Questions submitted to Wisconsin Department of Health Services in response to the Actuarial Services RFP 1687 DHCAA-SM

Question Number	RFP Page Number	RFP Section Reference	Question	DHS Answer
1.	General	General	Please summarize the reason for releasing the RFP at this time.	Please reference Sections 1.1 and 1.2 of the RFP for further explanation. The current contract expires 6-30-10.
2.	General	General	How long has the incumbent been under contract for the services outlined in the RFP?	The current actuary has been under contract since July 1, 2005. Services covered in that contract, however, are not necessarily the same as those outlined in this RFP.
3.	General	General	Will you provide a copy of the previous contract?	Yes, the Department has posted the current Actuarial Services contract to VendorNet as Addendum I. The Department cautions Proposers that Proposals to the RFP should be based on the requirements in this RFP.
4.	General	General	What risk adjustment model is currently used to calculate the risk-based weights?	The current version of the Chronic Illness and Disability Payment System (CDPS) for risk adjustment in Family Medicaid Managed Care and SSI Managed Care is currently used to calculate the risk-based weights. The rate setting model for long-term care managed care uses the current version of the Hierarchical Coexisting Condition (HCC) model, and a regression model based on variables identified in the long-term care functional screen (LTCFS).

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5.	General	General	Can you provide a detailed list of the data, methodologies, and documentation that would be made available or transitioned to a new vendor?	No, this information is not readily available at this time. However the Department does require the full cooperation of incumbent contractors during the transition period of a new vendor. The Department provides eligibility, enrollment, and cost encounter data. The caption rate reports developed by the incumbent actuarial firm represent the best documented description of current methodologies.
6.	General	General	What is the proposed timeline for key milestones and deliverables during the course of the project?	Development of the annual rate for BadgerCare/SSI begins in March with data validation. By September, preliminary rate adjustments are complete. Final CY 2011 rates are expected to be reported to CMS by October 31, 2010. Development of the annual rate setting methodology for long-term care managed care begins in January, and progresses through the summer. Initial rates are provided to MCOs in September. Final rates are typically established in the fall. Additional timelines and deliverables may be developed as managed care and long term managed care expand programs areas.

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7.	General	General	How many on-site meetings does DHS anticipate per year?	The Division of Health Care Access and Accountability and the Division of Long Term Care estimates the following on-site meetings during a 12 month period: • (4) 1-Day meetings with BadgerCare/SSI HMOs • (1) 2-Day Training & Rate Setting Workshop
8.	General	General	Please provide the most current rate setting reports for each program.	Data used in rate setting calculations for Wisconsin Managed Care programs is described in the 2010 rate development reports, which can be found at the following links: • http://dhs.wisconsin.gov/ltcare/StateFedReqs/CapitationRates.htm • https://www.forwardhealth.wi.gov/WIPortal/Content/Managed%20Care%20Organization/referenceAndTools.htm.spage
9.	General	General	In a recent Badger Care certification it appears the State provided the contractor with enrollee-level risk scores. Please confirm if this is the case. If so, does the State anticipate continuing to perform this portion of the rate-setting process?	No, the contractor is responsible for producing the risk based scores.

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10.	General	General	If the State is requesting that rates be prepared for the two county-based mental health programs and Medicaid SSI, could you please provide the most recent actuarial certifications so we can better understand the current scope of work?	The most recent actuarial certifications requested in question #10 can be found at the following link: • https://www.forwardhealth.wi.gov/WIPortal/Content/Managed%20Care%20Organization/referenceAndTools.htm.spage
11.	General	General	Do you have funding allocated for the requested services under this RFP? If yes, what is the budgeted amount?	Sufficient funds will be allocated to support the work efforts and products called for in this RFP.
12.	General	General	Please describe the role Department of Health Services (DHS) staff will have in the rate development, including project organization, data analysis, and other, as appropriate.	The Department staff will suggest rate method improvements, and will vet suggested improvements conceptualized by the contractor. Department staff will advise the contractor of appropriate timelines for project completion.

