

**RFP 2013-09:**  
**Actuarial Services**  
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1	Is the Supplemental Rate Review Template (SRRT) a state or federal template? Please provide a link.	The Supplement Rate Review Template is a federal form issued by CMS and is also used by state regulators for rate review. The form may be changed for 2014 so no link is provided.
2	Will an actuarial memorandum also be provided to the contractor for review?	No. Preparation of actuarial memoranda is in the statement of work for this RFP and contractor will be expected to follow industry standards in its preparation, methods, organization and presentation.
3	Are the rate reviews expected to include questions to issuers, or just a report to Covered California?	Covered California expects its actuarial contractor to prepare questions for bidding issuers as part of this RFP's work.
4	About how many days per month is the contractor expected to be on-site?	Not able to specify but based on past experience, most work is done off-site. Peak demand for contractor's services expected to be in May and June 2014 when QHPs are bidding 2015 rates.
5	Is the risk assessment analysis described in 3.3 1. g) expected to be performed on enrollment/demographic data only, or should claims data also be included? If the latter, will the contractor be responsible for collecting the claim data or will it be provided by Covered California?	Risk assessment described in this section is to be performed on enrollment/demographic data since it will likely be too early for Covered California's clinical analytics vendor to have received 2014 claims data. Contractor's access to and use of a commercially available national claims database for pediatric dental benefit risk analysis would be very helpful.
6	Please describe the source of early claims data that will be available for the analysis and projection of QHP financial performance described in 3.3 1. h).	This analysis will only be possible if Covered California can obtain early claims experience from its QHPs in time. However, potential financial performance could be based solely on demographic profiles and enrollment patterns which will be available to Contractor.
7	Please clarify the difference between the task described in 3.3.1. n)1) and 3.3 1. n)5.	n)1) analysis will be a for 2015 products and pricing for overall California marketplace ( not Covered California only) n)5) analysis is for Covered California's portfolio only for 2015.
8	Should the cost proposal account for tasks that are not yet defined, such as 3.3. 1. v) and 3.3 3. a), or will the contract be amended once these tasks are better defined?	The cost proposal should propose hourly rates but not a global bid for the ad hoc " other actuarial duties" or " reports" referred to in these parts of the RFP.
9	Do the weekly meetings with Covered California staff described in section 3.6 need to be in person or can they be over the phone, webex and/or Skype?	Phone or webinar is fine.
10	Section 4.3.7 states that "The Bidder will provide an updated statement of work using the tasks identified in Section 3 using track changes on Attachment 2-B." Please clarify this instruction. Is there a difference between 4.3.7 and the task outlined in Attachment 2-B?	No, Attachment 2-B should contain the final proposed scope of work from the bidder.
11	Did Covered California have a contractor that provided these services for the 2014 rate filings? If so, who was the contractor and what was the total amount of the contract?	Covered California used Milliman to support the 2014 rate negotiations; it used PriceWaterhouse Coopers to support the 2014 standard benefit plan design development.

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12	Please confirm whether the scope includes review or analysis of any off exchange rate filings.	No off-exchange rate analysis included except for the landscape analysis required in 3.3.1 n)1).
13	If off exchange rate reviews are included, please provide the number of major medical filings reviewed by month in 2013.	n/a
14	What other entities will be reviewing the filings and how is the review coordinated between the entities?	The rate submissions for 2015 are confidentially submitted to Covered California. No other entities will be reviewing proposed rates which will be tentatively accepted/negotiated prior to the issuers formal and public rate filings with the state regulators.
15	Were 'shelf analyses' completed for the 2014 filings and are they publicly available? If so, please provide a link.	2012 individual and small group rates and products were analyzed in 2013 as part of Covered California's rate negotiation process for 2014 rates taking into account market reforms that were slated for 2014 start date. They are not public documents.
16	What aspects of the process are currently automated?	2015 rates are anticipated to be submitted electronically through the SERFF system using standardized rate templates.
17	Will the federal plan management templates be available for the review?	Unknown at this time.
18	Please clarify the following task found in the RFP section 3.3.1 j): Calculate the retail cost and the Tax advantaged cost for the entire rating grid (all products) in all regions using the Centers for Medicare & Medicaid Services (CMS) 3:1 age ratio	Tax-advantaged accounts generally refer to Health Savings Accounts and its brethren. In this context, it also refers to purchases by individuals that are subsidized by APTC. Assuming that a tax subsidized product will influence purchasing, this analysis should take into account the influence a tax subsidy will have on consumer choices among various products.
19	Is the number of 2015 rate filings for on-exchange plans expected to change significantly from the 2014 rate filings?	No. In fact, we expect fewer 2015 proposals than we had in 2014. See January 23, 2014 Covered California Board materials.
20	Would Covered California consider extending the deadline to February 14th?	No.
21	Please confirm that the maximum \$832,500 in total costs applies only to the initial contract term estimated to be February 25, 2014 - December 31, 2014, per the RFP.	Yes.
22	What is the maximum cost for each extended contract term?	Not determined.
23	The RFP states that the engagement team must remain free of conflicts for the duration of this contract as it relates to providing services to existing Qualified Health Plans in California or to potential new entrants including newly licensed health plans and Medi-Cal managed care plans. Would it be acceptable to engagement team members to work with health plans in other states who are related to the prohibited entities? For example, is work for Wellpoint, HealthNet or Molina in another state perceived to be a conflict?	It might be acceptable; acceptable internal firewalls would need to be established and maintained. Bidders should consult their own legal counsel regarding conflicts.

