

HSD Responses to Questions Submitted on RFP # 18-630-8000-0002

**Actuarial Services & Consulting Services**

**January 12, 2018**

<b>Q #</b>	<b>Source: RFP, Contract, or Data Book</b>	<b>Section # (&amp; question # if applicable)</b>	<b>Page #</b>	<b>Text from RFP, Contract, or Data Book related to question</b>	<b>Offeror Question</b>	<b>HSD Response</b>
1	RFP	IV; Task 4j	34	Assist HSD with the development of the 1115 Waiver application and with the data production necessary to address program outcomes and policy effectiveness	What, if any, overlap is there between this task in Component 1 of the RFP (Actuarial Services) and the tasks associated with 1115 waiver assistance in Component 2 of the RFP (Medicaid Program and Policy Consulting Services)? If no overlap, please provide a defined list of services associated with the task outlined in Component 1.	There is potential for overlap and interaction between component 1 and component 2. Program and policy activities in Component 2 may result in activities that may result in Actuarial services in Component 1. The distinctions between the tasks of each component are outlined in the RFP.
2	RFP	V; subsection H	40	Scoring Summary	Can HSD provide a more detailed breakdown of the total points allotted to the Technical Proposal (440 for Component 1 and 360 for Component 2), to allocate points for each question?	All questions in both sections are scored on a “40 points per question” basis.
4	RFP	V; subsection K	48	Provide a table showing all hourly costs by staffing category	Can HSD provide a list of staffing categories to allow for equitable comparison by staffing category level?	HSD will not provide a list. HSD is interested in seeing what the Offerors think is appropriate for the work and will score accordingly.

5	RFP	Section V; subsection K	49	Provide a clear and detailed budget for annual actuarial and rate setting work	Can HSD provide the annual value and billable hours for the current contract, stratified between Actuarial Services and Medicaid Program and Policy Consulting Services?	The current Actuarial and Consulting Contract and Amendments can be found on the HSD website at: <a href="http://www.hsd.state.nm.us/LookingForInformation/medical-assistance-division.aspx">http://www.hsd.state.nm.us/LookingForInformation/medical-assistance-division.aspx</a> .  A list of annual payment amounts under this contract will be emailed to this RFP's Distribution List on 1/12/18.
6	RFP	V; subsection H	40	Scoring Summary	Can HSD provide a more detailed breakdown of how the 250 total points allotted to the Pricing Proposal will be allocated by component as well as among vendors?	250 points are available for the cost proposal in each component, allocated at 125 points per section (2 sections in each cost proposal component).
7	RFP	I; subsection G	11	Procurement Library	We reviewed the material on the HSD website. Can HSD provide a copy of the most recent rate certification or provide the specific link where it may be found online?	Recent Rate Certification Letters and Rate Sheets will be emailed to this RFP's Distribution List on 1/12/18.
8	RFP	I.A	3	Offeror may not be contracting with any tribal, state or local government entity that is a Medicaid provider or contractor;	Does a current or past consulting relationship with a NMX Medicaid provider (i.e. a hospital system) violate the conditions outlined in Section I.A of the RFP? The team working with the Medicaid provider and the Medicaid rate setting team would be in different offices and have no contact/communications regarding the project,	Yes, we view it as a violation if the Offeror has a continuing contractual relationship of any sort.  We do not view it as a violation if the Offeror had a previous relationship (not current), but we request the Offeror disclose that relationship if it was in the recent past (several years).

