

Questions and Answers on Exchange Planning RFP

General/Contractual

Question: I wanted to inquire if the RFP had a dental component and did the RFP only go to managed care plans? Then if there is no dental in the RFP, I wanted to inquire if you would be sending an RFP for Dental for the exchanges?

Answer: No, there is no dental component in the RFP. This RFP is for planning and design work during the period of 10/1/11 through 9/30/12. It is likely that a subsequent RFP will be issued in the future for implementation of many features of the Exchange. It is not known at this time whether subsequent RFPs will include dental plans.

Question: The RFP does not address limitation of liability. In the past, we have had difficulty bidding on Vermont procurements because our firm requires a limitation of liability to proceed. Would the state be willing to negotiate this?

Answer: No, the State cannot agree to any limitation of the contractor's liability for claims of a third party.

Question: I don't see any clauses that would preclude vendors from bidding on the eventual implementation of the Exchange, call center, etc. if you bid on some or all of these services as outlined?

Answer: The successful bidder for Section 4, Stakeholder Involvement and Outreach/Education will be precluded from bidding on the implementation contract for the navigator program. This is necessary because the contractor will develop the scope of work for the RFP and navigator contract, and therefore cannot bid on that same RFP. For all other sections of the RFP, the successful bidder may submit a proposal for the implementation contract(s).

Question: Can companies bid on specific subsections within a section of this RFP and does the state want companies to list the subsections in our letter of intent? For example: Section 1: Exchange Operations and Business Function has 6 subsections.

Answer: No, vendors must bid on an entire section, of which there are eight. Bidders may subcontract for subsections they do not have the internal expertise to complete.

Question: As we evaluate whether to bid, it is unclear to me whether the State is looking for a time and materials contract or a firm fixed price for each section. Can you offer some guidance?

Answer: The State must have an estimated fixed price for each section and subsection. If necessary, the final fixed price will be set during contract negotiations and may be renegotiated through a contract amendment at any point during the term of the contract if changes to the scope of work are needed.

Question: Do all tasks need to be performed onsite? If so, which city will the work performance occur?

Answer: No, it will not be necessary to perform all tasks on site; however, there will be a significant amount of on-site work, depending on the section. Most on-site work will occur in Williston and Montpelier. Work with stakeholder groups will occur in all regions of the state.

Question: Is a facility available for project staff? If so, what is the capacity of the facility (i.e. how many workstations are there, is internet connectivity available at each workstation, etc.)?

Answer: The contractor will be expected to provide work space for its staff. The State may be able to provide temporary work space for a few staff members who are working on site for brief periods of time, such as one or two days.

Question: On page 5, under 1.7.1 (Rate Chart), does “the proposed rate” mean the total funds requested in my proposal?

Answer: No, the “proposed rate” refers to the hourly pay rate for each contributor to the project.

Question: Rate Chart 1.7.1, pg 5, “One rate chart indicating the sections for which you are submitting a proposal and the proposed rates”: What rates are expected and how should they be calculated? Per hour? Per day?

Answer: The proposed rate is an hourly rate. There is no standard or expected rate. These rates will be compared to other vendors’ rates during the proposal evaluation process.

Question: On Page 5, Section 1.7.4 (Insurance Certificate), are subcontractors required to carry the same insurance as the primary contractor?

Answer: While it is highly recommended that any subcontractors employed under this contract meet or exceed the minimum insurance requirements of this RFP, it is the responsibility of the contractor to make its own determination as to what is acceptable; however, the party that signs the contract is first in line for any problems that may develop.

Question: On page 6, under 1.7.6.1 (Letter of Submittal), whom does “addresses of principal officers” refer to? In our situation it could either be our board of directors (i.e. chair, treasurer, vice-chair, etc) or the staff.

Answer: The “address of principal officers” should be the physical corporate business address of the company.

Question: On page 6, under 1.7.6.1: This section requires Bidders to include identifying information about any “sub-contractors.” We sometimes contract with individuals or small consulting firms to provide services to us in a staff augmentation role. These independent consultants may provide a portion of the proposed services for this project. Does the State consider these independent consultants to be “sub-contractors” who must be identified as such in our proposal?

Answer: The State requires that the bidder list all consultants who will be involved in this project and describe what their roles will be.

Question: On page 6, under 1.7.6.1 (Letter of Submittal), what specific information should I include under “identifying information about your organization and any subcontractors?”

Answer: Section 1.7.6.1 lists the information the bidder must include.

Question: On Page 6, Section 1.7.8.4, please confirm that the technical and cost proposals are to be included in the same proposal packet.

Answer: Yes, one proposal packet should contain both technical and cost proposals.

Question: On Page 6, Section 1.7.8.4, the RFP states: “Write the program proposal in the order given in the scoring criteria charts (bidder capacity, bidder experience, program specifications, and program costs).” Is this to be overall, or for (and by) each section for which a proposal is being offered?

Answer: Each section will be scored separately. Bidders may include general information about their company, including past experience and references, in one section of their proposal; however, program specifications and cost should be included for each section and subsection. For example, if the vendor is bidding on Section 1, program specifications and cost should be included for each of six subsections, as well as a total cost for Section 1. Bids should include a chart that shows estimated number of hours and hourly rates for all staff assigned to the project, including subcontractors. The chart should be divided by section and subsection.

Question: Section 1.7.9.2 (p. 6). This section indicates that an electronic copy of the proposal is required either via email or CD (by the closing date/time). Please confirm that an email sent to Mr. Jason Elledge containing all proposal materials will satisfy this requisition requirement in lieu of a CD.