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13.	General	General	Please provide a list of information the State regularly receives from the contracted HMOs/MCOs (e.g., encounter data, Medicaid financial statements, etc) and how often the data is received. Please indicate which HMO/MCO data sources are currently used in rate setting calculations.	The Department has MCOs submit encounter data on an ongoing basis and collects MCO financial statements at least quarterly. Data used in rate setting calculations for DLTC is described in the 2010 rate development report, which can be found at the following link: • http://dhs.wisconsin.gov/ltcare/StateFedReqs/CapitationRates.htm Data used in rate setting calculations for DHCAA is described in the 2010 rate development reports, which can be found at the following link • https://www.forwardhealth.wi.gov/WIPortal/Content/Managed%20Care%20Organization/referenceAndTools.htm.spage
14.	General	General	Please describe the level of interaction you expect your actuarial consultant to have with your fiscal intermediary vendor as well as other vendors in performing actuarial services for the State of Wisconsin Medicaid program.	The contractor will be expected to interact with other vendors as necessary and/or required by the work effort at hand at any given time. The State may provide assistance if needed.
15.	General	General	With regard to recalculation of the Baseline Data, can you provide your expectations?	The expectation is that Baseline Data will be set, rebased, and recalculated on an annual basis.

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16.	General	General	Regarding re-basing of baseline data vs. roll-forwarding the capitation rates from prior year for each of the Medicaid programs. Are you asking for different fixed price bids for these different rate setting scenarios?	No, The Department has posted Amendment II to clarify this issue.
17.	General	General	Please provide a list of fee-for-service information the State provides to the current actuaries for use in rate setting	Data used in rate setting calculations for DLTC is described in the 2010 rate development report, which can be found at the following link: • http://dhs.wisconsin.gov/ltcare/StateFedReqs/CapitationRates.htm Data used in rate setting calculations for DHCAA is described in the 2010 rate development reports, which can be found at the following link: • https://www.forwardhealth.wi.gov/WIPortal/Content/Managed%20Care%20Organization/referenceAndTools.htm.spage
18.	General	General	Please provide a list of all the reports/deliverables provided by the existing contractor in SFY2009.	This information is not readily available.
19.	8	1.3	Regarding the statement "On an ongoing basis, the actuarial firm develops projections of progressive savings models" located on page 8 of the RFP, can you provide further clarification and detail of what 'progressive savings models' is referring to.	In the context of this RFP Projections of Progressive Savings Models is defined as demonstrating changes in cost, based on changes in benefit structure, eligibility and cost of service.

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20.	8, 20	1.4 5.1.13	In Section 1.4 and Section 5.1.13, is the State looking to continue using their current LTC RAR methodology or are they open to different methodologies?	The Department is willing to consider improvements to its existing rate-setting methodology. The Department may be willing to consider an alternative methodology if that methodology were demonstrated to have superior predictive capabilities while remaining aligned with program values and appropriate pricing incentives and if appropriate phase-in scenarios were considered. However, the contractor should be able and willing to replicate the current methodology at the request of the Department.
21.	15	2.8	Is a copy of the Transmittal Letter required to be included with the Cost Proposal package?	No, reference question #23
22.	15	2.4, 2.8	Section 2.8 requires the submission of a Transmittal Letter. Section 2.4 outlines the sections of the Technical Proposal which does not include a Transmittal Letter. Should the Transmittal Letter be a document separate from the Technical Proposal but included within the Technical Proposal package?	Yes, include the transmittal letter in the Technical Proposal Package as a separate section within the Technical Proposal Package.
23.	15, 26	2.8, 6.4	Section 2.8 (Transmittal letter) says that the proposal is valid for a minimum of six months. Section 6.4 says that the proposal must be valid for sixty days. Which time period applies?	The Department has posted Amendment I to VendorNet clarifying this issue.