					please advise.	
9	RFP	I.C.8	10	The department expects the new analytics tools to be available by mid-2019 (subject to change).	<p>Who is the vendor charged with the implementation of the new MMISR?</p> <p>Should the offeror expect to use data from the MMISR for CY2020 rate development and beyond?</p> <p>Should the offeror expect that this new MMISR system/contractor will take over the data analysis components of the rate setting work for CY2020 and beyond? Does this include running risk adjustment?</p>	<p>Procurements for the MMISR vendors are in process. There are numerous vendors for the project.</p> <p>Yes; however, depending on the project's progress, certain data may not be available from the MMISR in time for CY2020 rate development and may require the actuary to work with multiple systems.</p> <p>No.</p> <p>Note: MMISR dates and schedule are subject to change.</p>
10	RFP	II.C.4	19	Proposed use of Subcontractors must be clearly explained in the proposal, and Major Subcontractors must be identified by name.	Please define Major Subcontractor.	<p>For this RFP and the resultant contract, Major Subcontractors are defined as entities providing services to the Contractor that will be paid by the Contractor (Offeror) at least 10% or more of the contract amount proposed by the Offeror.</p> <p><b><i>Amendment 1 to this RFP (released 1/12/18) adds the definition of Major Subcontractor to Section I.H.</i></b></p>
11	RFP	III.B/III.C	28		<p>Regarding digital files, there should be 3 CDs placed in the sealed package, each with 3 separate searchable PDF Files, correct?</p> <ol style="list-style-type: none"> <li>1. The entire copy of the proposals</li> <li>2. The confidential</li> </ol>	Yes.

					<p>components</p> <p>3. The non-confidential components</p> <p>Is our understanding of what is required of the digital materials correct?</p>	
12	RFP	IV.A.1	32	<p>The HSD establishes capitation rates for long term care and behavioral health based on gender, age, and geographic areas and establishes risk adjusted rates for physical health utilizing the Medicaid Rx model. Capitation rate development must be completed in the fall of every calendar year. Capitation rate updates may occur anytime during the year.</p>	<p>When will the first rates be due?</p> <p>Should the offeror bid assuming 4 full rate rebases are necessary for each year (CY2019, CY2020, CY2021, and CY2022)?</p> <p>Are CY2019 rate ranges already complete as a result of the MCO procurement?</p>	<p>CY19 rate rebases will be established prior to the effective date of this contract. There may be some updates necessary depending on the timeframes of policy changes that may occur during the year.</p> <p>The offeror should assume 3 full rate rebases are necessary (for CY20, CY21, and CY22) for each year and any updates necessary depending on the time frames of policy changes that may occur during the year.</p> <p>Yes, but adjustments may need to be made prior to CY19.</p>
13	RFP	IV.A.1	32	<p>Develop or assist in the development of capitation premium efficiency adjustments</p>	<p>What premium efficiency adjustments are completed in the current rates, and on what programs are they completed?</p>	<p>Industry standard premium adjustments are applied in the current rates. Specific details will not be provided.</p>
14	RFP	IV.A	32		<p>Is the proposed scope of work materially different than what the existing contractor currently does, or has done in the</p>	<p>No.</p>

					past?	
15	RFP	IV.A	32		How many hours did the current consulting group bill for each task during CY2013, CY2014, CY2015, CY2016, and CY2017?	A list of payments made to the Actuarial contractor for the past three years will be emailed to this RFP's Distribution List.
16	RFP	IV.A.1.a	32	Develop, set, and certify actuarially sound capitation rates for all managed care organization (MCO) cohorts under Centennial Care.	<p>Regarding the MCO procurement, have rate ranges been developed for CY2019 already?</p> <p>How many rate certifications are required each time the rates are updated?</p> <p>For which programs are rate certifications needed? Please describe the programs needing to be certified.</p> <p>How will the data be transmitted to the contractor?</p> <p>How frequently will data be transmitted?</p> <p>Does HSD already have standard definitions for service categories, or are they looking for the contractor to create these definitions?</p> <p>How many years of data will the contractor be</p>	<p>CY19 rate rebases will be established prior to the effective date of this contract.</p> <p>There may be some updates necessary depending on the timeframes of policy changes that may occur during the year.</p> <p>Rate certifications are required for each of our four major programs: Physical Health, Long Term Services and Supports, Behavioral Health, Other Adult Group.</p> <p>The data will be transmitted via SFTP.</p> <p>The data will be transmitted on a quarterly basis and potentially more frequently depending on the need and changes.</p> <p>Standard definitions already exist.</p> <p>Calendar Years 2014 through 2017.</p>

