all entities, organizations and contractors doing work for both the State and the Offeror, and the nature of the work. Offerors must use the format provided in Appendix J – Disclosure Contractor Relationship and submit this information in the Exhibit Binder (Tab 1).

RFP at 12-13.

32. The RFP stated that the “Evaluation Committee” would be a body “appointed by HSD to evaluate the Offerors proposals. RFP at 15.

33. The Evaluation Committee comprised subject matter experts to evaluate and score Section 6, Technical proposal sub-sections. (Exhibit #4, List of Evaluators.) All of these subject matter experts are HSD employees. Id.

34. The “Mandatory Requirements” included, among other things, a “List of References” that would identify the three Reference entities, including the contact name and phone number for each. RFP at 37-40.

35. References from Offerors were to “be submitted directly to HSD by the Reference source, not by the Offeror, independent of the other Proposal materials.” RFP at 17.
36. On December 22, 2017, HSD issued its Scoring Results Summary for Centennial Care 2.0. (Exhibit #5, 2017 Centennial Care 2.0 Scoring Results Summary.)

37. On March 15, 2018, Chief Procurement Officer Gary Chavez issued a memorandum finding, pursuant to NMSA 1978 § 13-1-173 and NMAC § 1.4.1.83 that there were no exceptional circumstances warranting a stay of the procurement and that proceeding with the awards was necessary to protect the interests of HSD and ensure the safety of Medicaid members. (Exhibit #6, Memo from Gary Chavez)

38. On March 13, 2018, pursuant to NMAC § 1.4.1.90, Gary Chavez designated HSD Cabinet Secretary Brent Earnest to preside over the proceeding for the purpose of reviewing the protests and issuing findings, conclusions and recommendations for resolutions of the protests. (Exhibit #7, Designation)

C. WellCare Specific Findings of Fact

40. On October 27, 2017, Stephanie Davis, WellCare’s CEO, submitted a “Letter of Transmittal Form” expressly accepting the “Conditions Governing the Procurement.” (Exhibit #8, Molina’s Letter of Transmittal Form.)

41. WellCare agreed “that submission of our proposal constitutes acceptance of the Evaluation Factors contained in Section 4 of this RFP.” (Exhibit #8, WellCare’s Letter of Transmittal.)

42. On January 19, 2018, Daniel Clavio, the RFP’s Procurement Manager, wrote to WellCare advising WellCare that it was not a successful Offeror. (Exhibit #1, Clavio letter to Troy Hildreth dated January 19, 2018.)

DISCUSSION

WELL CARE ARGUMENT

I. Background: WellCare provided a general summary of proceedings.

HSD DISCUSSION

The initial protest filed by WellCare was timely. The protest conforms to NMSA 1978, § 13-1-172, in that it was in writing and filed within fifteen (15) Calendar Days. However, the protest does not conform to NMAC 1.4.1.82 (4). There are no supporting exhibits, evidence or documents to substantiate any claim. Pursuant to NMAC 1.4.1.82B(4), a protestor’s supporting exhibits which are not available within the protest filing time, … are to be indicated in the protest along with the expected availability date. WellCare failed to do so. WellCare did not reserve issues or identify exhibits, documents or specific information not available to it when the protest was filed. Instead, WellCare appears to request an open–ended protest, attempting to rely on information it hopes it
might come across in the future as part of ongoing IPRA requests. This is not allowed under the procurement code or the RFP.

**WELLCARE ARGUMENT**

**II. The cost proposal in the RFP was fundamentally flawed.**

WellCare, asserts that Offeror’s were asked to submit cost proposals that HSD knew were not actuarially sound or sustainable. Use of rates that are not actuarially sound and are not sustainable resulted in an Award that is not most advantageous to HSD.

This flaw in a critical portion of the RFP, providing a significant basis on which the Awards were selected, can only be remedied if the RFP is withdrawn, the Awards canceled, and a revised request for proposals be issued with an actuarially sound cost rate table.

**HSD DISCUSSION**

The 2017 RFP did not require Offerors to propose rates that they deemed “actuarially sound.” The RFP requested only that Offerors propose rates within a minimum and maximum range. RFP § 7.3 and (Exhibit #2, Smith-Leslie Affidavit, ¶19.) Final contract rates were not requested in the RFP because multiple rate components were excluded, which were identified in the RFP, and future changes to rates were anticipated, such as: (1) programmatic changes may occur due to state legislative initiatives; (2) programmatic changes may occur due to Congressional acts; (3) CMS may require HSD modify services to align with an approved Section 1115 Demonstration Waiver renewal; and (4) CMS may, by regulation, require state Medicaid programs to make significant changes.