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24	Would it be acceptable for engagement team members to work with QHP issuers in California on projects not related to Individual or Small Group lines of business? For example, is work related to Large Group, Medicare Advantage, or Medi-Cal perceived to be a conflict?	Please consult your legal counsel. However, work related to a QHP issuer's non-Covered California lines of business would not necessarily present a conflict, however, we would need an explanation of how internal firewalls could be established and maintained to ensure conflict-free advising.
25	Do you differentiate the degree of conflict based on actuarial related consulting and other consulting? For example, is other consulting on operational improvements, IT, audit and tax services perceived to be a conflict?	Actuarial consulting is the primary source of conflict. To the extent other analytics called for from the Contractor in this RFP might produce a conflict, bidder's legal counsel should be consulted.
26	Please provide a draft timeline for the 2015 QHP application/renewal/certification/decertification process and an indication of likely critical time periods during the February-December 2014 performance period.	Board materials for January 23, 2014 meeting discussed this item, please see materials at the following link: <a href="http://www.healthexchange.ca.gov/BoardMeetings/Pages/Meeting_Materials_for_January_23,2014.aspx">http://www.healthexchange.ca.gov/BoardMeetings/Pages/Meeting_Materials_for_January_23,2014.aspx</a>
27	Please clarify the division of responsibilities for the rate review between Covered CA and the relevant regulators. For example, task 1 includes review all rates for "reasonableness", a task that is also the responsibility of DMHC and DOI.	We use the term "reasonableness" in its non-statutory sense. Covered California is negotiating rates with its QHPs for 2015, subject to regulatory rate review. These are completely separate processes. We negotiate first; then those rates are filed by the issuers with their respective regulators for statutory rate review.
28	Please elaborate on the level of analysis expected to be performed by the Contractor on the following tasks: Task a) – How is "reasonableness" to be determined? What analyses are expected "for every rating region and metal level"?	Reasonableness as used here means that the underlying claims and experience assumptions and inputs into the URRT and SRRTs make sense from a cost perspective. Assumptions about funds anticipated to be received due to the 3Rs are reasonable ( or not); assumptions about health risk status of enrollees are reasonable ( or not) and the like. Enrollment in plans in a rating region will in part depend on the portfolio choices available in that region. Anticipated enrollment within a rating region and across metal tiers will influence rate inputs.
29	Task b) – What criteria should be used to "evaluate the submission"?	See above. If the bidder's assumptions about inputs, e.g. reimbursement to the issuer from the 3R's, makes sense, that is the kind of judgment we would expect from Contractor.
30	Task c) – What level of "validation" of MLR, administrative costs, 3Rs implementation, etc. is expected?	MLR is reported by each bidder and it must be within allowable range, for example. Much of this validation is comparative. Contractor will not be expected to analyze underlying claims data from a bidder to determine if their claims experience is accurate submitted. Overhead and profit and administrative costs that are standard for the industry by line of business should be understood by the Contractor.
31	Task d) – Please describe what is expected to be included in the "actuarial analysis of the proposed rates".	Actuarial analysis of proposed rates should include some type of understanding of underlying claims costs and other inputs by regions, for example, as one type of actuarial input into rates. Claims experience combined with claims costs will be the most significant input into a rate build-up. Contractor should have a working knowledge of claims costs differences by region, by enrolled population based on demographics that can be provided by Covered California.

