STATE OF NEW MEXICO
OFFICE OF SUPERINTENDENT OF INSURANCE

DEPUTY SUPERINTENDENT

Robert E. Doucette, Jr.

DEPUTY SUPERINTENDENT

Bryan E. Brock

SUPERINTENDENT OF INSURANCE

John G. Franchini

OSI has received the following questions regarding the RFP for Actuarial Services for review of its Essential Health Benefits Benchmark plan. OSI provides the below response.

Question 1: The RFP requests references for similar experience in the last 3 years. Since most states have not re-evaluated their EHB offerings in the last 3 years, do you prefer references for which the Offeror supported the state for the 2014 plan year (work likely done in 2012) or more recent state references that may not be specific to EHB work?

Answer: It is permissible for Offerors to submit references from states it supported in the EHB benchmark plan evaluation process prior to 2014. Offers may also submit references not specific to EHB work, however OSI prefers that references come from state regulators.

Question 2. Under B.1 (page 25 of the RFP) discusses the need for EHB experience under Organizational Experience but under the evaluation factors for B.1. it states that the Offeror will be evaluated based on “2) Number of successful insurance Carrier market conduct examinations in last 2 years and; 3) % of business revenue derived from insurance Carrier market conduct examinations.” Is the market conduct reference intended since this was not mentioned in the Technical Specifications of the RFP?

Answer: Inclusion of references to market conduct examinations is unintentional. Please disregard this request. Market conduct experience is not required. For section B.1, Organizational Experience, the required evaluation factors shall include, 1) Experience supporting state evaluation and selection of benchmark plans, 2) Experience supporting states in reviewing rates and forms for the certification of qualified health plans, and 3) Experience in providing actuarial services for state insurance regulators, generally.

Question 3. Can the reference due date be delayed since the responses to the questions will determine if we bid (per prior question we do not have market conduct experience)? We would prefer not to request our state contacts to fill out the reference forms if we do not ultimately decide to bid based on the responses to these questions.

Answer: Due to procurement timelines, OSI is unable to extend the deadline for references.

Question 4. Purpose of This Request for Proposal – Page 1, paragraph 1. The document states that the purpose of the RFP is to establish a pre-qualified pool of Vendors to provide actuarial services in analysis and potential selection of an essential health benefits benchmark plan. It has been our experience that an assignment of this nature requires the services of only one actuarial firm. Is it your intent to have multiple actuarial firms working on this project? If so, how do you envision distributing the work among multiple actuarial firms?

Answer: OSI will only select one Vendor from the pool of applicants.

Question 5. Scope of Procurement and Cost Response Form – Page 2 and Appendix D. The term of the contract is stated in the Scope of Procurement paragraph as ranging from July 1, 2019 through October 30, 2020, with optional extensions for up to three optional renewals of one year each. Based on this wording, the initial term is a period of sixteen months. Then in Appendix D, the Cost Response Form, it requests a price for Option Year 1. Is Option Year 1 to be interpreted as the sixteen-month period, or is it for a twelve-month period beginning July 1, 2019?

Answer: Option Year 1 shall be interpreted as the twelve month period beginning July 1, 2019, with a possibility for a no cost extension to October 30, 2020.

Question 6. 3. Cost Response Form – Appendix D. If the contract were to be extended for optional renewal years, how would the cost for those periods be determined?

Answer: In the unlikely event that the contract were to be extended for optional renewal years, the cost for these periods would be determined by availability of federal funding. However, at this time, no federal funding has been made available.

Question 7. 4. Technical Specifications – Page 25, item B1 c). This item requires a description of at least two project successes and failures ideally related to the EHB-benchmark plan selection process. Are you referring here to the new EHB selection process for plan years 2020 and later, or are you referring to the EHB selection process from prior years as well?

Answer: This section refers to successes and failures related to any prior EHB-benchmark plan selection process undertaken by the Vendor/firm. If the Vendor/firm has not undertaken any prior EHB-plan selection process, please state other successes or failures in actuarial consulting with state-based projects.

