

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance

Office of the Director
Office of Contracts & Compliance



QUESTIONS AND ANSWERS TO
ACTUARIAL SERVICES
SOLICITATION NO. DHCF-OMC-2009-P-0004

1. Is the District amenable to negotiation of exceptions or additions to the terms and conditions identified in the RFP? If yes, is the District amenable to negotiation of exceptions or additions specifically related to limits of liability? Where in its response should the bidder request exceptions or additions to contract terms and conditions?

Offeror may provide exceptions in their proposal. Exceptions are subject to consideration, however, exceptions could render proposal non-responsive. In view of the fact this is a Request for Proposal there is room for discussion.

2. Please clarify the scoring for the price criteria. M.4.4.1 indicates price will count for up to “ten (5) points”. Also, M.4.4.2 provides a formula for the evaluated price score which references “(20)” in the apparent numerator. Please clarify the specifics of this formula as they pertain to the price score.

Delete “ten” insert “five”. Price score should reference “(5).” Formula should read:

“Lowest Price Proposal divided by Price of Proposal being evaluated x 5 = evaluated price score”

3. This section indicates the total points awarded under the solicitation are one hundred. The maximum points in each evaluation factor sum to 112, including the preference points. Can a contractor score above 100 points after consideration for preference points or is the score capped at 100?

Yes, contractor score can be above 100 after considering preference points.

4. C.4.1.14 details scope of work related to monitoring of financial performance. There is no reference to a deliverable associated with this scope of work. Is the deliverable associated with the scope of work outlined in C.4.1.14 combined with deliverable in Section F.4 for the scope of work outlined in C.4.1.12?

Yes, the deliverable is as listed in F.4.

5. This section talks about the enrollment of members in the Healthy DC Program into one of the 3 MCOs. Is Healthy DC a new program? Has the current actuarial firm calculated rates for this program? Does the District intend to pay separate rates for these members?

Healthy DC is a new program that will be implemented this fall pending available funds. It is intended to be an expansion of health services using the existing managed care contracts. The District intends to modify existing rates determined by the current actuarial firm.

6. C.4.1.9 details a scope of work related to waiver assistance and refers the reader to dhcf.dc.gov for more information. Dhcf.dc.gov identifies to 1915(c) waivers and two 1115 waivers. Which waiver program is DHCF seeking actuarial assistance on in this RFP? Who has completed the waiver analysis and documentation in prior waiver years?

There is one waiver subsumed within the managed care contracts: the District's 1115 waiver for childless adults. While the current actuarial firm has provided some support for this waiver in the past, DHCF anticipates requiring additional support during the new contract period.

7. The RFP indicates that the attachments listed in Section J can be found on the website. However, the following may not be posted on the website: J.2, J.3, J.8, J.11, J.12, J.14. Where can we locate these documents? In addition, the document named Equal Employment Opportunity Statement does not appear to be identified in Section J. Is it part of J.4? Lastly, the instructions indicate that J.8 through J.16 should be submitted with the proposal. Is there a J.16?

All have been added to the website. J.16 should read J.15. The Equal Employment Opportunity Statement is apart of J.4.

8. Section L.3.1.1 outlines specific narratives that are requested in response to the scope of work outlined in Section C.4. There is no reference to specific narratives related to the scopes of work outlined in C.4.1.12, C.4.1.13, or C.4.1.14. Where would DHCF prefer these narratives be presented?

Please present the narratives for sections C.4 in the response to sections L.3.1.1.1, Technical Capability Narratives.

9. C.4.2.9 and C.4.1.3.9 detail scopes of work related to actuarial opinions related to any changes in benefits. There is no reference to a deliverable associated with these scopes of work in F.4. Also, there is no request for specific narrative on these scopes of work for

Section L.3.1.1. Are specific deliverables anticipated for these scopes of work? Where would DHCF prefer proposers include narrative responses to these section?

The only deliverables associated with benefit changes would be actuarial analyses of the impact these changes would have on the District's rates. Narratives are not required but may be submitted within section L.3.1.1.1.

10. While the majority of tasks identified in Section C.4 are straightforward to cross-reference to the Price Schedule in B.4, it is not apparent where DHCF would like cost detail for the financial reporting work outlined in Section C.4.1.12 and C.4.1.14.

Please include cost detail for financial reporting in CLIN 004.

11. Please indicate why this contract is out to bid: for example, whether vendor re-procurement is required every X years (please provide the number of years), dissatisfaction with the current vendor, or other reasons.

Current contract is expiring. Contract was awarded based year and 4 Option years. All five years have been expended.

