

The State of Connecticut Department of Social Services
is issuing Addendum 1 to the Actuarial Consulting Services
Request for Proposals
ACS_RFP_072811

Addendum 1 contains:

A. Official Responses to Questions.

Questions submitted by interested respondents and the Department's official responses follow. These responses shall clarify the requirements of the RFP. **In the event of an inconsistency between information provided in the RFP and information in these responses, the information in these responses shall control.**

1. Question: Who currently provides actuarial consulting to the State Medicaid program?

Response: Currently the Department has the following two Contractors for actuarial and analytical services: Mercer Health & Benefits LLC for the HUSKY program and Optumas for the Charter Oak Health Plan program.

2. Question: What is the amount paid for the actuarial services for the past three years?

Response: State Fiscal Year 2009 - \$2.7 million; State Fiscal Year 2010 - \$3.5 million; and an estimated \$1.1 in State Fiscal Year 2011

3. Question: Please provide actuarial consulting documents including the methodology and actuarial certifications for each of these programs.

Response: We are providing the [rate certification letter](#), embedded as a hyperlink, for State Fiscal Years 2009 MCO Capitation rates, including the managed care rate ranges for the respective state fiscal years for the HUSKY A program.

4. Question: Could you provide examples of the types of actuarial analyses performed by the DSS/DFMA staff that the DSS would like its ACS contractor to review?

Response: The following represents a listing of some of the actuarial analyses performed by DSS/DFMA staff that the DSS would like to be reviewed by the resultant contractor:

- **Exploring waiver options for the enrollment of ABDs (aged, blinds or disabled) population in managed care,**

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- **Managed care rate analyses, cost proposal and negotiation packages;**
- **Developing budget neutrality and/or financial sections of the CMS waivers;**
- **Financial monitoring and reconciliation of financial data to effectively manage the health programs.**

5. Question: During which months of the year do you expect the workload to be greatest? Least?

Response: Workload schedules are unknown. The Contractor and the Department will agree on the due dates of each of the deliverables. They shall be scheduled and agreed to by the parties prior to the Department's direction of the Contractor to begin the task(s).

6. Question: Do you expect the "other services as needed" listed on page one will constitute more than 10% of the total project time? More than 25%? More than 50%?

Response: Specific project time for "other services as needed" is unknown. The ACS Contractor is expected to consult DSS on a variety of issues on an "as needed" basis. The ACS Contractor shall be available to the Department to consult on issues stemming from federal or state legislation, the Department's ongoing projects and program concerns, as needed. The schedule and content of deliverables shall be agreed upon by the parties following the Department's direction to the Contractor to begin a specific task.

7. Question: Is the ACS contractor expected to provide data?

Response: The resultant consultant may work with the Department to access data for various analyses (i.e., program changes, carveout, etc.). The majority of data is anticipated to reside within the Department's various systems. Primary data sources would include reports from the Department's InterChange system, Eligibility Management System (EMS), Data Warehouse as well as various reports from other contractors such as ACS (the Department's contracted enrollment broker), Value Options and Benecare who are assisting the Department in managing its various programs and financial reports from various providers.

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The ACS Consultant may have data from other states or service areas that can be applied. Additionally, studies, as well as, reports from various trend analyses and other pertinent sources may be used. The ACS contractor is expected to use mathematical and statistical analysis and modeling techniques to enable the DSS to successfully complete its work.

8. Question: How much onsite time do you expect the ACS contractor will need to spend in Hartford? Will travel to other locations outside Hartford be required as part of this engagement?

Response: The exact number of onsite meetings would be dependent on business needs. We rely heavily on conference calls but recognized that there will be occasions when the ACS contractor will need to be onsite.

9. Question: What programs are to be included?

Response: The programs expected to be included, but not limited to:

- programs for remedial, preventive, and long term medical care
- families with children (i.e., Medicaid Managed Care program (HUSKY A);
- fee for service (primarily clients in the Aged, Blind and Disabled eligibility category and Medicaid for Low-Income Adults (MLIA))
- Home and community-based care waivers;
- Dental
- Pharmacy
- Behavior Health Partnership
- Non-emergency medical transportation (NEMT)
- The State Children's Health Insurance Program (also known as SCHIP or HUSKY B);
- HUSKY Plus;
- Charter Oak Health Plan;
- MLIA Medical Assistance; and
- Medicare/Medicaid Dual Eligibles.