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32	Task o) – Beside compliance with laws, policies, and practices, what analysis of tiered provider network approaches are expected to be performed by the Contractor?	Issuers who offer tiered-network products make assumptions about 1) the cost difference between the two networks and 2) the benefit incentive differentials that will induce utilization in one network vs. another and 3) how much that utilization differential will alter cost input into the premium bid. Contractor should be able to analyze these issuer assumptions and advise Covered California if they are correct or not. Or create questions for Covered California to ask of the issuer to justify these types of assumptions.
33	Please describe the QHP rating and review process conducted for the 2014 QHP offerings, including use of standardized and automated processes.	Decline to discuss 2014 QHP rate and review process as not relevant to this RFP. For the 2015 QHP recertification and certification process, we expect to use SERFF templates and the SERFF server for submission by issuer bidders.
34	<p>"What data is expected to be available for analysis during the February- December 2014 contract period? Please indicate the estimated dates or frequency that such data will be available. Please indicate the form of the data and how it will be obtained by the Contractor.</p> <p>-- Rate filing information for renewal and new potential QHPs</p> <p>--Other sources of data that may be available for the requested analysis.</p> <p>--Utilization, claims and financial and other reporting to be provided by the QHP</p> <p>--Level of detail and the expected frequency of reports on enrollment and demographic characteristics, product selection and subsidy eligibility of the exchange populations to be available through CalHEERS."</p>	Enrollment data by plan by region will be available from Covered California. This should include basic demographics- age, gender, zip code- by plan. No claims data or medical utilization data is expected prior to June 2014. Please see timeline supplied as part of response to Question no. 26 for 2015 rates submission by bidders. The bulk of the work of this contract will be done in March-June 2014. We can request custom reports from CalHEERS that will enable Contractor to slice and dice as needed. CalHEERS will not contain any utilization data; only enrollment-based data.
35	<p>Data for certain project tasks in the scope of work (e.g., risk adjustment) will not be available for analysis during the initial contract period. Please indicate:</p> <p>-- Tasks Covered California expects to be completed within the February-December 2014 performance period</p> <p>-- Tasks Covered California expects to be initiated but not completed within the February-December 2014 performance period</p> <p>-- Tasks Covered California expects will not be initiated until the first year extended contract period</p>	February - June 2014 will be the time period when the bulk of the advice and analysis concerning proposed 2015 rates, standard benefit plan design and use of the 2015 AV calculator and assisting Covered California with negotiations. It is too early to say what tasks we expect during an extended contract period but a review of past actuarial reports produced for Covered California should give bidders a good idea of the type of work we will need in the future.
36	What resources and tools does Covered California currently have and use in daily operations that would meet useful format requirement for deliverables (e.g., versions of Word, Excel, Acrobat, PPT)?	Covered California uses a robust suite of standard office software to perform its work, the current MS Office platform is 2010. We decline to provide specific versions as this information is not relevant.

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37	Are there specialized tools (such as branded mapping software, project management reporting, analytic programming licenses) that Covered California expects the Contractor to have or obtain to be consistent with Covered California practice?	Mapping software is not necessary for this RFP. However, respondents with access to a commercially available risk assessment tool or algorithm are preferred. Similarly, respondents with access to a commercial health insurance database which can be utilized to project Covered California utilization are also preferred. This includes access to commercial pediatric dental claims database that could be used for modelling different benefit plan design approaches for this aspect of Covered California's standard benefit plan desing for pediatric dental Essential Health Benefits.
38	Please clarify the source of federal funds for this procurement. Is the funding currently budgeted and/or included in the \$155 million supplemental grant announced January 23, 2014? If not, what is the plan to secure Federal funding?	We are funded by Federal funds and not subject to state budget or related impact. The Exchange will fund this project through federal grant funds and/or the collection of fees assessed from QHPs.
39	Is there a total page limit for the vendor response to the RFP or are the page restrictions limited to the indicated sections?	Limited to indicated sections.
40	The requests in Sections 4.3.7 and 4.3.1 are inconsistent. One asks for a table showing hours per week by person, and the second asks for a high level work plan. Please consider revising the hours per week request to indicate estimated hours by person by task or by month.	A high level work plan that indicates hours per person, per task, by month is acceptable.
41	The Exhibit A Standard Agreement indicates all services are to be performed on site at the Exchange. Will this requirement be waived by the project representative for this procurement and replaced by Core Engagement Team qualification on page 10 of the RFP - "must be willing to be present in Covered California offices as needed"?	The purpose of this statement is to ensure the Contractor cannot bill for travel to report to the Exchange's Headquarters Location. The project representative will work with the awarded vendor on a schedule that fits the project's needs.