

## HBEX5 Health Plan Management Questions & Response:

### **NEW !!!** Questions and Response Published January 26, 2012:

**Is the State of California considering the development of a separate Basic Health Program, as allowed under the Affordable Care Act, which would expand coverage to adults with income levels above the eligibility standards for Medi-Cal? Will this project include the Basic Health Program?**

The California Legislature has been considering legislation to expand affordable health insurance coverage to include adults whose income is above the Medi-Cal income guidelines. This new health insurance program would be the Basic Health Program (BHP) as allowed under the Affordable Care Act. If the BHP is enacted into state law, the BHP will provide health insurance coverage to adults whose income is above 138% to 200% of the federal poverty level. Proposals should include the consideration of how the creation of this additional coverage program would affect the strategies that the Board might undertake in contracting with Qualified Health Plans.

**Model Contract, Exhibit A, Statement of Work, Item IV.A.d. Does the Exchange/State have access to the necessary data for the Contractor to analyze and make recommendations regarding the number and type of health plans to address the needs of “special populations”?**

Although the Exchange is willing to share with the Contractor how we would define “special populations”, we do not have in house data. The task presumes a certain level knowledge and ability to do research based on “available field research, evidences and best practices in other public and private programs and other states”. The Exchange would be willing to provide access to our program integration partners, who may have may have done studies and analysis on access for special populations here in California.

**Model Contract, Exhibit A, Statement of Work, Item IV. A.c. Does the Exchange/State have access to the necessary data for the Contractor to analyze and make recommendations regarding the number and type of health plans offering to county, regional and/or statewide populations?**

Although the Exchange is willing to share with the Contractor our knowledge of geographic coverage in California, we do not have in house data. The task presumes a certain level knowledge and ability to do research based on “available field research, evidences and best practices in other public and private programs and other states”. The Exchange would be willing to provide access to our program integration partners and state regulators, who have coverage data for plans doing business in California.

**Model Contract, Exhibit A, Statement of Work. Does the Exchange have available the analysis of the Essential Health Benefits and current state mandated benefits that may be required to be offered in the Exchange or is it anticipated that the Contractor will need to conduct this study?**

The federal Center for Consumer Information and Insurance Oversight (CCIIO) issued a Bulletin on Essential Health Benefits on December 16, 2011, in order to get public input prior to developing regulations on essential benefits. The federal government proposes to allow states to use the benefit structures from certain defined health plans types used within the State to define essential health benefits. The Exchange has established working group of the Exchange and state departments engaged in health care reform implementation and is using the services of an actuary to assist the Exchange in its comments to the federal government and in selecting a standard plan or plans which would define the standard for essential benefits. The Contractor would be given access to the work group findings once completed.

**Model Contract, Exhibit A, Statement of Work. Is it anticipated that the Contractor would be responsible for reviewing, integrating and summarizing the Stakeholder input in response to the “list of key questions and issues” that the Exchange disseminated prior to this RFP or will the Exchange perform this function?**

The Exchange will collect and organize stakeholder input on health plan certification and selection criteria, delivery system improvement and the Qualified Health Plan Selection process.

**Model Contract, Exhibit A, Statement of Work. Will the Contractor have the opportunity to solicit additional Stakeholder input or is that not anticipated to be required as part of this contract?**

Under the Model Contract Solicitation process, proposing firms are allowed to offer enhancements and improvements over and above the published Statement of Work. Soliciting additional stakeholder input could be considered such an enhancement.

**Model Contract, Exhibit A, Statement of Work. Were health plans and providers included in the group of stakeholders that received the Exchange “list of key questions and issues”?**

Additional meetings with stakeholders will take place around the state over the next several weeks and will cover criteria for selecting Qualified Health Plans. Health plans and providers will be included in these discussions.

**Model Contract, Exhibit A, Statement of Work. Will the Contractor have access to health plans and providers as it explores options for plan selection and delivery system improvements?**

At this stage in the process, we do not have lists of health plans or providers to which we could offer access. If a bidder believes that accessing health plans and providers, or their representative associations, would be helpful in doing required research, the bidder would be free to proceed.

**Model Contract, Exhibit A, Statement of Work. Does the Model Contract Solicitation include any assessment and recommendations for QHP marketing requirements?**

This is not included in the current Statement of Work. Under the Model Contract Solicitation process, proposing firms are allowed to offer enhancements and improvements over and above the published Statement of Work. Assessments and recommendations on the ability of plans to assist in program marketing could be considered such an enhancement.