10. Question: What data will be provided, and is this data claims or encounter data?

Response: Refer to question #7.

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11. Question: What is the estimated level of effort, given in consultant hours?

Response: We are confused by your question, however if it relates to the number of hours we expect the consultant to work - please refer to questions 5, 6, and 8.

12. Question: How will the technical proposal be scored and how will the cost proposal be scored? How will the two scores be combined for the total score?

Response: Please refer to the RFP; V. PROPOSAL EVALUATION. The Overview of the Evaluation of Proposals and Phase One through Phase Five describe the Evaluation Process.

13. Question: Will the state consider any mutually agreeable modifications to its model contract?

Response: Refer to Section II G Overview of the Procurement Process – Acceptance of the Proposal Content. The successful bidder’s proposal must include a Statement of Acceptance, without qualification, of all terms and conditions within this RFP and the Mandatory Terms and Conditions for a PSA contract. The Respondent may, however, suggest alternative language to the Mandatory Terms and Conditions. The Department may, after consultation with the State of Connecticut Attorney General’s Office, agree to incorporate the alternate language in any resultant contract. The decision whether to incorporate such alternative language, however, rests solely with the Department and the Attorney General; their decision is final.

The State will respond to questions as submitted above when the successful bidder is given the right to negotiate a contract for the procurement.

14. Question: How will the ACS interact with the current vendors used by DSS for purposes of the Medicaid managed care program?

Response: Interaction would be dictated by the Department on a case by case basis.

15. Question: Please define "good faith effort" as it relates to Small, Minority, or Women's Business Enterprise.

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Response: Please click on the embedded hyperlink for the definition of “[Good Faith Effort](#)”.

16. **Question:** Section IV, 1.C. page 19, indicates, "The Respondent must provide a signed Acceptance Statement without qualification, of all mandatory terms and conditions." However, page 9 does allow for suggested alternative language. Please confirm that if a Respondent signs the Statement of Acceptance, in the event of award, the Respondent could decline a contract if terms and conditions could not be successfully negotiated with the State.

Response: This is correct. As a result of this procurement the successful Respondent will be awarded the right to negotiate a contract with the Department. If negotiations are not successful there will not be a resultant contract.

17. **Question:** Section IV, Section Two: Organizational Capability and Structure and Scope of Services, Summary of Organizational Capability, #1, on page 21 state that Bidder's analytical support staff (if applicable) must also demonstrate similar minimum experience requirements (Associates or Fellows of the Society of Actuaries, members of the American Academy of Actuaries with a minimum of five years experience in health care actuarial consulting services). Is the Department only looking for credentialed actuaries to be part of the team or can there be others that are included as part of the team, either as key personnel or support personnel, as long as their work is overseen by an actuary?

Response: The Department is not requiring that consulting services to be provided solely by actuaries. Consulting services may be provided by others, including key personnel or support personnel that are not actuaries with a minimum of 5 years experience with Medicaid or health related as long as their work and any final work product submitted to the Department is overseen and approved by a credentialed actuary with a minimum of 5 years experience with Medicaid or health related products.

18. **Question:** Section IV, Section Three - Business Cost Section. Page 28. Will the State provide the estimated range of annual hours expected under this contract?

Response: The estimated hours for each year of the contract are unknown. The DSS is seeking an ACS Contractor to provide services as outline in Section IV, Section Two – Scope of Services.

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19. Question: Section IA: "The qualified actuarial consultant must have no less than five (5) years of experience in providing health care actuarial consulting." Does this relate to the firm as a whole, or individual consultants? Does this apply to subcontractors?

Response: The Department is seeking to procure the services of an individual or organization to provide ACS in accordance with the RFP.

If the Respondent is an individual, they must meet the minimum five (5) year experience.

If the Respondent is an organization, then the staffing proposed by the organization must include one individual that meets the minimum five (5) years experience.

If the Respondent is an individual proposing the use of a subcontractor, the Respondent must meet the minimum five (5) years experience, the proposed subcontractor does not have to meet the minimum five (5) years experience.

For organizations, if their proposed staffing includes a staff person meeting the minimum qualifications, the proposed subcontractor does not have to meet the minimum five (5) years experience. If the Respondent does not meet the minimum five (5) years experience, the proposed subcontractor must meet the minimum five (5) years experience.