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24.	16, 37	3.2, Appendix B	From Section 3.2, we understand cost proposals will be evaluated based on total cost. Are the hourly rates submitted in Appendix B also evaluated and scored separately?	The Department has posted Amendment II to VendorNet clarifying this issue.
25.	17	3.4	Section 3.4 states that the State may negotiate the terms of the contract with the selected Proposer prior to entering into a contract. Should we include our proposed contract language changes in our proposal?	No, discussion concerning contract provisions are deferred until the Letter of Intent to Award has been issued.
26.	19	4.3	Section 4.3 asks for a list of "all client organizations". Our firm has literally thousands of clients, while the practice that will be responding to the RFP may have over 1,000. Can we list the clients we believe are most relevant (e.g., other state Medicaid agencies), while describing the general range of clients served by our firm?	Yes, reference Question #27
27.	19	4.3	In Section 4.3, is there a minimum or a maximum number of references to include? Is the vendor expected to include all clients they have provided similar work to?	Required Forms Section 10.0, Form DOA-3478 must be completed and submitted with the proposal. Proposers should attach supplemental pages to this form as they deem necessary.

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28.	19	5.1.4	Can the State elaborate on the meaning of “special managed care organization”, mentioned in Section 5.1.4?	In the context of Section 5.1.4 DHCAA defines Special Managed Care Organization capitation rates as behavioral health services to children. In the context of Section 5.1.4 DLTC defines Special Managed Care Organization capitation rates as all managed care programs.
29.	20	5.1.5	In Section 5.1.5, is it expected the vendor will summarize encounter data for rate-setting purposes or will the state be performing the summarization?	The Vendor is to summarize the encounter data for rate setting purposes.
30.	20	5.1.12	Can the state elaborate on the meaning of “specialized administrative funding models”, mentioned in Section 5.1.12?	A specialized administrative funding model takes into account a variety of factors when determining appropriate funding. As an example, refer to the description of the administrative funding model used in the development of 2010 managed long-term care rates. The 2010 rate development report can be found at the following link: • http://dhs.wisconsin.gov/ltcare/StateFedReqs/CapitationRates.htm
31.	21	5.1.17	In Section 5.1.17, is the vendor expected to perform Medicare analysis such as Medicare Integration Savings, which are savings generated to Medicaid when services are better coordinated between Medicare and Medicaid?	The vendor should demonstrate, in the Proposal, the capability to perform this analysis.

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32.	21, 22	5.2, 5.3	Sections 5.2 and 5.3 in Technical Requirements list Anticipated Work Products and Contractor Responsibilities, but are unclear regarding what information the State would like to see in our response. What should be included in the proposal with regard to Sections 5.2 and 5.3 (e.g., detailed work plans, project scheduling, methodology descriptions, etc)?	DHS expects Vendors to include any and all materials deemed necessary and adequate by the vendor to support their Proposal and ability to meet the project work requirements and contract responsibilities described in the RFP..
33.	21	5.2	Are there any work products listed in Section 5.2 that were not provided by the current actuary in SFY 2009?	Yes, reference question 34.
34.	21	5.2	Are there any work products that were provided by the current actuary in SFY 2009 that are not included in Section 5.2?	Yes Section 5.2.8 and 5.2.10.
35.	21	5.2.1	Are there missing tasks associated with Sections 5.2.1 and 5.3.1?	There is a numbering anomaly in this area of the RFP. There is no Section 5.2.1 nor is there a Section 5.3.1. Proposers may exclude these passage numbers from their responses**.**
36.	22	5.2.5	What proportion of the current actuarial contractor’s state fiscal year 2009 contract was associated with the additional analyses described in 5.2.5?	Reference answer to question #38.

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37.	22	5.2.8	Section 5.2.8 outlines a work product of "at least twice per year summarize Wisconsin Medicaid Managed Care and issue reports by plan outlining cost and utilization data". Is this a work product that is delivered by the current actuary? If so, please provide an example of the summary and reports by plan.	This work product is not delivered by the current actuary.
38.	22	5.2.10	Section 5.2.10 outlines a work product of "provide support and analysis to Department work efforts associated with State and/or Federal Health Care Reform". It seems the scope of this work product could vary from a limited effort to a substantial effort. How will the uncertain scope of services for this work product be addressed in the fixed fee nature of cost proposal?	The Department requires Proposers have the capacity to provide support and analysis of work products associated with State and/or Federal Health Care Reform. The Department is aware that the scope of this work could vary and therefore the price of the service requested in 5.2.10 is **NOT** to be included as part of the all inclusive amount requested in Box C, Section I of Amendment II. Rather if the Department requests this support and analysis, payment will be based on the rates provided by the vendor on the schedule submitted in Section II of Amendment II.