Answer: Yes, a searchable PDF file sent to Jason Elledge via email will suffice for the electronic copy.

Question: Page 9, under Schedule A, Summary Program Costs: Should salary/benefits be listed when itemizing program costs?

Answer: Bidders should include a chart that shows number of hours and hourly rates for all staff assigned to the project, including subcontractors. The chart should be divided by section and subsection.

Question: In Chapter 1, Section 2.1 – Criteria for Scoring, Section B: (page 9) – Schedule A and B require a summary of program costs and detail of expenses. Could you confirm that a table which includes estimated hours and hourly rates by staff member is sufficient?

Answer: A table with estimated number of hours and hourly rates is required. Vendors must also itemize any other anticipated costs, such as travel, materials, space rental, etc.

Question: Scoring section of the RFP, 2.1, Section 1 (B), pg 9, “Ability of bidder to meet project schedule”: In the Scoring section of the RFP, 2.1, section 1B lists “Ability of bidder to meet project schedule” as an item for the bidder to respond to. However, the RFP does not require that a project plan or that project management services be submitted as a part of the response. Is there a reason why project management services are not specified as a requirement for this RFP?

Answer: Bidders should include a project timeline as part of their proposal. The successful bidder will be required to submit a detailed work plan once the contract is executed.

Question: Scoring section of the RFP, 2.1, Section 1 (B), pg 9, “Ability of bidder to meet project schedule”: Does VT currently have a Project Management Office established to work on this planning and implementation project?

Answer: Work under the contract will be supervised by Exchange Division staff in the Department of Vermont Health Access. Staff from other agencies and departments will be involved as well, depending on the section.

Question: On page 9, under Schedule C, Allocation Methods, what are the appropriate administrative costs to include in this section?

Answer: These are basic indirect costs or overhead costs. Per Federal Guidelines in OMB Circular A-87, “indirect costs” are defined as follows: “Indirect costs are those: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.” Simply put, it is the “cost of doing business” that is not tied to any specific project.

Question: On page 9, Schedule D, Related Party Disclosures, does “related party relationships” refer to all relationships the organizations has with outside groups (such as funders) or does it refer to relationships only for the purpose of this application? Put another way, what is the specific definition of “related party relationships”?

Answer: This refers to all party relationships related to ownership of the organization.

Question: In Chapter 1, Section 4, #7, Insurance: (page 11) the RFP states that Professional Liability Insurance is required prior to commencing work and throughout the term of this Agreement. As this is very expensive for small firms, would DVHA consider waiving this requirement?

Answer: Standard provisions may be negotiated after vendor selection at the time of contract discussion.

Question: Would the State be willing to negotiate contractual terms related to indemnification (item 6 on page 11 of the RFP)?

Answer: The State has negotiated the indemnification language referenced under very infrequent and special circumstances.

Question: Regarding the Single Audit discussed on page 12 of the RFP: In order to determine if this scope of work would qualify for the Single Audit, please confirm that this contract would be funded by the federal government.

Answer: Sections 1 through 7 of this contract will be 100% federally funded. Section 8 will be funded by the State.

Question: Regarding the Single Audit discussed on page 12 of the RFP: If projected costs are expected to be more than \$500,000, may bidders include additional costs that would be expected to be incurred with regard to answering questions and supplying information related to the Audit?

Answer: The audit fees for a Federal grant are an allowable cost, so the bidder may include these costs.

Question: Regarding the Single Audit discussed on page 12 of the RFP: Would actuarial and/or econometric models potentially be audited?

Answer: If the successful bidder does need an A-133 audit, the successful bidder would contract with the auditor. Since the State would not be the contracting agent, it would be a transaction that is executed between bidder and audit firm. The State would require a copy of the audit report.

Question: Regarding the Single Audit discussed on page 12 of the RFP: If yes to previous question, will those types of models would be subject to audit, would they be made public?

Answer: See answer above. Per the A-133 instructions, "Unless restricted by law or regulation, the auditee shall make report copies available for public inspection." Audit reports are public documents.

Question: On page 42, what information are you looking for in the lines: "Delivery offered ___ days after notice of award" and "Terms of Sale"?

Answer: Regarding the delivery statement, we are asking how long the bid/offer is valid beyond the date the award is funded. "Terms of Sale" refers to the bidder's invoicing terms (i.e. Net30, Net15, etc.).

Question: On page 42, Vermont Tax Certificate and Insurance Certificate: The second paragraph of this section requires the Bidder to certify its compliance with the State's insurance requirements as detailed in section 21 of the Purchasing and Contract Administration Terms and Conditions. We did not find a section 21 of these terms and conditions in the RFP. Should the certificate be changed to reference the insurance requirements in Section 7? Insurance, of Attachment C, Customary Provisions for Contracts and Grants, on page 11 of the RFP?

Answer: Yes, this statement should reference Section 7 and NOT Section 21.

Question: Certifications and Assurances (p. 43): The Certifications and Assurances form requires the bidder to complete the blanks in item 6. Can the State please provide the "funding period beginning and ending dates" that pertain to this requisition?

Answer: This is for the bidder to complete as part of the proposal.

Question: Applicant Information Sheet (p. 45): The Applicant Information Sheet indicates below the title that the form is "to be included in the proposal packet." However, the **NOTE indicates that the "information sheet must be included as the cover sheet of the application being submitted." Please clarify whether the Applicant Information Sheet must serve as the cover for our proposal (along with the W-9) or whether it is sufficient to include the Applicant

Information Sheet/W-9 with the other required forms in an appendix to the proposal.