20. Question: General question: Please confirm the number and the list of Medicaid programs that is included in the RFP.

Response: The medical programs that fall under the RFP would include:

- **Medicaid programs for remedial, preventive, and long term medical care for:**
 - income eligible aged, blind or disabled individuals, and
 - families with children (i.e., Medicaid Managed Care program (HUSKY A));
 - Home and community-based care waivers;
 - Dental;
 - Pharmacy;
 - Behavior Health Partnership;
 - Non-emergency medical transportation;
- **The State Children's Health Insurance Program (also known as SCHIP or HUSKY B);**
- **HUSKY Plus;**

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- **Charter Oak Health Plan;**
- **MLIA Medical Assistance; and**
- **Medicare/Medicaid Dual Eligibles.**

It should be noted that the services provided by the Department's actuarial team may also include programs other than medical (i.e., fuel assistance, housing, etc.).

21. Question: General question: Who submitted letters of intent for this opportunity?

Response: The Lewin Group, Mercer Health & Benefits', Milliman, Inc., and Optumas.

22. Question: General question: Please provide number of expected onsite meetings annually.

Response: Refer to question #8.

23. Question: General question: Our firm has successfully contracted with the State in the past and been able to negotiate limits of liability and mutually agreeable indemnification terms. Would those two issues be areas the State would consider negotiating?

Response: See response #13.

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Date Issued: August 15, 2011

Approved: _____
Marcia McDonough

State of Connecticut Department of Social Services
(Original signature on document in procurement file)

This Addendum must be signed and returned with your submission.

Authorized Signer

Name of Company



State of Connecticut Department of Social Services

Actuarial Consulting Services

Request for Proposals

The Department of Social Services/Division of Financial Management and Analysis (DSS/DFMA) or (Department) has issued this Request for Proposals (RFP) to obtain Actuarial Consulting Services (ACS) to assist DSS/DFMA staff with ad hoc projects requiring actuarial expertise over the course of the contract period. This RFP provides an exceptional opportunity for highly skilled and qualified actuarial consultants with no less than five (5) years experience in providing health care actuarial consulting services.

The resultant contract period is expected to begin October 1, 2011 and end September 30, 2013 with the option for two one-year extensions at the discretion of the Department.

Respondents may submit a Letter of Intent to the Department no later than 3:00 PM Local Time on August 8, 2011. Proposal submissions must be received at the Department no later than 3:00 PM Local Time on August 19, 2011. Proposal submissions received after the stated due date and time may be accepted by the Department as a clerical function but will not be evaluated. Proposals that are not evaluated shall be retained for thirty days after the resultant contracts are executed, after which the proposals will be destroyed.

To download this RFP, access the State's Procurement/Contracting Portal at the State of Connecticut Department of Administrative Services' Procurement Services Home Page at <http://das.ct.gov/Director.aspx?Page=12> or call or write:

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Department of Social Services
Contract Administration
25 Sigourney Street
Hartford, CT 06106
Telephone: 860-424-5214
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The RFP is also available on the Department's website at <http://www.ct.gov/dss/cwp/view.asp?a=2345&q=304920&dssNav=>

The Department of Social Services is an Equal Opportunity/Affirmative Action Employer. Persons who are deaf or hearing impaired may use a TDD by calling 1-800-842-4524. Questions or requests for information in alternative formats must be directed to the Contract Administration Office at 860-424-5214. The Department of Social Services reserves the right to reject any and all proposals or cancel this procurement at any time if it is deemed in the best interest of the State.

Preface to the Request for Proposals

- I. Background Information and Program Objectives** contains information about the Department, its goals and objectives, and an overview of critical consumer programs.
- II. Overview of the Procurement Process** provides the sequence and steps in the Department’s procurement process.
- III. Proposal Format Requirements and Instructions** provides instructions to prospective Respondents on how to submit a proposal.
- IV. Proposal Contents** defines the proposal responses. Respondents to the RFP must provide their proposals in three (3) sections with specified subsections.
 1. Section One of the Respondent’s proposal must contain the requirements for transmittal statements and acceptance.
 2. Section Two of the Respondent’s proposal must contain information about the Respondent’s organization and personnel and the requirements for the Scope of Services. This section identifies specific issues the resultant contractor will need to address and seeks information about how the Respondent will resolve or approach these issues. It also allows the Respondent to tell the Department about itself and how it would “fit” as a partner with the Department.
 3. Section Three of the Respondent’s proposal is the Business Cost Proposal that must contain all information related to the cost of the proposal.
- V. Proposal Evaluation** describes the process the Department will use to evaluate the proposals.