Question 8. Technical Specifications – Page 25, item B1 c) **–** Could you clarify what you would view as a project failure in regard to the EHB-benchmark plan selection process?

Answer: A project failure would include a failure to complete a deliverable required by a state regulator or failure to meet a deliverable timeline.

Question 9. Organizational References – Page 26, item d) - Could you clarify what is meant by technical environment in the context of an actuarial project such as an EHB-benchmark plan selection process?

Answer: The request for information about the Vendor/firm's technical environment seeks to obtain information about the Vendor's ability to leverage appropriate technology, such as the internet, email, etc. to timely complete the project.

Question 10. Sample Contract, Item 4a, Status Reports, page 39 – Can you please clarify if bi-monthly status reports means twice a month or every other month?

Answer: We are seeking a status report twice a month.

Question 11. Sample Contract, Item 4a, Status Reports, page 39 and Exhibit A, Bi-Weekly Actuary Status Report -- Also, the Sample Contract paragraph 4a refers to Exhibit B as a sample format of the required status report but we only see Exhibit A, which is entitled Bi-Weekly Actuary Status Report. Did you mean to refer to Exhibit A, and does bi-weekly mean the same as bi-monthly?

Answer: Exhibit A is the same as Exhibit B, and the bi-weekly means twice a month.

Question 12. Sample Contract, Item 4b v., Total Compensation **–** This paragraph refers to the Actuary being responsible for monitoring examination expense incurred. What examination expense is this referring to?

Answer: This language is mistaken. This should read that the Actuary is responsible for reviewing the actuarial expense incurred.

Question 13. Sample Contract, Item 4b v., Total Compensation – This paragraph says that once 80% of the contract amount has been expended, all work shall stop until written approval has been obtained from the Actuary. Is this relevant in the context of this RFP for the EHB-benchmark selection process?

Answer: This paragraph should read that once 80% of the contract amount has been expended, all work shall stop until written approval has been obtained from the Agency. This is still relevant to the EHB benchmark evaluation process so that OSI can appropriately monitor the expenditure of funds.

Question 14. Appendix D – Cost Response Form – The Cost Response Form contains the words Sample Below. Should we interpret that to mean that we can modify the form to more appropriately reflect the components of our proposal, such as hourly rates and number of hours? Or must we maintain the headings and columns shown?

Answer: There may be room for appropriate changes to the same cost report form that reflects the components of a Vendor's proposal.

Question 15. Appendix D – Cost Response Form – Is a fixed price bid required, or would it be acceptable to proposal a Not-To-Exceed amount, such that the cost could end up being lower than the

Not-To-Exceed amount if the hours required to complete the assignment were less than originally estimated?

Answer: It would be acceptable to propose a Not-To-Exceed bid amount.

Question 16. The RFP indicates that the work would be funded using the State Flexibility Grant awarded to the State of New Mexico.

a. According to CMS's website the State of New Mexico included both a scan of the current health insurance markets and an EHB study in its grant application. Can you please confirm our understanding that the scope of this RFP is limited to just the EHB study and the market scan will be separately procured or otherwise performed by the State outside of this RFP?

b. Can you provide the portion of the $279,843 grant award that was allocated to the EHB study?

Answer: The market scan is a separate project to be completed outside of the scope of this RFP. This market scan will be otherwise performed by the State. We will not be providing the portion of the grant award that was allocated to the EHB study. The purpose of this RFP is to find the most cost efficient bid for these services.