Answer: The W-9 is to be included in the proposal packet as the cover for your proposal.

Question: Applicant Information Sheet (p. 45): Please clarify and define the “Fiscal Agent (Organization Name)” field on this form.

Answer: This is an optional field for those organizations that use an outside organization as their fiscal agent.

Question: On page 46, a Summary of Funds is required, what is this form and what is the State anticipating should be entered in this form?

Answer: This discloses what significant contracts and awards your organization has received over the last 12 months. It will be used to compare recent experience with grant and contract funding among the bidders.

Question: On page 45, Applicant Information Sheet, the second sentence states to “please fill out and attach a fw-9 to this form signed by the duly appointed signing official for your company.” Where do I find a copy of the fw-9 form?

Answer: The form can be found at <http://www.irs.gov/pub/irs-pdf/fw9.pdf> .

Question: On page 47, Schedule D – Related Party Disclosure: Can the State provide more details about the information required to complete Schedule D? What is a related party relationship?

Answer: A related party relationship reveals any party that holds ownership in the bidding organization.

Question: Relating to Cost Proposal. The RFP in various places makes the following statements:

Page 5, Section 1.7.1 “one rate chart indicating the sections for which you are submitting a proposal and the proposed rates.”

Page 9, Criteria for Scoring, 2. Technical Proposal/Program Specifications, B Program Costs [Schedule A: Summary Program Costs Itemize your program costs]; [Schedule B: Detail of Expenses – In narrative form explain how figures for salary, benefits, phone, mileage, buildings, and facilities were determined]; Schedule C: Allocation Methods – In narrative form, describe your method for allocating your administrative costs]

Page 39, Section 2.1. Program Costs – “In this section, describe the bidder’s proposed costs and rates for this program by submitting a completed budget. Proposals will be evaluated on total costs, administrative versus direct service costs and the narrative describing your company’s experience fiscally managing contracts of comparable scale, scope and complexity. Expenses proposed need to be all-inclusive and follow the guidelines as laid out in State of Vermont Agency of Administration Bulletin No. 3.4.”

Is the State looking for a rate per hour with a project budget to be determined later (as implied on page 5) or a total fixed cost for all tasks proposed?

Answer: The State requires a total fixed-cost budget by project, section, and subsection. Bidders must also include a chart that shows estimated hours for each staff person, including subcontractors, assigned to the project, and hourly rates for each person. The chart should show a breakdown by section and subsection.

Question: If looking for a rate per hour, are bidders supposed to bid one all-inclusive hourly rate per section or one all inclusive hourly rate for the proposal overall?

Answer: Hourly rates should be included for each staff person assigned to the project; however, if there is more than one person performing work of a specific type, one hourly rate for that type of work is sufficient. For example, if the proposal includes three actuaries, the bidder may include a blended hourly rate for the three actuaries.

Question: If looking for a fixed cost, are bidders supposed to bid one all inclusive fixed price per section or per task, or for the proposal overall?

Answer: Bidders should include a fixed price for the entire proposal and for each section and subsection. Cost per deliverable will be negotiated with the successful bidder prior to contract execution.

Question: If looking for a fixed cost, will the work for each section be strictly limited to the assistance outlined in the RFP?

Answer: Bidders should give their best estimate of the cost for the section as described in the RFP. Modifications to the estimated cost may be made during contract negotiations with the successful bidder.

Question: Our understanding is that grants and cooperative agreements may not provide for the payment of fee or profit to recipients or subrecipients. As such, can you please list (and define) the components allowable in the pricing of this effort (e.g., fee or profit, overhead, benefits, travel, administrative, etc.).

Answer: It is allowable for a for-profit company to bid. The best feedback we can provide regarding components is that the allocation should not exceed 13% as indicated in the scoring tool.

Question: We read the proposal instructions to mean that we should address for the entire proposal, in order: (1) quality of bidder's experience, (2) bidder's capacity to perform, (3) responsiveness to specifications, and (4) program cost. For example, we are describing the quality of our team's experience in one segment of our proposal covering all 7 sections of Chapter 3 "Specification of Work to be performed" on which we are proposing. This segment of our proposal will be followed by a second segment describing our capacity to perform all 7 sections of the RFP on which we are proposing.

However, if we have misinterpreted the instructions and they are intended to mean that we should address all four of the RFP criteria separately for the first section of Chapter 3, and then all four again for the second section of Chapter 3, etc., it would be very helpful to know this now.

Answer: Vendors may address experience and capacity to perform in one section of the proposal and need not repeat the information in each section. Responsiveness to specifications and cost must be addressed for each section separately.

Section 1: Business Functions

1. Question: Section I (A), pg 27-28, Call Center: Will state workers interfacing with the management of the current call center be available during the review and assessment process?

Answer: Yes, state staff will be available to assist the contractor as needed and as time permits.

2. Question: On page 29, Question from Attachment A: Specifications Of Work To Be Performed Technical Proposal, II Responsibilities of Contractor, D. Exchange Staffing, are all of the 25 to 30 additional state positions intended to be classified or will some be exempt positions?

Answer: Most of the positions will be classified, although several may be exempt.

Section 2: SHOP Exchange, Individual and Employer Responsibility, and Enrollment

Question: Page 30, Question from Attachment A: Specifications Of Work To Be Performed Technical Proposal, II Responsibilities of Contractor, A. SHOP exchange, how many design meetings should be planned and budgeted for in this section?

Answer: The bidder should assume four design meetings with employers, four with employees, and four with insurers.