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Acronyms, Abbreviations, and Definitions

The following acronyms, abbreviations, and definitions apply to this procurement:

1. Actuarial - Actuarial science is the discipline that applies mathematical and statistical methods to assess risk in the insurance and finance industries. Actuaries are professionals who are qualified in this field through education and experience. They must demonstrate their qualifications by passing a series of professional examinations.
2. Actuary - An actuary is a business professional who deals with the financial impact of risk and uncertainty. Actuaries have a deep understanding of financial security systems, their reasons for being, their complexity, their mathematics, and the way they work.
3. Ad hoc - It generally signifies a solution designed for a specific problem or task, non-generalizable, and which cannot be adapted to other purposes.
4. Administrative Services Organization (ASO) - an organization or organizations providing utilization management, benefit information, and intensive care management services within a centralized information system framework.
5. American Academy of Actuaries - The American Academy of Actuaries, also known as the “Academy” or the AAA, is the body that represents and unites [United States actuaries](#) in all practice areas. Established in 1965, the Academy serves as the profession’s voice on public policy and professionalism issues.
6. The Connecticut AIDS Drug Assistance Program (CADAP) - is a pharmaceutical assistance program that pays for HIV/AIDS medications approved by the U.S. Food and Drug Administration (FDA) and other drugs that may prevent the serious deterioration of the health of persons who have Human Immune-deficiency Virus (HIV) or Acquired Immune Deficiency Syndrome (AIDS).
7. Connecticut Pharmaceutical Assistance Contract to the Elderly and Disabled (ConnPACE) - is a prescription drug assistance program. This program helps eligible recipients who are not enrolled in Medicare afford the cost of most prescription medicines.
8. Consultant - A consultant is a professional who provides advice in a particular area of expertise such as management, accountancy, the environment, entertainment, technology, law (tax law, in particular), human resources, marketing, medicine, finance, economics, public affairs, communication, engineering, sound system design, graphic design, or waste management.

9. Data Sets - A data set (or dataset) is a collection of [data](#), usually presented in tabular form. Each column represents a particular variable. Each row corresponds to a given member of the data set in question. It lists values for each of the variables, such as height and weight of an object or values of random numbers. Each value is known as a [datum](#). The data set may comprise data for one or more members, corresponding to the number of rows.
10. Demographics - The characteristics of human populations and population segments, especially when used to identify consumer markets.
11. Expert - An expert is someone widely recognized as a [reliable](#) source of [technique](#) or [skill](#) whose faculty for judging or deciding rightly, justly, or wisely is accorded authority and status by their [peers](#) or [the public](#) in a specific, well-distinguished [domain](#). An expert, more generally, is a person with extensive [knowledge](#) or [ability](#) in a particular area of study.
12. Health actuary - A health actuary is an ethical professional that possesses expertise in the financial problems in the field of health care.
13. Person-Center Medical Home (PCMH) - A Person-Centered Medical Home is a health care setting that facilitates partnerships between individual patients, their personal physicians, and when appropriate, the patients' families. Care is facilitated by registries, information technology, health information exchange, and other means to assure that patients get the indicated care when and where they need and want it in a culturally and linguistically appropriate manner. The provider is required to provide this coordination and is encouraged to improve practice infrastructure in order to qualify as a medical home.
14. Society of Actuaries - The Society of Actuaries is a [professional organization](#) for [actuaries](#) based in [North America](#). The Society's vision is for actuaries to be recognized as the leading professionals in the modeling and management of financial risk and [contingent events](#).
15. Subcontract - Any written agreement between the resultant ACS contractor and another party to fulfill any contract requirements.
16. Subcontractor - A party to a subcontract who has agreed to provide some or all of the goods and services the ACS contractor is required to provide.

I. BACKGROUND INFORMATION AND PROGRAM OBJECTIVES

A. PURPOSE

This Request for Proposals (RFP) is to obtain consulting services to assist DSS/DFMA staff with ad hoc projects requiring actuarial expertise. The qualified actuarial consultant must have no less than five (5) years experience in providing health care actuarial consulting. The Department will not review proposals received from organizations/individuals that do not meet the minimum of five (5) years experience in providing health care actuarial consulting.