					<p>analyzing?</p> <p>How is the data partitioned (e.g., how many different data feeds are there)?</p> <p>Are there any services in the data that need to be removed, adjusted, re-priced, or requiring any other special treatment (e.g., carve-outs, non-state services, substitute services, etc.)?</p> <p>How are Value-Based Reimbursement programs evaluated and recognized in the base data?</p> <p>Are there any bonus or withhold programs in place that need to be considered in the rates?</p> <p>Are there any managed care adjustments that need to be considered or evaluated?</p> <p>Will contractor be coordinating any data requests with the MCOs for financial information?</p> <p>Is the financial information used as base</p>	<p>The data will be partitioned by quarter by capitations, encounters, FFS, and eligibility data. There are approximately 20 data feeds.</p> <p>Yes. The contract will need to address data discrepancies due to each of those items as well as encounter data error and completion rates as well as IBNR.</p> <p>Value-Based Reimbursement programs are included in some encounter data and in financial reports.</p> <p>Yes, there are programs like Delivery System Improvement Performance Targets that need to be considered in the rates.</p> <p>Yes, managed care adjustments will need to be considered or evaluated.</p> <p>All information requests to the MCOs will be made by the Department. .</p> <p>Encounter data and financial information are used as the base data.</p>
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					data? If yes, is it blended with encounter/claims data?	
17	RFP	IV.A.3	34	Develop and/or update risk adjusted rates for acute care services to reflect differences in the financial risk assumed by competing managed care organizations using the Medicaid Rx model or other risk adjustment system that HSD approves semi-annually or annually at HSD's discretion. The Contractor shall perform the following tasks:	<p>What version of Medicaid Rx is used?</p> <p>In addition to Medicaid Rx, is CDPS also used? If yes, what version?</p> <p>How are rates risk adjusted for LTSS and/or BH benefits?</p> <p>Is the entire rate risk adjusted, or just the benefit portion?</p>	<p>Version 6.1</p> <p>CDPS is not utilized.</p> <p>They are not. Only Physical Health and Other Adult Group rates are risk adjusted. Other programs may be added in the future.</p> <p>The medical expense portion is risk adjusted.</p>
18	RFP	V.D.3	39	The Technical Proposal Binder and the Cost Proposal Binder are in separate envelopes/packaging (refer to Section III of this RFP).	Is it permissible to submit all the (clearly labeled) hard copy materials in one box/package, or should the technical and cost proposal pieces be sent in separate packages?	Yes, all materials may be submitted to HSD in one box/package, but they must be placed in separate binders as noted in the RFP.
19	RFP	V.I.8	41	The Offeror must submit a list of the References. The Offeror must provide two (2) specific client References for each service component for	Are references required on the individual level, or just two references for the organization?	Two references are required for the Offeror <b>organization</b> for each of the SOW components for which they are submitting (Actuarial or Medicaid Policy Consulting). No references are required on the individual level (staff).

				<p>which they are submitting, with at least one (for each component) for a state Medicaid program or other large similar government or large private industry project within the last five (5) years. Each Reference noted on the list must include the contact name and phone number, a brief description of the services provided, and the period of service. Offerors may NOT request References from the New Mexico Medicaid agency, nor list the NM Medicaid agency as a Reference.</p>		
20	RFP	V.I.11	42	<p>Offeror must have the ability to secure a Performance Surety Bond in favor of the Agency to insure the Contractor's performance the contract award pursuant to this procurement. While each engagement will be different, the option to require a</p>	<p>Is an annually renewable surety bond acceptable?</p> <p>Is there a bond form that the bond issuer is required to fill out? Please further clarify what you are looking for with respect to the statement of concurrence, is that a bid bond, or a bond letter?</p>	<p>Yes.</p> <p>No form. "A statement of concurrence must be submitted in the Offeror's proposal."</p>