Question: Section 2; Subsection A. SHOP Exchange (p. 30 of 47): One of the activities states: “Develop a proposed SHOP model” Please clarify whether the State is anticipating an actual prototype/portal to be designed or will a “step by step” presentation of the components be sufficient?

Answer: A step-by-step presentation of components will be sufficient. The actual portal will be designed and implemented under a separate contract. The successful bidder under the current RFP should be prepared to identify the design features and functionality that should be included in an effective SHOP Exchange.

Question: On page 30, Question from Attachment A: Specifications Of Work To Be Performed Technical Proposal, II Responsibilities of Contractor, A. SHOP exchange, how many small business representatives should the contractor plan and budget for in terms of testing the SHOP model?

Answer: See answer to first question under this section.

Question: On page 30, Question from Attachment A: Specifications Of Work To Be Performed Technical Proposal, II Responsibilities of Contractor, C. Enrollment in Qualified Health Plans, how many insurers and small businesses should participate in the meetings?

Answer: Bidders should assume four meetings with small businesses and four meetings with insurers.

Section 3: Health Insurance Market Reform

Question: In chapter 3, Section 3A (page 31), please provide further clarification on the type of referenced supplemental insurance plans. For example, would the supplemental insurance plans be ancillary-type plans such as dental or vision plans, would they be wellness benefit plans or a rider package to be offered?

Answer: Conceptually we are looking for comparisons between the benefit arrays that might be offered in our Exchange and those same arrays to which are added supplemental coverages. Ideally, we would like to see comparison with a representative package of supplemental benefits or an incremental schedule of cost impacts resulting from the inclusion of specific benefits. Any benefit typically available in the Vermont commercial market should be included. We suggest that dental coverage, which gets special consideration in the ACA, be treated as a category of one.

All common types of supplemental policies should be considered, including dental and vision but also including stop-loss, coverage of deductibles and co-pays and the like.

Question: Regarding Section 3.A. of the Technical Proposal/Program Specifications (“Health Insurance Market Reform”): What specific analyses does the state expect to be completed in the 150 hours of actuarial analysis?

Answer: We anticipate that during the 2012 Vermont legislative session a number of issues related to our Exchange will be considered and some adopted. Among them are questions related to the size of groups allowed in the Exchange and the range of products that will be available outside the Exchange. There may also be legislation introduced, both friendly and hostile to Vermont’s current health care reform law. We require the capability, including actuarial capability, to propose or respond to proposed legislation with sound actuarial research, possibly on relatively short notice. 150 hours is our best estimate of the volume of work we will require.

Question: In chapter 3, Section 3B (page 32), what is the anticipated timeframe for delivery of an analysis of federal law and regulations related to the requirements and limits of the three risk programs? Some federal regulations may not be issued until later in 2012. For example, the draft Federal Payment Notice in which the HHS-developed federally-certified risk adjustment methodology will be released is not expected until Fall of 2012. Similarly, an implementation plan is requested for the chosen risk adjustment and transitional reinsurance programs. When do you anticipate that final decisions will be made on these programs, and what will the timeframe be for developing the requested implementation plan?

Answer: First, with respect to availability of federal guidance, it is our current intention to bring an Exchange into operation on January 1, 2014, whether or not there are final federal regulations. We therefore expect the successful bidder to design these programs to the extent possible during the time frame of the RFP, using proposed federal regulation and any other federal guidance available. Certainly, we would in any event expect assessments of known models of reinsurance and risk-adjustments and structural recommendations for successful design of these programs.

As to our own timetable for the making final decisions on these programs, we are obviously constrained by the aforementioned lack of federal guidance at this time, but we are confident that we will be able to work with our contractor to implement programs that meet federal guidelines by January 1, 2014. In order to implement these programs on time, we believe we will need at least six months lead time. However, this RFP seeks a finished program design for the three risk-leveling

programs, not implementation of these programs. Implementation will occur outside of the timeframe covered by a contract resulting from this RFP.

Question: In chapter 3, Section 3E (page 33), we intend to provide information in our proposal on how we intend to address the Vermont Act 48 requirement of a report to the legislature by February 15, 2012. Please advise if you have any updated information or guidance on responding to this timeframe.

Answer: This requirement is as of now unchanged and we do not expect it to change.

Question: Section 3 (E), pg 33-34, QHP Plan Design: Is it correct that the assistance provided by the Contractor with respect to the QHP plan design in Section 3.E. of the RFP would occur after the final federal regulations on Essential Health Benefits are released and not prior to the February 15th report required by the Legislature, per Vermont Act 48?

Answer: The State must begin working on a proposed plan design prior to the issuance of the final Essential Health Benefit regulations. Proposed regulations, which will inform the design, may be issued in December or January. It is possible that the proposed design will need to be modified when the final regulations are issued.

Question: Section 3 (E), pg 33-34, QHP Plan Design: If awarded the contract, would we have free access to the Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES) to perform some of the work under this contract?

Answer: Yes, according to the process defined in regulation (http://www.bishca.state.vt.us/health-care/health-insurers/vermont-healthcare-claims-uniform-reporting-and-evaluation-system-vhcure#VHCURES_Reports) and subject to protections against wider dissemination of the data.

Question: Regarding Section 3.E. of the Technical Proposal/Program Specifications (“QHP Plan Design”), pertaining to assistance to “obtain employer, employee, and individual input on potential standardized plan features”: Will the contractor actually obtain, summarize, and analyze this information, or is this task strictly limited to helping the State formulate a request to employers, employees, and individuals?

Answer: The contractor will obtain, summarize, and analyze this information, with support from state staff.