Question 17. The RFP allows for certain information to be considered confidential and indicates that such confidential information will not be released to the public. We have the following questions related to this option:

a. Item 8 on page 13 of the RFP indicates that we are to mark "Proprietary" or "Confidential" on each page that contains confidential information. Item B.1 on Page 22 of the RFP indicates that we are to redact the confidential information. Please confirm whether we are to both redact the confidential information and mark "Proprietary" or "Confidential" somewhere on each page that contains confidential information.

b. If we are to mark "Proprietary" or "Confidential" on each page that contains confidential information, please indicate if these markings need to appear in both the unredacted and redacted versions, or only the redacted version.

c. Please confirm that we only need to submit one hard copy of the redacted technical proposal, and that we should also include a copy of the redacted proposal on the CD/USB drive.

Answer: For question a) please mark "Proprietary" or "Confidential" somewhere on each page that contains confidential information and redact the information.

For question b) Only the redacted version needs the redactions and "Proprietary" or "Confidential" markings.

For question c) Please submit only one hard copy of the redacted technical proposal and please include a copy of the redacted proposal on the CD/USB drive.

Question 18. Item B1 indicates the breakdown of scoring for the 250 of the total 1,000 points assigned to Organizational Experience. Most of the criteria listed are related to insurance carrier market conduct exam experience. Can you please clarify whether this is correct, and if so, whether a bidder with significant experience evaluating and assisting states in the selection of essential health benefit packages but limited experience performing insurance carrier market conduct examinations would rank significantly lower than a bidder with significant insurance carrier market conduct exam experience but limited or no experience assisting states in the selection of essential health benefit packages?

Answer: Please see answer to Question 2.

Question 19. Page 29 of RFP: We have the following question related to Section V, item B. Evaluation Factors, Paragraph 3. B.4 Mandatory Specifications The RFP says points are based on thoroughness and clarity, and validity of the response "for each of the 2 areas required", however only one area is listed. Can you please confirm that only the one area listed applies, or alternately provide clarification as to what the two areas are?

Answer: The second evaluation point will be 2) Prior successful work with state insurance regulators on qualified health plan rate and form filing evaluations.

Question 20. Can you please confirm the RFP# that we should reference in our response. The cover page of the RFP indicates #20-440-4000-00005, but several places within RFP reference #20-440-4000-00003.

Answer: **The correct is RFP #20-440-4000-00005**

Question 21. Page 17 of RFP: Please confirm our understanding that Section C General Requirements, item 28 New Mexico Employee Health Coverage would only apply to employees working on this project, if awarded, that reside in the State of New Mexico, and only if the contract amount is greater than $250,000.

Answer: This is correct.

Question 22. We have the following questions related to the Cost Response Form on page 48 of the RFP

a. Please clarify whether you are seeking hourly rates or a fixed fee for a prescribed scope of services as outlined in our proposed work plan.

b. Please clarify what your expectation is in terms of how the table in the form should be completed. For example, should each row represent a staffing level (e.g., Analyst, Consultant, Senior Consultant, etc.) with the total fees anticipated to be incurred at that level or should each row represent a task with a fixed fee?

c. Can you also clarify what information you expect to be included in each of the columns of the table. For example, if you expect each row to represent a staffing level should we include the staffing level in the column labeled "Description," the estimated hours for each level in the "Quantity" column, and the total cost for that staffing level in the "Cost per Item" column? If so what should be in the "Type" column? If you instead would like each row to represent a task, should we describe the task in the "Description" column, and include the total cost in the "Cost Per Item" column? If so, what should be included in the "Type" and "Quantity" columns?

d. Please confirm our understanding that the amount included in the "Option Year 1" section just below the table should reflect the total of the "Cost Per Item" column of the table.

Answer: Costs would represent task with a fixed fee since these will be based on deliverable.

Question 23. We have asked our client references to complete the required questionnaire and, as directed in the RFP, send them directly to the Procurement Manager identified in the RFP. While we can verify with our clients that they have sent them, we are unsure of how to verify that the requisite number of responses have been received by the State. Is there a way that we can verify whether the State has received responses from at least three of these references?

Answer: Contact by email to confirm receipt of the references can be sent to Dorothy Mendonca, Procurement Manager at dorothy.mendonca@state.nm.us