				Performance Surety Bond must be available to the Agency at time of contract award. A statement of concurrence must be submitted in the Offeror's proposal.	Should the bond amount be for the annual value of the contract?	Yes.
21	RFP	I.H & V.K.1.A.2	13 & 48		The cost proposal indicates that trips and direct/indirect costs should be isolated/highlighted (V.K.1.A.2) in the cost proposal, but the definition of hourly rate indicates that the hourly rates (I.H) are inclusive of travel and other costs. Are the hourly rates proposed in the Cost Proposal (V.K.1.A.2) to be inclusive of travel and other costs?	Proposed hourly rates and staffing costs in the Cost Proposals should be <b>exclusive</b> of travel and other costs, strictly staff/personnel hourly rates. Proposed travel and other costs should be itemized separately from staff costs and hourly rates.  <b>Amendment 1 to this RFP (released 1/12/18) revises the definition of Hourly Rates in Section I.H.</b>
22	RFP	V.K.1.A.2	48		How many trips should the contractor expect to make to NM each year?	HSD is interested in seeing the Offeror's proposal for travel based on the scope of work.
23	RFP	Appendix B	52	Use of Sub-Contractors (Select one) ____ No sub-contractors will be used in the performance of any resultant contract OR ____ The following sub-contractors will	Should the offeror only list Major Subcontractors?	Yes, list only Major Contractors that are paid by the Contractor (Offeror) at least 10% or more of the contract amount proposed by the Offeror.

				be used in the performance of any resultant contract:		
24	RFP	Section II, C.15, Contract Terms and Conditions, 3 <sup>rd</sup> paragraph	22	“Proposed changes are to be included in the Exhibits section. Offerors must provide a brief discussion of the purpose and impact (if any) of each proposed change, followed by the specific proposed alternate wording (see 2.3.16 below).”	We are unable to locate the reference, 2.3.16. Please clarify the reference to 2.3.16. Is the reference C.16?	That citation is incorrect (a typo); the correct citation is “II.C.16 below”.  <b><i>Amendment 1 to this RFP (released 1/12/18) revises the citation in II.C.15.</i></b>
25	RFP	Section V, Evaluation Requirements, 10,	42	“Offerors must submit copies of the most recent year’s independently audited financial statements and the most current 10K, as well as financial statements for the preceding three (3) years, if they exist. The submission must include the audit opinion; the balance sheet; statements of income, retained earnings, and cash flows; and the notes to the financial statements. If independently audited financial statements do not	As a publicly traded company, our financial statements are more than 140 pages (per year). Does the State want over 420 pages to be submitted in the hard copy version or would the State be willing to accept a summary of our financial reports in the hard copy submission along with the required financial documents in the electronic submittal as well as a link to the investor tab of our website where all visitors have 24/7 access to the financial documents?	Submitting a summary in the hard copy along with an electronic link <b><i>directly to the document</i></b> is acceptable.

				exist, Offeror must state the reason and, instead, submit sufficient information (e.g., D & B report) to enable the Evaluation Committee to assess the Offeror's financial stability."		
26	RFP	Section V, I., Mandatory Requirements, 11, Performance Surety Bond Statement	42	"Offeror must have the ability to secure a Performance Surety Bond in favor of the Agency to insure the Contractor's performance the contract award pursuant to this procurement. While each engagement will be different, the option to require a Performance Surety Bond must be available to the Agency at time of contract award. A statement of concurrence must be submitted in the Offeror's proposal."	Does the State anticipate this contract will require a Performance Surety Bond? If yes, what is the amount the State is likely to require?	We are requesting that Offerors confirm the ability to secure a bond, should one be required, in an amount equal to the total contract amount.
27	RFP	Section V, K., Cost Proposal, 1. Actuarial Services Component Cost Proposals, B.	48-49	"B. Provide a clear and detailed budget for annual actuarial and rate setting work (all inclusive: rate development, rate setting, and rate	Please clarify if the cost proposal submission for the Actuarial Services Component is specific to rate development or the entire scope of work outlined in Section IV.A?	The Cost Proposal for the Actuarial Services component should include all costs for all SOW components associated with Actuarial Services (IV.A.1-5).

				certification, updating, and monitoring), showing total hours and costs for the life of the project (four years) by year, activity and staffing category. Include itemization of all other costs (travel, direct, indirect, etc.) applicable to the completion of the work.”		
28	RFP	Section V, K., Cost Proposal, 2. Medicaid Program and Policy Consulting Services Component Cost Proposal, B.	49	“B. Provide a clear and detailed annual budget for proposed consulting work for on-going Medicaid policy and program consulting. “	Please clarify if the cost proposal should reflect a single annual period budget or a four year annual budget?	It should reflect annual budget amounts for each of the four years.
29	RFP	I. Introduction: C.8	10	“Contractors are required to utilize their own analytics tools until the new tools are available.”	Is it HSD’s plan to provide the Contractor with atomic level data files? If so, which files can the Contractor anticipate receiving and what is the approximate size and expected frequency of receipt of those files? Does HSD have specific data storage and protection requirements of which the bidders should be aware?	We do not understand the “atomic level” reference.  The data is provided quarterly and broken down by claims-capitations, encounters, FFS, and eligibility data. The size varies by individual table/data feed.