Question: Regarding Section 3.E. of the Technical Proposal/Program Specifications (“QHP Plan Design”), pertaining to assistance to “obtain employer, employee, and individual input on potential standardized plan features”: Does the State have an estimate of from how many entities would this information be gathered?

Answer: The bidder should assume four meetings with each of the three groups: employers, employees, and individuals.

Question: Section 3, Subpart A: You estimate 150 hours effort for this portion of Section 3. Do you have equivalent estimates of the level you anticipate for any of the other sub-parts?

Answer: No, an estimate of hours in the remaining subsections of Section 3 must be developed by the bidder. The State estimated the hours for Subpart A because the scope of work is unclear at this time.

Question: Section 3, Subpart A: Does the current state effort include any actuarial modeling? If so, will the contractor have access to the results of that modeling? To the data and assumptions used?

Answer: There has been and will be other actuarial modeling done related to various aspects of Vermont's health care reform goals. To the extent the actuarial work is relevant and reasonably complete, it will be made available under appropriate conditions.

Question: Section 3, Subpart B: Does the state use a risk adjustment mechanism in conjunction with any of its existing health benefit programs?

Answer: No.

Question: Section 3, Subpart B: Does the state have any existing public programs which it anticipates curtailing or discontinuing, which would result in current enrollees moving into the Exchange? If so, which programs, and approximately how many individuals do they currently cover?

Answer: The State is currently engaged in analysis that will answer these questions, but the results will not be available until January.

Question: Section 3, Subpart B: Please confirm whether the scope is limited to program analysis and design; specifically, is it correct to assume that it does not include IT analysis and design?

Answer: IT analysis and design are not part of this RFP; however, the contractor should include in the program design recommendations on where IT support may be necessary or desirable for effective program operation.

Question: Section 3, Subpart D: We understand this task to be the design of surveys (including appropriate processes and metrics) of consumer's satisfaction with the health plans in which they are enrolled. Is this correct? If other areas of satisfaction are contemplated, such as satisfaction with the state exchange, please identify those areas.

Answer: The consumer satisfaction survey system, which is a requirement of the Affordable Care Act, pertains to consumer satisfaction with the plans in which they are enrolled. The State may want to include Medicaid and other state-subsidized programs in the survey system design.

The State may wish to receive direct, current input from Vermont residents and not rely solely on consumer satisfaction data collected by insurance carriers and the federal government.

Question: Section 3, Subpart D: Can you confirm that for Task 3D (Consumer Satisfaction Surveys) the primary task is for the contractor to develop the consumer satisfaction survey process and instrument and not to implement the survey process (e.g., administer the surveys, analyze the data)?

Answer: Correct, the contractor will design, but not implement, the survey system under this contract.

Question: Section 3, Subpart D: If implementation of the consumer surveys is required, how many surveys will be conducted and how frequently will surveys be conducted?

Answer: The design of the system should estimate number and frequency of surveys. The successful bidder under this RFP will not actually implement the survey system under this contract.

Question: Section 3, Subpart D: If implementation of the consumer surveys is required, will the State provide the contractor with the contact information for consumers to be surveyed?

Answer: The survey system will not be implemented under this contract.

Question: Section 3, Subpart D: If implementation of the consumer surveys is required, how will surveys be conducted (mail, phone, online)?

Answer: The successful bidder should include a recommendation on how surveys should be conducted as part of its design.

Question: Section 3, Subpart D: Who will be the audience for the Consumer Satisfaction Surveys?

Answer: According to the Affordable Care Act, results of consumer satisfaction surveys must be posted on the Exchange website, in which case the audience will be consumers and other interested stakeholders.

Question: Section 3, Subpart E: We note that the time frame for completion of this task is quite short. Does the state currently have a formal process for reviewing the cost of benefit mandates?

Answer: The State is in the process of reviewing current state mandates and will assist the successful bidder in identifying which state mandates will likely not be included in the Essential Benefits Package.

Question: Section 3, Subpart E: Will the contractor have access to any prior cost estimates?

Answer: Yes, if such cost estimates are available.

Question: Section 3, Subpart E: Has the state performed any recent surveys of benefit plans, and will the contractor have access to those survey results?

Answer: Without fully understanding the types of surveys you are referencing, we are generally prepared to share the results of any surveys we have done that might assist your work as long as they are not determined by the State to be of a confidential or proprietary nature.

Section 4: Stakeholder Involvement and Outreach & Education

Question: Scoring section of the RFP, 2.1, Section 1 (B), pg 9, “Ability of bidder to meet project schedule”: How many navigators does the State expect to train?

Answer: The State expects the successful bidder to estimate the needed capacity for navigators as part of the program design under the contract.

Question: Can work on section 4 commence at the start of the contract term or do you anticipate that work in other sections must first be completed?

Answer: Work under this section should begin upon execution of a contract. Work completed in other sections may inform the final deliverables under Section 4, but due to short timeframes, Section 4 work must begin before other work is completed.

Question: How do you envision the Green Mountain Care brand living with exchange brand?

Answer: The successful bidder must incorporate a recommended answer to this question in its deliverables under this section of the contract. Currently state-sponsored health insurance is branded under the umbrella Green Mountain Care (150,000 lives). In 2017, we anticipate that there will be a single-payer system that makes Green Mountain Care available for all Vermonters (600,000 lives). We need to leverage the Green Mountain Care brand to help current and future consumers migrate from where they are today, to the Exchange, and ultimately to the single-payer system.

Question: When will the Joint Advisory Committee (referenced in section 4) be established? Do you anticipate that the contractor will be a part of the establishment process?