HSD contracts with an actuary, Mercer, to make final determination of rates that are actuarially sound and those rates will be certified to CMS prior to the implementation of Centennial Care 2.0. Managed care plans do not determine actuarial soundness of the rates, or rate ranges, submitted to CMS for approval. (Exhibit #2, Smith-Leslie Affidavit, ¶20 and 42 CFR part 438.) In reality, HSD’s approach to the cost proposal process provided each Offeror with a level playing field and was designed to ensure that the final capitation payments that HSD will pay to contractors beginning 2019 are appropriate for the populations to be covered and the services to be furnished under the contract.

The minimum and maximum rates could not be certified as “actuarially sound” because certain costs, unknown at the time of the procurement, were explicitly excluded. These exclusions, including the process for adjustments post-contract award, were addressed in the RFP, data book narrative, mandatory pre-proposal conference presentation, pre-proposal conference discussions and HSD’s written responses to Offerors’ questions provide consistent information about the following elements for the cost proposal process:

- The data book, provided as part of the RFP, identified for Offerors how the minimum and maximum rates were derived, including a detailed discussion about the various adjustments and their respective impacts;
HSD supplied all Offerors with the parameters of the cost proposal process, a data book that included detailed documentation describing the methodology, data sources and adjustments (including base data adjustments, trend factors, prospective program changes, care coordination and administrative costs loadings and underwriting gain), to develop the minimum and maximum rates. HSD clearly documented elements of the minimum and maximum rates that were specifically excluded due to the fact that they could not have been included because of their unknown nature;

- The minimum and maximum rates were developed in accordance with generally accepted actuarial principles and practices by Mercer credentialed actuaries, who are members of the American Academy of Actuaries;

- The RFP clearly stated that the minimum and maximum rates provided in the rate table did not include certain costs, such as premium taxes and assessments and would be adjusted prior to the finalization of MCO payment rates that would be certified as actuarially sound;

- The RFP clearly stated that the range represented the amount HSD was willing to pay (prior to these identified adjustments) for each of the 26 rating cohorts and the cost proposal amounts would be used for purposes of cost scoring and would be adjusted for the identical exclusions prior to “Go-Live” for final payment. Exclusions and adjustments were included in the RFP and data book narrative.

- HSD explained that the cost proposals were binding and adequately explained the process HSD would use to adjust the cost proposals of Offerors who were successfully awarded a contract; and

- The RFP, data book, pre-proposal conference materials, HSD’s responses of Offeror’s questions, provided transparent cost proposal scoring criteria such that each offer could calculate their cost proposal score before it was submitted to HSD.

(Exhibit #2, Leslie-Smith Affidavit, ¶22.)

WellCare like all other Offerors, had multiple opportunities to clarify any concerns or questions about the rate ranges provided in the RFP; however, WellCare never sought clarification from HSD. WellCare was aware that the capitation rates were not actuarially sound as of October 20, 2017. At that point, if it had objections it needed to raise them within 15 calendar days, which it did not do. NMSA 1978, § 13-1-172. The argument is without merit. WellCare has also waived its opportunity to raise it.

**WELLCARE ARGUMENT**

**III. Responses to request for records violated the Procurement Code, IPRA and due process rights.**

In addition, WellCare argues that, upon information and belief, other offerors received different and more complete documents from HSD than did WellCare. WellCare understands that the version of the 2017 Centennial Care 2.0 MCO RFP No. 18 – 630 – 8000 – 0001 scoring results dated December 22, 2017 included more than 1,600 pages of attachments that were not
provided to WellCare….Such disparate treatment of offers is inconsistent with HSD’s obligation under the Procurement Code, IPRA and the New Mexico Constitution.

To remedy the deprivation of WellsCare’s rights, HSD should allow additional time for the filing of information related to WellCare’s protest giving WellCare a reasonable amount of time to consider the documents relating to the RFP before it must submit its justification for its protest.

SUPPLEMENT PROTEST OF FEBRUARY 16TH: “WellCare should not have to rely on HSD’s own internal assessment of documents that may be relevant and necessary for WellCare’s protest.” WellCare is demanding a privilege log.

SUPPLEMENTAL PROTEST FEBRUARY 21, 2018: “WellCare reiterates its request for a privilege log to ascertain whether documents and other documents should be given privilege status …”

HSD DISCUSSION

While HSD has met its obligations under IPRA, these arguments are outside of the protest process. HSD does not need to create a privilege log for WellCare’s convenience. “Nothing in [IPRA] shall be construed to require a public body to create a public record.” NMSA 1978, §14-2-8(B). HSD’s only obligation is to provide a written denial letter, NMSA 1978, §14-2-11(B). Procurement protests are also not the proper venue to challenge IPRA (See NMSA § 14-2-12) There is a specific process in IPRA for WellCare to challenge HSD’s actions if they disagree with them. There are no administrative remedies available here.