30	RFP	I. Introduction; C.8	10	“Contractors are required to utilize their own analytics tools until the new tools are available. The department expects the new analytics tools to be available by mid-2019 (subject to change).”	If the bidder assumes in its price proposal the availability and full functionality of the new analytics tool mid-2019 and the availability of the tool to the bidder is delayed, will HSD entertain continuation of the pre mid-2019 pricing for these services?	Yes.
31	RFP	IV Detailed Scope of Work; B.1.a.2	35	“Evaluate the enrollment and financial performance of Managed Care Organizations and their provider networks;”	Does “enrollment” in this requirement relate to the providers’ enrollment in the MCO network? If not, please clarify.	Enrollment refers to the enrollment of members in a MCO. The evaluation of the enrollment of Medicaid members in Managed Care Organizations is required.
32	RFP	IV Detailed Scope of Work; B.1.a.2	35	“Evaluate the enrollment and financial performance of Managed Care Organizations and their provider networks;”	Does “financial performance” in this requirement relate to the MCO’s financial performance or the providers’ financial performance or both?	Both.
33	RFP	V. Evaluation; K.2	49	General	What is HSD’ budget for the Medicaid Program & Policy Consulting Services?	HSD will not disclose that budget at this time.
34	RFP	V. Evaluation; K.2	49	General	This section and the template Contract appears to contemplate the <i>Medicaid Program &amp; Policy Consulting Services</i> being bought and paid on	Yes, those services are billed and paid on an hourly basis.

					an hourly basis. Please confirm or clarify.	
35	RFP	V. Evaluation; K.2.B	49	“Provide a clear and detailed annual budget for proposed consulting work for on-going Medicaid policy and program consulting.”	Given the unknowns that will contribute to the level of consulting services and assistance that HSD may require of the Contractor throughout this engagement, a detailed annual budget will have many assumptions and caveats. Will HSD describe how this annual budget will be used in the Cost Proposal Scoring process?	Proposed budgets will be reviewed and scored based on their thoroughness, appropriateness, and value to the State.
36	RFP	V. Evaluation; K.2.B	49	“Provide a clear and detailed annual budget for proposed consulting work for on-going Medicaid policy and program consulting.”	To ensure uniformity and fair evaluation across bidders, does HSD have a desired level of detail or a standard format for submission of the annual budget?	HSD is interested in the Offerors’ proposed level of detail within its desired format; subsequently HSD will not provide a standardized format.
37	RFP	Section I. Introduction A. Purpose of this Request for Proposals	2	“Offeror may not currently be a subcontractor to a company providing Medicaid services to the HSD.”	Would this apply to vendors providing project management services for the HHS 2020 project?	No.
38	RFP	III - C	29	Three separate electronic files are required for the proposal response components (as noted above). Each proposal component shall include (and be clearly	If a vendor does not have any confidential or proprietary information then are three electronic files still required?	No. If no confidential or proprietary materials are included in the submission, Offerors may submit the set of complete proposals digitally without redacted or deleted versions.  <b><i>Amendment 1 to this RFP (released 1/12/18) revises this requirement in III.C.</i></b>