Answer: The Joint Advisory Committee will be established on July 1, 2012. The State does not anticipate involving the contractor in the appointment of the members.

Question: Were the message focuses outlined on page 35 (first paragraph in C.) determined through research with your target audience?

Answer: Yes, the message focuses were informed, and continue to be informed, by input from previous and ongoing meetings with stakeholders.

Question: On page 35, Question from Attachment A: Specifications Of Work To Be Performed 1.4 Technical Proposal, II Responsibilities of Contractor, Section 4: Stakeholder involvement and Outreach/Education, C. Outreach and Education, are there 1 or 2 phases that will need executed campaigns in 2012?

Answer: The State anticipates executing only the first phase of the outreach and education plan, as described in the RFP, in 2012.

Question: As referenced on page 36, how do you define the first phase of the campaign?

*Answer: The first phase of the campaign is described in this paragraph from the RFP:
“As a first step, the State will develop an overarching message and branding for its Exchange campaign and should determine early on when, to what extent, and how it will weave in its ultimate goal of a single-payer plan. The overarching message will be used mainly in the pre-implementation process to provide broad information about the coming availability of the Exchange and its benefit to Vermonters, including small businesses. The message may be conveyed through a variety of means, including print, television and radio advertisements, brochures, fact sheets, Q&A documents, public information forums and community events, and other means.”*

Question: I understand from the pre-Q&A posting that “The successful bidder for Section 4, Stakeholder Involvement and Outreach/Education will be precluded from bidding on the implementation contract for the navigator program.” My organization is considering partnering with another bidder to accomplish the work of Section 4. The other organization would submit the proposal and do the work laid out in Subsection A of Section 4; my organization’s role would be limited to one or more of the other subsections in Section 4 through a subcontract with the successful bidder. Would my organization be precluded from bidding on the implementation contract for the navigator program?

Answer: If an organization is a subcontractor under Section 4, and is not involved in the work under Section A (Navigator Program), does not receive advance copies of deliverables or have input into any aspects of the Navigator Program design, the subcontractor will not be precluded from bidding on an RFP for Navigator Program implementation.

Question: Section 4, C. Outreach and Education, RFP page 36, 2nd bullet states, “The Contractor will assist the State to implement and complete the first phase in 2012.” Please define the vendor’s responsibilities for participation and/or attendance in public information forums and community events.

Answer: The State expects the contractor to arrange space and refreshments for the community events, issue invitations/announcements, facilitate the meetings, and provide minutes. The contractor will also provide analysis of stakeholder feedback from these events, and recommend courses of action to the State based on that feedback. State staff will assist the contractor in identifying areas of the state where events should occur and will attend each event and will be available to answer questions from participants.

Question: Section 4, C. Outreach and Education, RFP page 36, 2nd bullet states, “The Contractor will assist the State to implement and complete the first phase in 2012.” Please estimate the number of public information forums and community events that may be required for attendance.

Answer: The State anticipates holding four public information forums around the state for consumers, and four public meetings specifically for employers.

Section 5: Program Integration

Question: Section 5: Program Integration (page 36 of 47), Subsection B - Administrative Simplification - The State references that the contractor needs to “poll providers;” please describe approximately how many providers should the contractor survey? For example, will it be approximately 50 providers, all hospitals, etc.?

Answer: The contractor should be prepared to include a meaningful sample of the provider community, including a representative sample of different provider types: primary care and specialty physicians, hospitals, long term care, home health, mental health, and substance abuse services.

Question: Section 5: Program Integration (page 36 of 47), Subsection B - Administrative Simplification -The State references that the contractor needs to “poll providers;” please clarify the type of providers included in the survey, specifically hospitals and/or physicians?

Answer: Please see answer above.

Section 6: Quality and Wellness

Question: Section 6: We understand that Vermont is planning to require health plans to include wellness programs as a precondition to being certified as qualified health plans. In 6.B, you request assistance from the contractor to develop an integration plan for the Exchange's wellness programs and any programs that exist outside of the Exchange. Would you please explain or illustrate your vision for integrating wellness programs into the Exchange other than requiring plans that are offered on the exchange to include a wellness program?

Answer: There are a variety of wellness programs being offered in Vermont at this time. There are also numerous programs in other states. In order to determine the ideal type of wellness program for Exchange health plans, we need to understand what is currently available and which programs yield the best health benefits. The State will work with the contractor to design a wellness program that is feasible from a financial and implementation perspective. Integration of a wellness program into the Exchange will depend on the type of program developed.

Section 7: Payment Reform

Question: Section 7: Has the state performed any prior studies of provider payment rates, or variations in provider payment rates by type of health benefit program (e.g., commercial, HMO, Medicaid, etc.) and will the contractor have access to any such prior studies?

Answer: The State is in the process of completing an analysis comparing Medicaid payment rates to Medicare and Commercial Rates. This would include an analysis of Inpatient and Outpatient Hospital payments and Professional Services. The results should be available by January and can be made available to the successful bidder. A Data Use Agreement will be required.

Question: Section 7: Has the state performed any prior actuarial, economic or public policy studies of an all-payer system and will the contractor have access to the results of any such prior studies?

Answer: The state has done many studies and analyses on health reform (see some at <http://leg.state.vt.us/jfo/healthcare.aspx>), but no in-depth studies of an all-payer rate system. The State has received presentations regarding the Maryland All-Payer System.

Question: Section 7: Payment Reform, pgs 37-38: How much has Vermont budgeted (in dollars and/or hours) for Section 7 (Payment Reform) of the RFP?

