

AMENDMENT 3 / Additional Questions and Answers
RFP #1597-DDES-SM
For the Delivery of Managed Long-Term Care in Selected Service Areas
June 27, 2007

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Question 1: In expansion counties, do all CMOs get the same rate based on composite calculation of all eligible members in the county, or is it retroactively adjusted to the actual membership the CMO enrolls?

Answer: The rate is adjusted to the actual CMO membership during ramp-up.

Question 2: A member could easily change from current state to a higher state during the year. For example, it is within reason that a member with indicators for 2 ADLs could progress to needing assistance with 4 ADLs during the year. The rate the member would get for the year is based on the 2 ADL condition but the claim risk is based on the 4 ADLs after the change. Is the variable assessment only addressed at the next rate setting or is there some true-up mechanism during the year, or some adjustment to account for this lag in the rates.

Answer: If the member's functional screen is updated to reflect this higher acuity level, the adjustment process referenced above will take into account the higher acuity level during ramp-up.

Question 3: It appears that the entire profile of all members is bumped up against the add-on rate increments to come up with a single rate for the CMO. Is there provision for rate adjustment if the membership changes materially during the year, causing an accurate mix assumption implicit in the rates received?

Answer: Yes, please refer back to the answer to question 1. Also, you may be interested in the rate report that can be found by going into the Family Care home page at: <http://dhfs.wisconsin.gov/LTCare> Once you get to that website you will need to open Program Operations on the left side of the page. Then, under Care Management Organizations, you can open capitation rates. The 2007 Rate Report is listed there.

Question 4: Must a Managed Care Organization (MCO) that has tentative plans to serve additional counties after it firmly establishes its operation in a first group of counties propose now to serve those additional counties? Will there be opportunities for expansion later?

Must a Managed Care Organization that has tentative plans to offer Family Care Plus or Family Care Partnership at some point in the future in any of the counties named in this RFP propose to do so now? Will there be opportunities for new program offerings or additional MCOs in the future?

Answer: This RFP will not be the only opportunity for MCOs that have future plans for new service areas or new program offerings or both. As noted in Section 1.4.3 of the RFP: “Contracts awarded as a result of this RFP process may be amended at a later date to include additional service areas.” We will create a process for future proposals for service area or product expansion. The process will provide protections to existing MCOs that are providing quality care so that they can remain viable, but to the extent the area is likely to provide sufficient enrollment to make more than one MCO viable, it would be in the Department’s interest to offer consumers a choice of MCO and, in the case of Family Care Plus or Family Care Partnership, bring more care under management.

Question 5: The WCC plans to expand the Family Care program to all counties in their defined region in 2008. Group Health Cooperative – Eau Claire (GHC), WCC’s health plan partner, plans to partner with the Long Term Care District’s (LTCD) MCO to introduce two additional program options to consumers – Family Care Plus and Family Care Partnership – throughout the region in 2009. Will it be sufficient to include a complete description of the additional program options that will be introduced to consumers in 2009 through a contracted agreement between GHC and the LTCD MCO in Section 2.2.3 Managed Long-Term Care Benefit Package of the RFP, or would GHC need to respond in a separate RFP.

Answer: In order to award a contract to an MCO, DHFS would need to receive a proposal from the MCO. Your question is unclear regarding whether WCC’s MCO or GHC-Eau Claire is seeking a contract with the State for these programs. You should note, however, that DHFS plans to establish a process for, at a future time, adding new counties to the service areas of MCOs under contract, allowing existing MCOs to add new Family Care programs, and allowing new MCOs to enter existing markets if the MCO can meet all requirements, and potential enrollment is sufficient to sustain the financial viability of the existing MCO and any new MCO provider.