The ACS contractor selected because of this RFP will work with the DSS/DFMA staff to complete ad hoc projects requiring actuarial expertise including but not limited to assumptions, fiscal and trend projections, and analysis. DSS/DFMA will have primary responsibilities for actuarial tasks, whereas, the consultant's tasks will be based upon the needs for support services required by the Actuarial and Analytical Support Unit and the Department. There also may be instances when individual projects may be assigned to the consultant for analyses of special projects or programs.

The ACS contractor shall be expected to:

1. Review actuarial analysis performed by the DSS/DFMA staff on Department health programs and program changes and provide analyses when needed;
2. Assist DSS in developing an alternative benefit package for its Medicaid Low Income Adults (LIA) population through the federal Affordable Care Act (ACA);
3. Perform actuarial activities to support the State's dual eligible individuals. Use risk adjusted actuarial methods to establish benchmark expenditures, to project expenditures for dual eligibles inclusive of all Medicare and Medicaid benefit areas, and to determine amount of savings, if any, to be shared with Medicare or each Integrated Care Organization (ICO);
4. Develop approaches to health care purchasing designed to promote improvements in service delivery, organization, and accountability among local health care systems, in an effort to improve patient outcomes and achieve efficiencies;
5. Assist the Actuarial and Analytical Support Unit/DFMA in meeting the analytical responsibilities placed upon it through federal or state legislation;
6. Establish target per member per month costs for various covered populations including family coverage, LIA, Aged Blind & Disabled and dual eligible coverage groups, and services to determine whether the care management and utilization management activities are cost efficient; and
7. Assist the Department staff with other services as needed.

B. OVERVIEW OF THE DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services provides a broad range of services to older adults, persons with disabilities, families, and persons who need assistance in maintaining or achieving their full potential for self-direction, self-reliance, and independent living. It administers more than ninety legislatively-authorized programs and about one third of the State budget. By statute, it is the

State agency responsible for administering human service programs sponsored by Federal legislation including the Rehabilitation Act, the Food Stamp Act, the Older Americans Act, and the Social Security Act. The Department of Social Services is also designated as a public housing agency for administering the Section 8 Program under the Federal Housing Act.

The Commissioner of Social Services heads the Department and there is currently one Deputy Commissioner. Three Regional Administrators are responsible for each of the Department's three geographic service regions. By statute, there is a Statewide Advisory Council to the Commissioner of Social Services and each geographic service region must have a Regional Advisory Council.

The Department of Social Services administers most of its programs at offices located throughout the State. Services are available at offices located in the three geographic service regions, with central office support located in Hartford. In addition, many services funded by the Department of Social Services are available through community-based agencies. The Department of Social Services has out-stationed employees at participating hospitals and nursing facilities to expedite Medicaid applications and funds Healthy Start sites, which can accept applications for Medicaid for pregnant women and young children. Many of the services provided by the Department of Social Services are available via mail or telephone.

C. OVERVIEW OF THE ACTUARIAL AND ANALYTICAL SUPPORT UNIT

The DSS/DFMA supports the Department through the provision of a full range of operational and budgetary financial functions. This includes financial management activities provided through the DSS/DFMA's Actuarial and Analytical Support Unit.

The Actuarial and Analytical Support Unit supports Department efforts in areas related to Medicaid program changes, revenue maximization, and other programs by providing significant, in-house analytical capacity within the Department. This unit is responsible for the development of actuarial analyses for medical services, pursuing revenue initiatives, and providing the analytical support for State Medicaid waivers and State Medicaid Plan Amendments, as well as providing actuarial and analytical support to other program areas within the Department as needed. The Actuarial and Analytical Support Unit staff works closely with staff in the Department's Medical Care Administration Division, other program divisions, other units of the Division of Financial Management and Analysis, other State agencies, and the Federal government.

D. OVERVIEW OF MEDICAID AND SCHIP PROGRAMS

The Connecticut Medicaid Program is operated by The Department under Title XIX of the Social Security Act. The Department is the designated "single state agency" for Connecticut's Medicaid program.