Answer: The State has not budgeted a specific amount for this section.

Question: Section 7: Payment Reform, pgs 37-38: Is this initiative being pursued under provisions of the Affordable Care Act (ACA)? Is it considered an approved rate reform demonstration project by the Centers for Medicare and Medicaid Innovations?

Answer: Vermont is pursuing a health insurance Exchange consistent with the ACA, but the primary authority for this project comes from VT legislation (Act 48). We are exploring an all-payer rate system through an Exchange and through other mechanisms. This project is not yet considered an approved CMS demonstration, but we anticipate pursuing some demonstration authority in the future.

Question: Section 7: Payment Reform, pgs 37-38: Vermont has performed various system reform efforts to date. Can the state provide the system payment reform studies that are relevant for the all-payer rate initiative as an addendum to the RFP?

Answer: Relevant health and payment reform studies can be found at:

- *Act 128 - Report to Legislature on Payment Reform - http://hcr.vermont.gov/sites/hcr/files/2011_02_01_payment_reform_leg_report_FIN_AL_0.pdf*
- *Vermont Blueprint for Health Annual Report http://hcr.vermont.gov/sites/hcr/files/final_annual_report_01_26_11.pdf*
- *Legislative Joint Fiscal Office: <http://leg.state.vt.us/jfo/healthcare.aspx>*
- *Vermont's Department of Banking, Insurance, Securities, and Health Care Administration (BISHCA) collects and analyzes data from a variety of sources including health insurance carriers and managed care plans licensed by the state, Vermont's acute care hospitals, home health agencies, the Health Care Financing Administration and surveys. See various reports at <http://www.bishca.state.vt.us/health-care/research-data-reports/research-data-reports>*

Question: Section 7: Payment Reform, pgs 37-38: Other states have reviewed operating margins by provider type and by payer. Has Vermont conducted any similar studies on operating margins by provider type and by payer? If so, will those studies be available to the vendor for review?

Answer: Vermont hospitals use uniform reporting formats to provide financial, scope-of-services, and utilization data to BISHCA. This information is compiled to support the annual hospital budget review process and can be found at <http://www.bishca.state.vt.us/health-care/hospitals-health-care-practitioners/hospital-financial-health-care-reports>. Payer reports can be found at <http://www.bishca.state.vt.us/health-care/research-data-reports/research-data-reports>.

Question: Section 7: Payment Reform, pgs 37-38: How will Vermont's all-payer rates effort coordinate with Vermont's advanced dual eligible program (PACE and the new Dual Eligible grant)?

Answer: There will be an effort to coordinate the all-payer rate work with the Duals project as the details of both mature.

Question: Section 7: Payment Reform, pgs 37-38: Will the database that JEN Associates is developing for the dual eligible project be available for analysis by the selected contractor?

Answer: Probably not. Access to the database is limited by the number of licenses and data use agreements.

Question: Section 7: Payment Reform, pgs 37-38: Can Vermont provide additional information on the level of engagement that the State has had with private payers? Payment level detail on services/procedures is typically considered sensitive and confidential by private payers. Does the State anticipate support and participation from the private insurance market in this effort including the disclosure of the payment level detail that will critical to performing the modeling described in the RFP?

Answer: Vermont has a history of regulation and collaboration with private payers, including through the Multi-Payer Claims Database (VHCURES), the Vermont Blueprint for Health, and ongoing payment reform work groups. Aggregated payment level detail on services/procedures is available in the multi-payer claims data base. We plan to continue to engage with the private payers in the design of an all-payer rate system and expect their participation in this process.

Question: Section 7: Payment Reform, pgs 37-38: Will the All-Payer Claims Database (APCD) be available to the selected contractor?

Answer: Yes. There are two possible approaches: (1) ask for raw data pulls from the Database and perform your own analyses, or (2) engage with the state's Database vendor (Onpoint) to perform analyses and reports. Both approaches may involve some cost and may require a DUA or other licensing agreements.

Question: Section 7: Payment Reform, pgs 37-38: If yes to previous question, will the APCD serve as the primary source of data on payer utilization used for modeling?

Answer: Yes, though there are also other sources of data at the various links included above.

Question: Section 7: Payment Reform, pgs 37-38: Which health care services does Vermont expect the selected consultant to assess and model rate setting methodologies?

Answer: This decision has not been made. The State would work with the selected vendor to develop criteria for the selection of high-priority services for modeling, which might include: services that account for the highest volume of use across all payers, services that demonstrate the greatest variation in utilization and expenditures, services that account for the greatest percentage of expenditures across all payers, services that account for the greatest cost growth across all payers, services of high value (such as primary care evaluation and management codes), services for which there is a demonstrated provider shortage, or other barrier to access.

Question: Section 7: Payment Reform, pgs 37-38: Regarding previous question, will it be limited to acute care services (hospitals, ambulatory care centers, FQHCs, professional services {physicians and other licensed practitioners}, and pharmaceuticals) to ensure comparability of services across payers.

Answer: Yes; for example, we are not looking at this time to include long-term care services.

Question: Section 7: Payment Reform, pgs 37-38: Please list any other services that the selected contractor will be expected to include in the analysis or does Vermont expect the definition of the scope of analysis and modeling will be completed after project award with the selected contractor?

Answer: We encourage vendor ideas and proposals and we also expect to work with the selected contractor to finalize the scope.

Question: Section 7: Payment Reform, pgs 37-38: For which payers/providers does Vermont expect the selected contractor to assess rate setting methodologies? In-state payers/providers: Only large market share payers? Other smaller payers? Providers licensed/certified in-state? Out-of-state payers/providers: Only large market share payers? Other smaller payers? Border providers?