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39.	22	5.3.2	In Section 5.3.2, does the State or the vendor perform the Long Term Care Functional Screen (LTCFS)? Are other assessment tools used for the LTC population?	The Department administers the LTCFS. The screening tool itself is carried out by various vendors (e.g. Aging and Disability Resource Centers) See response to Question 5 for other assessment tools used in rate setting.
40.	23	5.3.5	In Section 5.3.5, does the State have an idea of the statistical analysis for which they are looking?	The department has a clear expectation delineated in Section 5.3.5.
41.	23	5.3.6	In referring to 5.3.6 where the RFP states "Provide a sound actuarial analysis of the encounter data that is currently being collected from BadgerCare, SSI managed care, Family Care, Family Care Partnership, and PACE MCOs.", please provide detail on the number and the specific programs where new capitation rates will need to be developed, including if they are under the scope of this RFP and the requirement to re-base data for each program every year.	See answer to question #44.
42.	23	5.3.13	Can the State elaborate on the meaning of "regression models" mentioned in Section 5.3.13? Does this item apply exclusively to the long-term care portion of the actuarial Services?	With respect to regression models for the long-term care portion of the actuarial services, refer to the 2010 rate development report for a description at the following link: • http://dhs.wisconsin.gov/ltcare/StateFedReqs/CapitationRates.htm

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43.	24	5.3.14	Can the State please clarify how often encounter data is to be collected (Section 5.3.14)?	The State collects encounter data on a continuous basis.
44.	24	5.3.16	Please clarify which Medicaid managed care programs require actuarial certifications as described in 5.3.16 (Badger Care Plus, Children Come First, Wraparound Milwaukee, Medicaid SSI (ABD) program).	All managed care programs administered by the Department are potentially subject to actuarial certification.
45.	24	5.3.23	In Section 5.3.23, is the State requesting that fully functional rate models be sent as part of performing the duties outlined in the RFP?	5.2.23 does not call for a fully functional rate model.
46.	25	6.1	In the Cost Proposal section of the RFP, in the middle of Page 25, it discusses that “a full rebasing of the Managed Care Equivalent” must be included in the cost proposal. Is the vendor required to rebase on an annual basis, or is that up to the discretion of the certifying actuary?	The decision to rebase is at the discretion of the State. The vendor should assume for purposes of developing a cost proposal that rebasing will be necessary on an annual basis.
47.	36	Appendix A	From Appendix A — Historical Actuarial Services Cost Summary, how does the requested scope of services in the RFP compare to the scope of services provided in SFY 2008 and SFY 2009?	In some areas, the scope of services in the RFP is more expansive than the scope of services provided in SFY 2008 and SFY 2009. In other areas, such as long term care managed care, the scope remains similar to SFY 2008 and SFY 2009.
48.	37	Appendix B	How should the vendor address fee increases in subsequent years of the contract?	The Department has posted Amendment II to VendorNet clarifying this issue.

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49.	37	Appendix B	In Section II for hourly rates by position for additional analyses, can we provide “per person per trip” travel expenses rather than a travel hourly rate?	The Department has posted Amendment II to VendorNet clarifying this issue.
50.	37	Appendix B	We have several questions about how we should submit the cost proposal worksheet outlined in Appendix B of the RFP given that the initial contract will be for a three year period with two potential renewal years. a. Should we provide a cost proposal for just the first year of the contract? If so, will there be a mechanism for regular increases in hourly billing rates and the total contract cost by contract year? b. Should we provide separate cost proposals for each year of the contract? c. Can we propose different hourly billing rates for each year of the contract?	The Department has posted Amendment II to VendorNet clarifying these issues.

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51.	38	Appendix C	Please describe the forum for discussing contract language concerns.	Contract negotiations would be jointly undertaken between the Department and the vendor awarded a contract as a result of this RFP. The forum would be one mutually agreeable to the two parties and would begin upon issuance of the Letter of Intent to Award.