**Has the California Exchange determined yet whether Exchange health plans will create their own plan designs or whether the Exchange will standardize the plan designs for all health plans available through the Exchange?**

The Exchange will be determining the essential health benefits and base management and performance standards to be covered by all Qualified Health Plans participating in its programs. The Exchange would be using the results of this Health Plan Management/ Delivery System Improvement project in determining the extent to which health plans will be required to offer standardized cost sharing structures for each of the proposed bronze, silver, gold and platinum levels or would allowed to provide individual enhancements over and above the base.

**Can you provide a list of the firms have contacted your office with inquiries regarding this solicitation?**

We have directly contacted by three vendors who have shown an interest in the project by submitting questions: Milliman, Navigant and PricewaterhouseCoopers.

**Proposal Format & Check List: The solicitation indicates the number of copies and page limits for the proposal sections. Are there any other format requirements?**

No

**Proposal Format & Check List: Item B.13, asks for resumes of each key person. Please confirm that a biographical paragraph is sufficient in response to this item, with detailed resumes provided in response to Item C.**

Item B.13 would include the names and titles of the key personnel and, along with Item 14, how they would relate to the project. Full resumes could be included in a separate tab.

**Evaluation Team: Please describe the expected number and the HBEX role of the members of the evaluation solicitation team.**

The specific make up of the evaluation panel has not yet been determined. It will Exchange staff, who will direct the evaluation process and experts in from other State agencies which deal with health plan standards and selection. The panel will review the proposals, negotiate with the some or all of the proposing vendors and make a recommended award to the Executive Director. The Exchange Board has delegated the decision on the final award to the Executive Director.

**Attachment 1- Format Cost Proposal: Since this is a fixed cost bid for each deliverable, is an hourly cost for each staff level a necessary part of the submission?**

Yes-this information is required to determine the viability of the fixed cost bids.

**Model Contract, Statement of Work, Item V.C. What is the expected number of meetings that the consultant is expected to attend? Is this limited to Board meetings where consultants are expected to make a presentation on the status or recommendations of the project?**

Board meeting participation would likely be limited to making presentations on the key project deliverables.

**Model Contract, Statement of Work. The solicitation states "Consider and integrate feedback provided by Stakeholders in response to a list of key questions and issues developed and disseminated by the Exchange prior to the start of this contract. The Exchange will disseminate and collect input which the Contractor shall use in developing its recommendations." Please describe this process more completely. Have the stakeholder comments been synthesized? Are there any follow up meetings or conference calls with stakeholders that the consultants are expected to attend?**

Exchange management has met with stakeholders from around the state on a number of issues and is planning additional stakeholder meetings which will be

more focused on the issues surrounding Qualified Health Plan standards and selection criteria over the next several weeks and prior to the start of this project. Stakeholder input from these meetings will be shared with the selected Contractor. Under Item V. General Requirements, additional meetings with stakeholders may be required and the Contractor will be expected to incorporate stakeholder feedback, as necessary and relevant, into project reports.

**Exhibit C, General Terms and Conditions, Item D., Audit: Please clarify the documents the State would expect to have access to during an audit, given that the payments under this contract are based on Deliverables.**

This standard state clause is self-explanatory. An audited contractor would need to maintain records and supporting documentation pertaining to performance under the contract. The fact that payment under the Contract is based on specific deliverables does negate the potential for audit.

**Who will be overseeing and managing the contract and deliverables for HBEX5 on behalf of the Exchange?**

The Contract will be managed by a senior management person, yet to be determined.

**Please describe the review and approval process of all deliverables (turn-around time and all levels of approval).**

The Exchange Contract Representative will coordinate the review of all project drafts with other Exchange management and staff and will be the primary liaison for feedback on project deliverables.

