

**Iowa Department of Human Services
Iowa Medicaid Enterprise (IME)
Actuarial Services RFP MED-07-028
Questions & Answers**

All documents mentioned in this response to questions may be found at the following internet location:

http://www.ime.state.ia.us/Reports_Publications/RFP/RFP07028.html

Page	Section	Question/Request for Clarification/Comment
		<p>Please provide a summary of actuarial consulting fees by vendor, by program (Medicaid, hawk-I, PACE, Iowa Plan for Behavioral Health, MediPASS, etc) and project description for the past 24 months.</p> <p>Response: A spreadsheet has been posted with for this response showing invoices by program type from July, 2004 through the most current billing.</p>
		<p>Please provide a list of vendors submitting an Intent to Bid for this RFP.</p> <p>Response: Aon Milliman, Inc. Mercer Health & Benefits Navigant Consulting</p>
		<p>Why is the Department undertaking this solicitation at this time?</p> <p>Response: The current contract is expiring at the end of June, 2007. Under Iowa law, the services must be reprocured at this time.</p>
		<p>Is the Department satisfied with the services of the current vendor(s) providing the services outlined in the RFP?</p> <p>Response: The Department has not prepared an evaluation of the current contractor. Iowa law requires that these services be reprocured at this time.</p>

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		<p>Regarding the “Special Note to All Bidders” on page 10 of the RFP: Is the expectation that the new contractor would develop FY08 rates with our own proprietary rate methodology and assumptions (full rate buildup from raw data) or is the expectation that the new contractor would use current vendors rate development and make adjustments based on legislative changes?” Which vendor would be expected to sign and submit the rate certifications to CMS?</p> <p>Response: Whatever materials may be available to the Department may be passed along to the successful bidder for the development of rates via a methodology acceptable to the Department. The goal of the Department is to have rates ready before the beginning of the state fiscal year and the contract consequent to this RFP. However, if that is not possible, the Department will not expect to pay both vendors for this task. The vendor that provides the final copy of rates and the methodology to the Department will certify its work.</p>
	<p>3.2.2.1, 3.2.2.3, 3.2.2.4</p>	<p>Items 3.2.2.1, 3.2.2.3 and 3.2.2.4 under “Managed Care Rate Setting” give different deadlines for the deliver of written reports for hawk-I, HMO, and Iowa Plan. Please provide clarification on when the reports are due.</p> <p>Response: 3.2.2.1 indicates that the Department desires a detailed description of the methodology to be used no later than October 1, 2007 for rate setting in future periods. This is because the Department understands that the situation for SFY 2008 will be fluid because of timelines involved in contracting with the successful bidder.</p> <p>3.2.2.3 specifies the dates by which the first rate matrices by each program will be required after the initial development for SFY 2008 as noted in the RFP.</p> <p>3.2.2.4 notes that the cost effectiveness for the Iowa Plan waiver must be completed 6 months before the waiver is due. The major applicable 1915 waiver currently in effect is for the Iowa Plan and is in the process of renewal at this time. Therefore, the due date for the next renewal for this RFP will be January 1, 2009.</p>
	<p>4.1.3</p>	<p>Item 4.1.3 under “Instructions” states that the bidder must submit one (1) original and five (5) copies of the bid proposal; however, the attachment mentions nine (9). Please provide the desired amount of copies.</p> <p>Five (5) copies are sufficient.</p>

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	4.2.7.6	<p>Please provide detail on the requirements of item 4.2.7.6. Should the “letters of reference” be signed letters sent directly from the client to the State? Should they be general letters of reference or do they need to cover certain topics related to the requirements of the RFP?</p> <p>Response: General letters of reference designating the contact information of the author are sufficient. If they are not included in the bid, the letters may be independently sent to the Issuing Officer for the RFP but must be received within the same time limitations as the bids themselves. The Department reserves the right to contact any current or former client to ascertain the quality of the performance of the bidder.</p>
	4.2.9.2	<p>Please expand on item 4.2.9.2 under “Financial Information”</p> <p>Response: The Department requires assurances from entities as to the financial viability of the bidder. Bidders should supply information that speaks to the long-term capabilities and should consider governmental payment timelines.</p>
	6.1	<p>Item 6.1 “Contract Terms and Conditions” mentions Attachment H; however, there is no Attachment H included with the RFP.</p> <p>Response: Attachment H is the contract template that would be used for the development of a contract with the successful bidder. Unfortunately, that was omitted from publication. A copy of this is being posted and should be considered by the bidder. The bidder may make suggestions as to contract language, but suggestions may or may not be accepted.</p>
	Att. B	<p>Attachment B states that, “the bidder indicated below agrees to provide Iowa Medicaid Enterprise Medicaid Claims Payment Support Services.” Should Iowa Medicaid Enterprise Medicaid Claims Payment Support Services be replaced with Actuarial Services?</p> <p>Response: Yes, it should be “... provide Iowa Medicaid Enterprise Actuarial Services which meet or exceed...”. Any bidder providing a signature on this form should note this change. For your convenience, a new copy will be posted with this change.</p>