				marked for each proposal component):		
39	RFP	n/a	n/a	n/a	Can HSD provide a copy of the current vendor's contract?	The current Actuarial contract and amendments can be found on HSD's website at: <a href="http://www.hsd.state.nm.us/LookingForInformation/medical-assistance-division.aspx">http://www.hsd.state.nm.us/LookingForInformation/medical-assistance-division.aspx</a> .
40	Data Book	n/a	n/a	n/a	How are the MCOs reimbursed for the Health Insurer Fee?	The MCOs are reimbursed for the Health Insurers' provider fee with adjustments to MCO payments.
41	RFP	Item 14	38	Assist HSD with merging clinical, financial, and operational data to create views, dashboards, and reports that are used to measure the performance of the Medicaid program and the outcomes of the Medicaid population.	Does HSD currently utilize dashboards; if so, what software is the basis for presenting these reports?	Yes, HSD utilizes dashboards that are in Excel format; however, HSD is open to other software options.
42	RFP	Item F	8	Individuals who receive HCBS through the 1915(c) waivers for individuals with an Intellectual and Developmental Disability (IDD) and for individuals who are Medically Fragile (MF) (these individuals receive only acute care services in Centennial Care.	Is coverage provided for institution for mental disease (IMD) stays beyond the 15 days that CMS is willing to provide funding for?	No. Currently stays in IMDs beyond the 15 days are not reimbursed by the state.
43	RFP	Item 9	18	The Contract(s) shall be awarded to the	For what purpose is served by the assignment	The Evaluation Committees reviews and evaluates all proposals, using information submitted by Offerors and the

				Offeror(s) whose proposals are most advantageous to the State of New Mexico and HSD, taking into consideration the evaluation factors set forth in this RFP.	of points to a proposal if the weighting of the points does not lead to the most advantageous proposal? Is it possible that the value of evaluation factors that are most advantageous will change from those listed on Page 40? If yes, how and in what ways might this happen?	scoring criteria as outlined in the RFP. The Committee's first responsibility is to determine which proposal will be most advantageous to the State of New Mexico and to the HSD. Because the Committee's discussion among Committee members factors into the decision process, the proposal(s) recommended for award may not be the one that accrued the most points.
44	RFP	Section V.K	48	K. Cost Proposal HSD is seeking high-quality professional services for the work described in the Scope of Work at the best value to the State. Points will be awarded for value, thoroughness, and appropriateness of the response.	Can the Department provide an estimated annual value or authorized annual dollar amount for the proposed contract?	No.
45	RFP	Section I.E	10	E. Scope of Procurement The scope of the procurement includes the operation and support services required to accomplish those tasks defined in the Scopes of Work and Sample Contract. The contract(s) resulting from this RFP shall begin upon	Will there be any options for renewal of the contract beyond the initial 4 years of the contract?	State procurement policies prohibit contract extensions beyond four years.

				approval by the State of New Mexico's Department of Finance and Administration (DFA) on July 1, 2018. The term of the contract signed as a result of this RFP will be for four (4) years.		
46	RFP	Section V.I.H	40	When the evaluation and scoring of the Technical Proposals, References, and Cost Proposals are complete, HSD will tally the scores from the evaluations to determine the Offeror(s) that will receive Contract offer(s) from the State.	Is there a formula that will be used to determine the scoring for the cost proposals?	There is not a formula. Proposals are evaluated and scored on thoroughness, appropriateness, and value.
47	RFP	Section II.C.29.C	27	The New Mexico Preferences (New Mexico Business Preference and New Mexico Resident Veterans Business Preference) shall not apply when the expenditures for this RFP includes federal funds.	Do the expenditures for this RFP include federal funds?	Yes.
48	RFP	Section V.I.10	42	10. Financial Reports Offerors must submit copies of the most recent year's	We are a public company with financial reports that are hundreds of pages in length. In lieu of	Yes, links are acceptable <b><i>if they link directly to the document(s).</i></b>

				<p>independently audited financial statements and the most current 10K, as well as financial statements for the preceding three (3) years, if they exist. The submission must include the audit opinion; the balance sheet; statements of income, retained earnings, and cash flows; and the notes to the financial statements. If independently audited financial statements do not exist, Offeror must state the reason and, instead, submit sufficient information (e.g., D &amp; B report) to enable the Evaluation Committee to assess the Offeror's financial stability.</p>	<p>paper copies and to be environmentally friendly, may we submit a link to the requested financial statements, which are available on our website 24/7? Alternatively, may we submit printed versions of the financial statements in our original proposal, and simply an electronic link to the financial documents in the physical copies of our proposal, as well as PDF copies in our electronic copies of the proposal?</p>	<p>Yes.</p>
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