WELL CARE ARGUMENT

1. HSD should cancel the Awards made pursuant to this RFP and reissue a revised request to address and correct deficiencies in the process regarding this RFP described in this protest; or, in the alternative,

2. Grant an extension of time for disappointed bidders to file revised protests, with a deadline that occurs after HSD has provided all public records requested by such disappointed bidders pursuant to IPRA.

HSD DISCUSSION

Canceling the awards and reissuing the RFP is not a necessary or appropriate remedy. The New Mexico Procurement Code and regulations promulgated thereunder set forth the rules regarding competitive bidding, protests and protest resolution. Pursuant to NMAC 1.4.1.88 (B), the chief procurement officer or his designee must make a “written determination that a solicitation or award of a contract is in violation of the law and that the business awarded the contract has not acted fraudulently or in bad faith.” NMAC 1.4.1.88 (B). Under this section:
the contract may be ratified, affirmed or revised to comply with law, provided that a written determination is made that doing so is in the best interest of the state; or

(2) the contract may be terminated, and the business awarded the contract shall be compensated for the actual expenses reasonably incurred under the contract plus a reasonable profit to termination.

The regulation further provides that, “If, after award, the state purchasing agent or central purchasing office [here, HSD’s chief procurement officer] makes a written determination that a solicitation or award of a contract is in violation of law and that the business awarded the contract has acted fraudulently or in bad faith, the contract shall be canceled.” NMAC 1.4.1.88 (B) (2).

On March 15, 2018, Gary O. Chavez, HSDs Chief Procurement Officer issued findings that “Preparations to implement Centennial are 2.0 have already begun, and both HSD and Medicaid beneficiaries would be damaged if that process were brought to a halt.” “The public interest weighs strongly in favor of not interrupting the process already in place to ensure Centennial Care 2.0 commences on schedule.” (Exhibit # 6, Memo from Gary Chavez)

The contracts between HSD and the winning MCOs are valid and effective. Pursuant to NMAC 1.4.1.88 (B), the chief procurement officer or his designee must make a “written determination that a solicitation or award of a contract is in violation of the law and that the business awarded the contract has not acted fraudulently or in bad faith.” NMAC 1.4.1.88 (B). That has not happened.

Furthermore, the procurement code provides specific procedures to allow for protests. NMAC does not provide for extensions for disappointed bidders to continue to search for evidence to create and support protest issues. This request should be denied.

**CONCLUSION**

HSD’s disclosure of evaluation criteria in the RFP was consistent with law and its decision to award contracts to the successful offerors was not arbitrary or capricious and is supported by the record with substantial evidence. Moreover, to the extent that WellCare was aware of the scoring criteria in October 2017, its arguments are untimely under the rules of the procurement and, therefore, are waived.

The New Mexico Human Services Department's ("HSD" or "Agency") decision to award contracts to Blue Cross/Blue Shield of New Mexico ("BCBS"), Western Sky Community Care, Incorporated ("Western Sky") and Presbyterian Health Plan ("PHP") . . . "successful offers" was appropriate.
HSD's procurement of MCO services for Centennial Care 2.0 via the RFP is a matter of great importance for the State of New Mexico (the "State"), HSD and the citizens of the State, especially those who will receive Medicaid coverage under Centennial Care 2.0.

HSD's evaluations of all proposals submitted under the RFP conformed with the RFP specifications and complied with all applicable law and were therefore not arbitrary or capricious.

The scoring procedures applied by HSD in evaluating each offeror's cost proposal shows that they were reasonable and not arbitrary or capricious.

Substantial evidence exists that HSD conducted this procurement with deliberate and extensive attention to detail, significant planning and foresight, and incorporating best practices and lessons learned in the procurement of Centennial Care 2.0's predecessor, Centennial Care, other national Medicaid procurement practices, and fully in accord with applicable law and regulations. Therefore, no violation of law occurred.

No conflict exists that tainted the procurement.

HSDs decisions were in the public interest.

The following contracts were properly awarded and are enforceable

- Blue Cross/Blue Shield: PSC18-630-8000-0033 CC2.0
- Presbyterian Health Plan: PSC18-630 8000-0034 CC2.0
- Western Sky Community Care Inc.: PSC18-630-8000-0035 CC2.0

The protest should be denied and the contracts awarded to the successful offerors should be affirmed as required by §1.4.1.84(c)(1) and §1.4.1.88(b)(1)(a) and NMAC.

Respectfully Submitted,
Christopher P. Collins
General Counsel
New Mexico Human Services Department
Santa Fe, New Mexico