The Department currently administers:

- A fee-for-service program that includes approximately 90,000 single eligibles (primarily clients in the Aged, Blind and Disabled eligibility category and Medicaid for Low-Income

Adults (MLIA)). Single eligibles receive a full range of covered hospital, physician, clinic, home health, pharmacy, dental, and community services.

- A fee-for-service program that includes approximately 70,000 Medicaid/Medicare dual eligibles. Dual eligibles receive their hospital, physician, pharmacy, and other medical services through Medicare. Medicare also pays for short-term home health services and short-term nursing home stays. Medicaid covers any Medicare cost-sharing requirements, up to the Medicaid allowed amount, and also covers benefits that Medicare does not cover such as longer-term home health services, some medical equipment, and other services.
- A managed care program for:
 - Healthcare for Uninsured Kids and Youth (HUSKY A) is a Medicaid program that targets children and families with incomes at or below 185% of the federal poverty level (FPL), as well as pregnant women under 250% of the federal poverty level.
 - SCHIP (also referred to as HUSKY B) is a non-Medicaid program under Title XXI of the Social Security Act (Children's Health Insurance Program) for children in families with higher incomes (above 185% FPL). HUSKY B benefits also include the HUSKY Plus physical benefit package for Children and Youth with Special Health Care Needs. HUSKY Plus provides supplemental medical coverage for eligible children with intensive physical health care needs with subsidized coverage in HUSKY B.
 - Charter Oak Health Plan is a State-funded medical assistance program that was developed to provide health benefit coverage to Connecticut adults ineligible or unable to afford commercial health insurance. The benefits are structured similarly to commercial benefits, with monthly premiums, cost-sharing requirements, and benefit limits.

The Department of Social Services is presently in the process of procuring an Administrative Services Organization (ASO) to administer the medical portion of its entire scope of health care programs. The Department's behavioral health and dental health programs are administered by other contractors. The Department's primary objective in contracting with an ASO is to improve quality of care and the care experience for its members, while reducing cost. Secondary goals include fostering change in local service delivery through the provision of performance data and technical assistance to support the emergence of medical homes and integrated care organizations.

Beginning in January 2011, the Department aggressively pursued approaches to health care purchasing designed to promote improvements in service delivery and organization, and accountability among local health care systems, in an effort to improve patient outcomes and achieve efficiencies. The Department began by supporting the emergence of medical homes for all Medicaid, HUSKY A, HUSKY B, and Charter Oak recipients.

Although there are many definitions of medical home, for the Department's purposes, it is essentially a person-centered approach to providing comprehensive primary care that facilitates partnerships between individuals and their providers and, when appropriate, the individuals'

families and other supports. The medical home also serves as a focal point for information sharing and referral to specialists and subspecialists, as well as communication, evaluation, and interpretation of specialist recommendations. It typically relies on advanced health information systems to support evidence-based care and includes resources to support the coordination of care. The development of medical homes will allow better access to health care, increased satisfaction with the care process, and improved health and health outcomes. It is anticipated that the ASO contract will require the provision of technical assistance in the field, and data to support the emergence and ongoing operations of medical homes, health homes, and other service delivery innovations, such as Integrated Care Organizations. Medical homes will be established as early as January 1, 2012.

In addition to aggressively moving to the person-centered medical home model of care, the Department will also begin planning for the submission of a Medicaid State Plan Amendment to establish health homes, a new opportunity under the Affordable Care Act to improve care for individuals with multiple chronic conditions. Health homes expand on the medical home concept by placing a greater emphasis on: comprehensive care management; disease education, self-management, and health promotion; care transitions including appropriate follow-up from inpatient to other settings; referral to needed community and social support services; use of health information technology to link services; and reliance on a team of health care and support professionals. Only a subset of medical homes are expected to qualify as health homes. No date has been set for the implementation of the health home initiative.

The Department has applied for and has received approval for federal funding to support full integration of care for individuals who are eligible for both Medicare and Medicaid (i.e., dual eligibles). The federal Centers for Medicare and Medicaid Services awarded funds to 15 states. Connecticut's demonstration will establish local Integrated Care Organizations (ICOs) with accountability for the delivery and coordination of primary/preventive, acute, and behavioral health services integrated with long-term supports and services and medication management for dual eligibles. The ICO model features partnerships among multiple provider types and is facilitated by health information technology and the measurement of quality, outcomes, and cost. In order to promote value, the state will align financial incentives to performance – the enhancement of quality of care, the care experience, and health outcomes at a lower overall cost.

