

Solicitation Amendment

PEBB Medicare Advantage plus Prescription Drug (MA-PD)

RFP No. 3872

Amendment No. 4

Date Issued: August 21, 2019

Purpose: Question and Answer from the August 19, 2019 phone call with Bidders. And address additional questions received.

Amendment need not be submitted with Proposal. All other Terms, Conditions, and Specifications remain unchanged. The above referenced solicitation is amended as follows:

1. Questions 104-109 are from HCA's phone call with Bidders hosted on August 19, 2019.
2. Questions 110 & 111 were additional questions received by the RFP Coordinator.

Amendment 4
RFP 3872 - MA-PD - Question & Answers

| # | Question | Response |
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| 104 | <p>HCA: Please describe any additional census data Bidders believe is necessary to submit a Proposal to this RFP, and why.</p> | <p>A Bidder: We can provide rates however additional data allows the plan to develop more accurate CMS risk score ratings, which impacts member premiums.</p> <ul style="list-style-type: none"> • Specific age • Plan indicator • Zip code <p>In addition, zip code is used to evaluate network adequacy for national plans. CMS requirement for network adequacy for extended service area waiver states that greater than 51% of the plan's membership must be within the plan's service area--zip code helps to narrow down counties that may not have adequate membership.</p> <p>A Bidder: <ul style="list-style-type: none"> • We second everything the first Bidder stated </p> <p>A Bidder <ul style="list-style-type: none"> • We third the first Bidder's statements </p> |
| 105 | <p>A Bidder: This is the first state/large employer since 2006 that has been reluctant to provide this data. It is the minimum that any plan would expect to receive. Can Milliman contribute on the importance of this from the carrier's standpoint?</p> | <p>Milliman: This procurement is not a full replacement request, and therefore the level of detail requested by the Bidders should not be necessary to develop rates.</p> |

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| <p>106</p> | <p>Milliman: Can we get more information on the network requirement? Is this 51% of all eligible individuals that must meet the network requirement for the plan to receive a waiver?</p> | <p>A Bidder: Yes, 51% of eligible individuals must be within an adequate service area as determined by CMS. This is determined at the county level. Depending on where PEBB Retirees are in Washington, there is a possibility that some counties would not meet network adequacy standards. When combined with everyone out of state the percentage starts to drop, so there is less confidence in a solid quote.</p> <p>A Bidder: Yes, the service area waiver is one concern. Another concern is that member demographics will drive the cost of the plan. Everyone on the phone (i.e., all of the Bidders) is going to interpret things differently if specific demographic information is not known. A large percentage of pricing will be driven by a member's age, gender, where they live.</p> <p>A Bidder: Yes, this demographic information impacts the risk score.</p> |
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Milliman:

How is specific age relevant for an over 65 population? HCA provided age cohorts in its census data to Bidders.

A Bidder: Age buckets help, but specific age helps for manual risk adjustment. CMS risk payments vary by age. This can create significant variations in final member premiums. Milliman:HCA considered all of these points, and has provided age/gender buckets by county. HCA, and Milliman, feel this is sufficient to develop rates for a non-replacement plan (slice offering). Rates can be refined later when ASB(s) estimate enrollment capture rates. We're still struggling with the request for additional detail when most of these individuals are not looking to change plans. The risk score drives the majority of the planned revenue, but we don't have any insight into the risk scores for members of UMP Classic - Medicare Coordination of Benefits. It appears the risk score piece is informed by age/gender distribution by county, but relying on risk score for a population that may not be representative of the plan's population seems like such a wildcard from an underwriting perspective that it's not going to inform prices that much. A Bidder: During underwriting we perform certain analyses that will materially improve accuracy, and without this level of census information we cannot perform these analyses. To Cindy's earlier point, having a census at the member level is a fairly standard request for any sized group, and valuable for us to provide the most accurate rate even in a slice environment given the tools we have. Milliman:HCA has tried to bridge this gap in census data with the additional data provided in Amendment 2. This should be sufficient for the analyses you perform. The price may not be as accurate, but it should be accurate enough to complete what we've requested for the RFP.

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| <p>108</p> | <p>A Bidder: The age buckets do not align with how CMS pays risk adjustments. Would it be possible to get the census data in age brackets that tie more closely with CMS? In addition, CMS pays differently for plans that have new enrollees. Carriers must make assumptions about risk and CMS revenue. If we don't have additional census information, it's hard to match claims with expected revenue.</p> | <p>Milliman: Do you have age buckets that you want to suggest? How far misaligned are they?</p> <p>A Bidder: We'll have to follow up. We'd have to reiterate requests for more detailed census data. This is different from a commercial retiree benefit. Plans are not just estimating claims costs plus administrative costs. There's CMS revenue involved.</p> <p>Milliman: HCA has tried to structure the bid to capture what it believes is a reasonable proxy for CMS revenue. If you believe there are disconnects, you can add this into your development of rates. For all UMP enrollees we only have secondary information, no risk score. We can't provide an estimate of risk scores. These are the real wildcard driving CMS revenue, and we recognize you could get more precise with more census data. But we believe we've provided enough data to get an estimate. If you feel it is not very accurate, you can note that in your response.</p> <p>A Bidder: Date of Birth and Medicare Part B effective date would also be helpful to let us know if members are newly eligible or not. This would improve the risk score estimate.</p> <p>Milliman: Understood; however, we need to get rates along the initial timeline that was proposed.</p> |
| <p>109</p> | <p>A Bidder: I have a question regarding email delivery of the RFP. Is HCA prepared to receive many, many emails? Is there some site we can upload to? The response is very large.</p> | <p>HCA: Bidders may email their response in as many emails as are required. Per the RFP, zip files will not be accepted.</p> |
| <p>110</p> | <p>While not appropriate for the phone call with the HCA this morning, we would like to raise one additional concern. To our knowledge, one of the Bidders on the call does have access to the full claims file and the census information being requested. How is the HCA accounting in its evaluation of cost proposals for the</p> | <p>HCA acknowledges that bidders may have existing/previous business with PEBB or school employee districts which may provide them with data on the population they serve. But as far as HCA is aware, there is no bidder who has access to full census data for the entire PEBB and school district population.</p> |

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| | <p>potentially unfair competitive advantage that the Bidder in question will have in the bidding process?</p> | |
| <p>111</p> | <p>Our organization representatives will be dropping off the binders containing our RFP submission on Thursday 8/22. I see that the physical delivery address is 626 8th Ave SE, Olympia, WA 98501. When we arrive, will there be a front desk or additional instructions for where to place the binders? Also, can you confirm the hours of operation on Thursday?</p> | <p>Please check in with the front desk, they are aware Bidders may be delivering their proposals and know to get in touch with the RFP Coordinator. The front lobby will be open from 8am-5pm pacific time.</p> |