**Please explain the stakeholder process that the Exchange has been involved in the past and the anticipated future activities. Briefly include a description of stakeholders and organizations that have participated and provided input beyond those listed as members of the Individual and SHOP stakeholder work groups.**

Since the inception of the Exchange, stakeholders have been engaged in the development of policy that governs the organization. In addition to the two stakeholder workgroups established for eligibility and enrollment, the Exchange has sought through statewide efforts, input from:

Labor  
Health Plans  
Advocacy Groups  
Provider Organizations  
Community Health Groups  
Small Business Owners  
Pharmacy Professionals, and

## Financial Consultants

The Exchange will continue to work statewide with stakeholder through ad hoc meetings, Board Meetings, and Advisory Groups. As part of this continuing effort, the Exchange is planning additional stakeholder meetings which will be more focused on the issues surrounding Qualified Health Plan standards and selection criteria. This will be done over the next several weeks and prior to the start of this project.

### **Questions and Response Published January 25, 2012:**

**In Exhibit A, of the Model Contract (Statement of Work), Item I (3) states that the Contractor shall participate in "*Developing an ongoing program of certification, recertification and decertification, performance measurement, quality monitoring and compliance for participating health plans.*" In addition to developing the certification program will the Contractor be expected to actually participate in the certification process or assist in making health plan certification determinations, or is the Contractor's role limited to development of the process?**

No-health plan certification will be done by the Exchange, using Federal criteria, its own criteria, as developed with assistance of the health plan management consultant, and each plan's licensing status with the state regulator agencies, the California Department of Managed Health Care or California Department of Insurance.

**In Exhibit D of the Model Contract (Special terms and Conditions), Item F requires that the Contractor must complete an annual A-133 Audit and submit the audit to the Exchange. Does the A-133 Audit requirement apply to this contract, since the payment will be made for specified deliverables, rather than on a cost basis?**

The applicability of the A-133 Audit rules is complicated, fact-specific determination. The contractor being awarded this contract could be considered a sub-recipient of the Level I federal grant and potentially be subject to the A-133 requirements. Vendors who are concerned about the applicability of A-133 should raise the issue as part of the Item 10. E. of the solicitation, which allows

potential bidders to give feedback on the model contract language. The issue can then be more thoroughly discussed during the negotiation process.

**Page 6, Item 8 of the HBEX5 solicitation, requires potential bidder's to disclose any potential conflict of interest that might be of potential harm to the State. Does this mean that the contractor could not work on behalf of health plans that will potentially be joining the Exchange as Qualified Health Plans? Many firms with expertise in the areas on which the Exchange is seeking guidance, have consulting relationships with health plans in California as a matter of course.**

The solicitation requires that the potential bidder disclose the potential conflict, which would be thoroughly vetted during the negotiation process. There are several ways that a potential conflict can be avoided, such as requiring a firewall between staff that work on the Exchange project and staff that advise plans.

**Does the same Conflict of Interest disclosure requirement apply to business relationships with health plans in other states?**

Since many of the larger health plans in California also do business in other states, there would be a potential for conflict that would need to be disclosed and managed. A potential bidder would not need to disclose a relationship with an out of state plan that does not offer coverage in California.

**Page 6, Item 8 of the HBEX5 solicitation refers to Public Contract Code Section 10365.5, which prohibits a contractor from receiving a new contract based on recommendations the Contractor might make as while performing under this contract. Would that preclude the successful health plan management contractor being awarded a future contract with the Exchange?**

The successful health plan management contractor could be awarded future contracts that were unrelated to this contract, or for additional, but related services under this Contract (For example, designing a health plan quality program for the Exchange.) However, the Contractor could not be awarded more than ten percent of any new contract that resulted from a specific recommendation made by the contractor while performing the contract project.

**Exhibit A of the Model Contract, Statement of Work, Item III A 3 tasks the Contractor with developing options and recommendations for minimum standards that Qualified Health Plans must meet to assure that the Exchange meets minimum federal, state and Board directed standards, to include multiple benefit design offerings and multiple coverage tiers.**

**Please provide further clarification of the range of services desired for this item. Are you asking for standards related to certifying whether a benefit**

**design meets the actuarial value criteria, or different criteria that may relate to covered services such as specific allowed benefit designs or network standards?**

The Exchange is not looking at this task for an actuarial assessment of the “core” designs for becoming a Qualified Health Plan. Rather, the Exchange is seeking an analysis of the basic state and federal regulatory standards that apply the core differences between the federal standards and the State requirements, including the differences between the Department of Insurance and Department of Managed Health Care regulated plans. With that analysis as a base, the Contractor would recommend appropriate minimum contracting standards for Exchange qualified plans that may be different than or exceed regulatory minimums, such as network strength, customer service features and quality standards.