The Department also manages several carved-out specialty programs: behavioral health, pharmacy, dental and non-emergency transportation services.

- Under the Connecticut Behavioral Health Partnership (CT BHP), the Department administers behavioral health services through a contract with an administrative services organization (ASO). The Departments of Children and Families and Mental Health and Addiction Services fund clients under the CT Behavioral Health Partnership (BHP).
- The Department administers the pharmacy benefit program for individuals enrolled in the Department's Medical Assistance Programs (Medicaid, HUSKY B, Charter Oak, CADAP and ConnPACE). The Department's Medical Care Operations unit provides contract management and oversight to HP Enterprise Services relative to the Drug Rebate

Program, a Nursing Home Drug Return Program, Prospective and Retrospective Drug Utilization Review (DUR) Board, administration of a Preferred Drug List/P&T Committee, Prior Authorization, a Nursing Home Drug Return Program, Pharmacy Lock-in Program, and interfaces with Medicare Part D.

- Under the Connecticut Dental Health Partnership (CTDHP), the Department administers the statewide dental plan for clients enrolled in its Medical Assistance programs, with the exception of Charter Oak. The CTDHP contracts with an ASO to oversee the day-to-day administrative, utilization, and service delivery processes. The CTDHP partners with oral health professional organizations, State agencies, advocacy groups, and providers to improve the program, including collaboration on special outreach initiatives focusing on pregnant individuals, individuals who underutilize services, and individuals with special health care needs.
- Non-emergency medical transportation (NEMT) is prescheduled non-emergency transportation for qualified Medicaid clients to receive medically necessary and appropriate medical services covered by the Connecticut Medicaid Program. Non-emergency medical transportation includes transporting a client from a hospital or nursing home facility to the client's residence or to another facility when the client is discharged for medically-necessary and appropriate reasons. Effective January 1, 2012, the Department anticipates the successful transition and implementation of the NEMT program for all its population to a single ASO.

E. OVERVIEW OF THE PROPOSAL

The ACS contractor will review and provide expert advice regarding all assumptions, projections, and analysis. The ACS contractor shall:

- a Review analysis performed by the Department staff on Department health programs, as well as program changes, and provide analyses when needed;
- b Assist DSS in developing an alternative benefit package for its Medicaid Low Income Adults (LIA) population through the federal Affordable Care Act (ACA);
- c Perform actuarial activities to support the State's dual eligible individuals. Use risk adjusted actuarial methods to establish benchmark expenditures, to project expenditures for dual eligibles inclusive of all Medicare and Medicaid benefit areas, and to determine amount of savings, if any, to be shared with Medicare or each Integrated Care Organization (ICO);
- d Develop approaches to health care purchasing designed to promote improvements in service delivery, organization, and accountability among local health care systems, in an effort to improve patient outcomes and achieve efficiencies;

- e Assist the Actuarial and Analytical Support Unit /DFMA in meeting the analytical responsibilities placed upon it through federal or state legislation;
- f Establish target per member per month costs for various covered populations including family coverage, LIA, Aged Blind and Disabled, and dual eligible coverage groups, and services to determine whether the care management and utilization management activities are cost efficient; and
- g Assist the Department staff with other services as needed.

F. RESPONDENT QUALIFICATIONS

Qualified Respondents must be Associates or Fellows of the Society of Actuaries and members of the American Academy of Actuaries with no less than five years experience in health care actuarial consulting services. Qualified Respondents must demonstrate proficiency in the following areas:

- o actuarial analysis;
- o knowledge of State and federal health care delivery and reimbursement systems;
- o knowledge of and experience working with data from State and federal health care programs;
- o knowledge of options for expanding health insurance coverage; and
- o knowledge of available Data Sets at the federal and State levels.

The Respondent's analytical support staff (if applicable) must also demonstrate similar minimum experience requirements.