12. Please indicate whether the scope of services as outlined in Section C.4 of the RFP are the same as those provided by the current actuarial consultant for the District of Columbia Department of Health Care Finance (DHCF). In addition, please identify:
- The name of the firm that DHCF currently uses for actuarial services;
 - How long they have been DHCF's consultant
 - The amount of billings for actuarial services for each of the past three years;
 - The current hourly rates by staff level and total annual fees paid to your actuarial consultant by project, a copy of your contract with the actuarial consultant, and
 - Please provide copies of actual bills for the past two years.

The scope of services is largely the same as the existing contract. The RFP may be more detailed than in the past to reflect current business practice and organizational needs.

- Mercer Government Human Services Consulting
- Five years under the expiring contract
- c – e are subject to FOIA. www.dhcf.dc.gov and click on "FOIA Request"

13. Do you have funding allocated for the requested services under this RFP? If yes, what is the budgeted amount?

Yes funding is available and allocated. The total amount will not be disclosed to potential bidders to ensure the District receives the most efficient pricing proposals.

14. Please provide copies of final reports and actuarial certifications, as appropriate, for each project completed by your actuarial consultant over the past 2 years.

The data books for all three programs will be made available to the selected contractor.

15. Please describe the role DHCF staff will have in the rate development, including project organization, data analysis, and other, as appropriate.

DHCF staff will be involved in the review of data collected from each of the health plans and request adjustments as necessary. While we anticipate being more involved in the rate development process over time, at this point the District does not have the expertise to engage in this activity.

16. Please describe the forum for discussing contract language concerns.

Contract language concerns will be address during negotiations with selected contractor.

17. Please provide an estimate of the number of in-person meetings that will be required per year.

The District anticipates on-site meetings will be required four to six times annually.

18. In what form are the weekly automated submission report files provided?

Text files are posted to a secure website.

19. Please describe the intent of the training to be provided to DHCF staff regarding the rate setting methodologies for the Managed Care, CASSIP, and PIHP programs. For example, is the intent to provide sufficient training such that DHCF are familiar with the methodologies or is it so that they will be able to perform specific tasks independently? If the latter, please list the specific tasks expected to be assumed by DHCF staff.

DHCF staff should be trained on the rate setting process such that staff is familiar with how the current rates are constructed and appreciates potential alternative rate setting methodologies. Current staffing does not support the ability of DHCF staff to conduct rate setting without external actuarial support.

20. Please describe the data sources that have been used by your actuarial consultant in the development of capitation rates for the programs listed in the background section. Also describe the form in which the data are provided to the consultant (e.g., summarized tables, detailed claims records, something else.) If detailed data are provided, please describe the volume of data, the manner in which it is transmitted, and the general data format (e.g., ASCII file, SAS data set, other). If data are provided in a summarized format, please describe the criteria used for producing the summary reports and examples of the report formats that have been provided to the consultant. Please comment on the possibility of modifying the report formats to meet the specific analytic needs of this analysis.

The actuaries request a financial report of medical expenses by age/sex cells and major service categories. Additionally, they receive sub-capitation expenses detailing per

month per month rates by contract year, category of service, and age group for all subcontracts. They also receive information on member months and program eligibility as well as detailed claims payment history for each health plan to estimate lag time.

The volume of encounter data received is sizable. All encounters are submitted directly from each health plan to the District's MMIS. They are processed, validated for eligibility and billing legitimacy and stored within MMIS. The extracts used by the actuaries are pulled from the DC MMIS. Each health plan submits their encounter to the MMIS electronically through their EDI gateway via a HIPAA 837 transaction. Three text extracts are created from this data for use by the actuaries. The data is submitted by the health plans in the following formats: x12N 837-I, x12N 837-P and x12N 837-D. These formats are then converted and extracted into three text files, dependent upon format (Inpatient Facility, Physician or Dental).

21. Do you currently employ risk adjustment for determining payments to the participating MCOs? If so, what risk assessment tool is currently being used? Additionally, who do you anticipate, your consultant or DHCF staff, will have responsibility for running the software to obtain risk scores for each individual?

DHCF does not currently risk adjust managed care rates.

22. Given the change in date for submission and response to questions, will there be a change in date for summing the final proposal?

Yes. New date will provided through an Amendment.

23. Section F.1.1 indicates that this is a Fixed Price Labor Hour contract. Does the contract have a single hourly rate or can hourly rates vary by labor category?

Hourly rates are anticipated to vary by labor category.

24. Section C.3.3 refers to the Prepaid Inpatient Health Plan (PIHP) managing the delivery of care to the CASSIP enrollees. What services are included in the PIHP risk sharing arrangement (e.g., all Medicaid covered services or inpatient services only)?