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10	2.4	<p>In the “Special Note to All Bidders,” the Department states that “the successful bidder should contemplate the development of rates for State Fiscal Year 2008.” Which programs could this rate development affect? Is this a separate task that should be considered in the cost proposal or should costs be included in year one costs? Regarding “significant initial work,” what types of tasks do you anticipate the contractor will address?</p> <p>Response: SFY 2008 begins on July 1, 2007. Generally speaking, rates for HMO and LSO activity are changed annually for the contract term that also is tied to the state fiscal year. The Department wishes to be clear that a new contractor might have to undertake significant work to get such rates developed in a relatively short amount of time. This consideration should be made in the bid.</p>
18, 19	3.2.2.1	<p>What data sources are available for use in rate setting for each program?</p> <p>Response: All Medicaid claims data and eligibility data will be available. In addition, the Department will share all data previously supplied to it for rate setting activities.</p>
18, 19	3.2.2.1	<p>How often does the Department plan to request a rebasing for rates using new underlying data? For other years, would the Department request the existing rates to be updated with current trend and benefit changes?</p> <p>Response: The Department wishes the bidder to suggest the appropriate timeline for this activity so as to meet or exceed federal requirements found within 42 CFR 438.</p>
20	3.2.2.6, 3.2.2.8	<p>Based on your experience, how many meetings or hours does the Department estimate are needed to meet with managed care entities and provide litigation support?</p> <p>Response: The Department does not anticipate that anything more than annual meetings would be necessary. In fact, even that may not be necessary to the rate-setting process if written presentations are clear and concise. However, the Department does require that the successful bidder be available in person to present methodologies when requested. It is not believed that this will be a significant part of the tasks to be performed. Litigation support will depend upon litigation presented and cannot be determined at this time. The successful bidder should be prepared to support the Department in such actions that may arise relative to capitation payments within any of the programs.</p>

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21	3.2.2.11	<p>Given the change in CMS regulations to require actuarially sound rates for Medicaid managed care, is the upper payment limit calculation still necessary and useful for the Department? What is expected of the contractor for this calculation?</p> <p>Response: The Department agrees that the upper payment limit is not necessary for CMS approval of the rates. However, the Department also finds it useful to know what that upper limit may be so as to determine the value of managed care to the program overall.</p>
21	3.2.2.12	<p>For the <i>hawk-i</i> program, are the participating health plans required by the Department to reimburse physicians based on a State fee schedule? If not, what is the reason for prescribing an analysis of RBRVS.</p> <p>Response: No, the Department does not require participating health plans to reimburse physicians based on a State fee schedule. Therefore, the Department will advise bidders at this time to disregard the first bullet in this section and not consider any activity in a bid to meet that requirement.</p>
21 & 22	3.2.3	<p>Is the State currently providing PACE services in any areas of the state? If so, in which counties or regions is the program operating? If not, what are implementation plans?</p> <p>Response: The State does not currently have a PACE program. However, an application is being developed at this time and it is expected that there will be an operating program within the next several months. This is expected to be in a multi-county area in the northwestern area of the State.</p>
22 & 27	3.3.3.2, 4.2.7.6	<p>Section 3.3.3.2 requires that the bidder include at least three references and in Section 4.2.7.6, the bidder is required to include three letters of reference from previous clients knowledgeable of the bidder's performance in providing services similar to the services described in the RFP. Does the Department expect that these letters be included in the technical proposal or should the letter be sent directly to the Department from the references?</p> <p>Response: General letters of reference designating the contact information of the author are sufficient. If they are not included in the bid, the letters may be independently sent to the Issuing Officer for the RFP but must be received within the same time limitations as the bids themselves. As noted, the Department reserves the right to contact any current or former client to ascertain the quality of the performance of the bidder.</p>

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28	4.2.8.5	<p>Should the bidder provide contracts and projects currently undertaken by only the key personnel included in the proposal or all contracts and projects currently undertaken by the bidder?</p> <p>Response: The bidder should describe similar contracts and where they are being undertaken so as to further demonstrate the breadth of the bidder’s experience. Although this requirement is in the same general section of the RFP, it is not designed to demonstrate only the experience of key personnel.</p>
28	4.2.9.2	<p>What does the Department consider acceptable for the three required financial references?</p> <p>Response: Banking institutions or anyone that would extend credit. The purpose is to establish the proper handling of accounts and determine if payments are made timely.</p>
31	4.3	<p>The RFP states that the “Department may make its selection based on project cost or hourly rates or a combination of the two, at the discretion of the Department.” When will a decision be made with regard to the criteria to be used in scoring the cost proposals?</p> <p>Response: Bidders should consider that the cost portion of the bids may be evaluated under these conditions. The Department has asked for both an hourly rate and the project cost. This will show the Department how much time each project may take. Since this is applicable to all bidders, it is believed that this is fair to all bidders. Specifically, the Department believes that it must evaluate the bids as they arrive and in the format prescribed. Overall costs to the Department will generally be the determining factor for this section.</p>