Answer: Vermont has five major payers [three commercial (BC/BS, MVP, and CIGNA) and two public (Medicare and Medicaid)]. These payers will be our primary focus. For providers, we are concerned mostly with in-state hospitals and physicians, except many Vermonters also use the Dartmouth Hitchcock (NH) and Albany, NY medical centers.

Question: Section 7: Payment Reform, pgs 37-38: The RFP contemplates the development of a model to project the impact of rate changes. Does Vermont have expectations on the fiscal year utilization data that would be used in this model?

Answer: We will soon have all-payer data (including Medicaid and Medicare) in VHCURES for the years 2007 through 2010. This will include utilization and expenditure trends by service type.

Question: Section 7: Payment Reform, pgs 37-38: Is Vermont comfortable using historical utilization to project future results or is the contractor expected to include actuarially sound projections of future utilization?

Answer: We do have good historical data (as noted in previous questions), but we also expect that additional actuarial projections will enhance the work product.

Question: Section 7: Payment Reform, pgs 37-38: What assumptions / projections should be made based on the impact of ACA with regard to Medicaid payment rates, Medicaid eligibility, enrollment in subsidized plans, and the role of the uninsured (truly uninsured, those that choose to pay the penalty for not having insurance)?

Answer: The State is in the process of completing an analysis that will answer many of these questions, but the results will not be available until January.

Question: Section 7: Payment Reform (page 38 of 47): Does Vermont's All-Payer Claims Database contain data associated with: Inpatient Services, Outpatient Services & Physician Services?

Answer: Yes.

Question: Section 7: Payment Reform (page 38 of 47): What provider types will be included in the all-payer rate setting strategy? Is it limited to hospital services or will it include other services like physicians and other practitioners, nursing facilities, home and community-based service providers, pharmaceutical, etc.?

Answer: At this time, we are primarily interested in hospitals and physicians.

Question: Section 7: Payment Reform (page 38 of 47): Does this section include all provider services; specifically, does it include inpatient, outpatient and physician services or is it a subset of provider services. Please clarify which provider services are included.

Answer: We are interested in all hospital and physician services, and the State will work with the selected vendor to develop criteria for the selection of high-priority services for modeling (as explained in other answers above).

Question: Regarding Section 7 of the Technical Proposal/Program Specifications ("Payment Reform"): Does the Department plan on having /allowing the contractor to survey health insurance

companies to identify both the types and levels of provider contracting approaches to inform analysis and recommendations on payment reform?

Answer: We would be interested in proposals for this kind of survey.

Question: Regarding Section 7 of the Technical Proposal/Program Specifications (“Payment Reform”): Does the Department expect contractors to use the all payer claims database (APCD) to analyze payment reform?

Answer: Yes, however as noted previously, other data sources are also available.

Question: Regarding Section 7 of the Technical Proposal/Program Specifications (“Payment Reform”): Is the Department aware of any limitations in the data available in the all payer claims database (APCD) that would not allow services to be re-priced at the Medicare fee schedule (e.g. provider id not available)?

Answer: We don’t expect any major limitations, with the possible exception that we are still in negotiation with CMS regarding the details of the Data Use Agreement for Medicare.

Question: Section 7: Does the state have legal authority, through the insurance code or otherwise, to require health plans to submit information on their provider payment rates?

Answer: A definitive answer to this question would require further research, but our preliminary answer is that the State does not have this authority.

Section 8: Universal Exchange

Question: Regarding Section 8 of the Technical Proposal/Program Specifications (“Universal Exchange”): Has the state decided on the specific roles of the exchange with respect to enrollment and other functions under its ultimate vision of a single-payer system, or is the contractor expected to develop options for the exchange’s role?

Answer: The State has begun exploring roles of the Exchange infrastructure as a transitional vehicle to a single-payer system, including enrollment as a reusable function in the single-payer system. The contractor is expected to work collaboratively with state staff on developing the full range of options. The contractor would research and explore more detailed business operations as part of this work, but is not expected to develop options without input and direction from state staff.

Question: Section 8, pg 39, Universal Exchange: Will the contractor provide consultation to the State on the 8 design elements identified on p. 39, or is the contractor responsible for leading and executing each of the 8 bulleted items? Please clarify.

Answer: The contractor would work collaboratively with state staff and is not expected to do the work independently. The contractor, however, would be primarily responsible for researching each of the

bulleted items and for providing analysis for state consideration. State staff will provide input and direction to ensure the work comports with Act 48.

Question: Regarding Section 8 of the Technical Proposal/Program Specifications (“Universal Exchange”): If the role of the exchange under single-payer has already been determined, where is it described?

Answer: The state sees the Exchange as a vehicle for developing the infrastructure for moving to a single-payer system. This work will be developed over the next year. As described in Act 48 of 2011, the state would move to Green Mountain Care (the single-payer program) once the state receives a waiver from the Exchange and other conditions are met. See Sec. 4 Act 48 or 33 VSA 1822 for a complete description of the conditions. The state expects that certain components of the Exchange administrative structure will be reusable for Green Mountain Care.

Question: On page 39, the RFP states that “this analysis would build on the work done under (A) described above, yet there is not an (A) section under Section 8, what does this statement reference?

Answer: We apologize for this error. The reference should have been to Section 5, Program Integration.

Question: Is it your expectation to have Medicare patients included as part of the all-payer system?

Answer: Yes, to the extent that the State is successful in receiving approval of a waiver from the federal government to include Medicare.