The majority of the Medicaid covered services are the responsibility of the CASSIP contractor.

25. Section C.4.1.9 refers to calculations for waiver applications and renewal. How many managed care waivers does the District presently have? Will the contractor be responsible for the financial projects supporting the waiver renewal? What waiver renewals are expected during the potential five year term of the contract?

Currently the District is in a three year extension for our 1115 waiver for childless adults. While the contract will not be responsible for financial projections for the waiver, rate

development for this population is included in the rate setting for the managed care contracts. There may be up to two renewals/extensions during the potential five years of the actuarial contract.

26. Section C.4.1.13.9 refers to reports of irregularities for each MCO entity for Medical clinicians who may need to review and comment on specific provider issues. Is the contract to supply the Medical clinicians to do the review? If so, what types of review are needed and how often?

Nurses or other para-professionals may be necessary to provide clinical review of encounter data issues on an as needed basis.

27. Please provide information on the current contractor (contract terms, hourly rates, as well as total payments made to the contractor by task for each of the past two years).

Information to be acquired through FOIA (www.dhcf.dc.gov) click on FOIA requests

28. Please provide information on the number of trips/days spent on-site by the current contractor for each of the past two years.

DHCF does not have a complete tally of travel taken by the current contractor. We estimate the incoming contractor should anticipate four to six trips to the District annually.

29. Please provide a copy of a recent rate setting report for each of the programs as well as a description of any other deliverables completed by the current contractor.

Rate setting reports will be made available to selected contractor.

30. Please describe any anticipated program, benefit, and/or eligibility changes for each of the programs.

There are currently no major benefit or eligibility changes anticipated; however, this is always subject to change. Minor benefit and eligibility changes are ongoing.

31. Please provide additional information on the financial data collected from the MCOs. Please include data description, format, size, time frame, etc. Also, describe the extent to which the data has been validated. When will the data be made available?

The actuaries request a financial report of medical expenses by age/sex cells and major service categories. Additionally, they receive sub-capitation expenses detailing per month per month rates by contract year, category of service, and age group for all subcontracts. They also receive information on member months and program eligibility as well as detailed claims payment history for each health plan to estimate lag time.

32. What is the proper forum for discussing contract language concerns?

During negotiations with selected contractor.

33. Section 1.8.1.1 “All insurance provided by Contractor as required in this section, except comprehensive automobile liability insurance, shall set forth the District as an additional insured.” Not all of our insurance (i.e., E&O) will allow for the District to be named as additional insured. Is this item negotiable?

This is standard language and DC is to be a rider on the insurance policy. However, depending on service being provided by contractor this can be negotiable. In the event increased premium cost is incurred by contractor, said cost may be reflected in contractors cost proposal as a reimbursable cost.

34. Who is the incumbent contractor?

Mercer Government Human Services Consulting.

35. Will you provide a copy of the previous contract?

Subject to FOIA Request. (www.dhcf.dc.gov) click on “FOIA Request”

36. Will you provide a copy of the latest rating documents/certifications and data books?

Data books will be made available to selected contractor.

37. How long has the incumbent been under contract for the services outlined in the RFP?

Five (5) years

38. Over the prior two contract years, what were the total hours and fees (separated into services and expenses by task, if possible)?

Subject to FOIA Request (www.dhcf.dc.gov) click on “FOIA Request”

39. Please summarize the reason for releasing the RFP at this time.

Original contract written for 1 year base contract with 4 option renewal years. All five years have been expended.

40. How many on-site meetings does DHCF anticipate per year?

DHCF anticipates four to six on-site meetings annually.

41. Since the Pre-Proposal Conference was pushed back from July 27th to August 7th, will the proposal due date also be pushed back?

Yes. New date will provided through an Amendment.

42. The RFP does not set forth a process by which Bidders may submit exceptions to the proposed terms of the RFP. What process should Bidders utilize to submit such exceptions with the proposal response?

Offeror may provide exceptions in their proposal. Exceptions are subject to consideration, however, exceptions could render proposal non-responsive. In view of the fact this is a Request for Proposal there is room for discussion.

43. There are several forms the website indicates need to be submitted, which are not included in Section J. Please provide clarification as to which specific forms need to be included in the proposal.

All required documents are now on website. Review all Sections, where instructions indicate “are to be submitted with the proposal,” please provide. There are documents other than those listed in Attachment J that are to be submitted with your proposal such as in Section K.

44. The RFP indicates form J.16 should be submitted with the proposal, but there is no J.16. Is this a typo and should it be J.15?

“J.16” is a typo should read “J.15.”