II. OVERVIEW OF THE PROCUREMENT PROCESS

A. ISSUING OFFICE AND CONTRACT ADMINISTRATION

The Department of Social Services is issuing this RFP through its Office of Contract Administration - Procurement Unit. The Contract Administration - Procurement Unit is the Issuing Office for this procurement and is the only contact in the State of Connecticut for this procurement. The integrity of the procurement process is based in part on ensuring that all potential and intended Respondents be afforded the same information and opportunities regarding the terms of the procurement. Therefore, it is incumbent on the Issuing Office to monitor, control, and release information pertaining to this procurement. Potential and intended Respondents are advised that they must refrain from calling or writing any other office within the State of Connecticut or any other State employee with questions or comments related to this procurement. Potential and intended Respondents who call or write others within the State of Connecticut with questions or issues pertaining to this procurement may risk disqualification from consideration. Decisions regarding such disqualification will be made by the Department of Social Services' Contract Administrator within the Issuing Office, after consultation with the Office of the Commissioner. The contact information for the Issuing Office is:

Marcia McDonough
Contract Administration
Department of Social Services
25 Sigourney Street, Hartford, CT 06106
Phone: (860) 424-5214 - Fax: (860) 424-5800
E-mail: marcia.mcdonough@ct.gov

All questions, comments, proposals, and other communications with the Issuing Office regarding this RFP must be submitted in writing directed to the Issuing Office and must be clearly identified as pertaining to the **ACS RFP**.

Any material received that does not so state its RFP-related contents will be opened as general mail.

B. PROCUREMENT SCHEDULE

Milestones	Ending Dates
RFP Released	July 28, 2011
Letter of Intent and Questions Due 3:00 PM Local Time	August 8, 2011
Responses to Questions (tentative)	August 10, 2011
Proposals Due by 3:00 PM Local Time	August 19, 2011
Successful Respondent Announced	TBD
Contract Negotiations Begin	TBD
Contract Work Begins	October 1, 2011

C. RESPONDENTS' QUESTIONS

The Department will not sponsor a Respondents' Conference with regard to this RFP. Instead, the Department encourages Respondents to submit written questions.

The Department will accept written questions submitted to the Issuing Office by 3:00 PM Local Time on August 8, 2011. Questions may be submitted to the Issuing Office by facsimile at (860) 424-5800, e-mail at marcia.mcdonough@ct.gov or mail directed to the Issuing Office at the address listed in this RFP. All questions sent by mail or facsimile must also be provided on a disk (Microsoft® Word 6.0, 2003) and received by the Issuing Office by 3:00 PM Local Time on August 8, 2011.

The Department will not respond to questions that do not meet the deadline and criteria listed above. The responses to questions will be presented in an amendment to this RFP and posted by the Department to the DAS State Contracting Portal and the Department's website.

D. LETTER OF INTENT

Interested Respondents may submit a Letter of Intent (LOI) to the Issuing Office to advise the Department of its intention to present a proposal in response to this RFP. The LOI should be directed to the Issuing Office by 3:00 PM Local Time on August 8, 2011. The LOI may be sent via mail, e-mail or fax. Submission of a LOI is not required in order to submit a proposal.

E. EVALUATION AND SELECTION

The Department will conduct a comprehensive, fair, and impartial evaluation of proposals received in response to this competitive procurement. Only proposals found to be responsive to the RFP will be evaluated and scored. A responsive proposal must comply with all instructions listed in this RFP, including the general consideration requirements.

F. CONTRACT EXECUTION

The contract developed as a result of this RFP is subject to State contracting procedures for executing a contract, which include approval by the Connecticut Office of the Attorney General. The contract becomes executed only upon the signature of the Office of the Attorney General. No financial commitments may be made by DSS until and unless the contract has been approved by the Office of the Attorney General. The Office of the Attorney General reviews the contract only after the Commissioner of Social Services and the Resultant Contractor have agreed to its provisions.

G. ACCEPTANCE OF PROPOSAL CONTENT

The contents of this RFP and the successful Respondent's proposal will form the basis of contractual obligations in the final contract.

The resulting contract will be a Personal Service Agreement (PSA) contract between the successful Respondent and the Department. The Respondent's proposal must include a Statement of Acceptance, without qualification, of all terms and conditions within this RFP and the Mandatory Terms and Conditions for a PSA contract. The Respondent may, however, suggest alternative language to the Mandatory Terms and Conditions. The Department may, after consultation with the Office of the Attorney General, agree to incorporate such alternative language in any resultant contract. The decision whether to incorporate such alternative language, however, rests solely with the Department and the Attorney General; their decision is final.

Any proposal that fails to include the Statement of Acceptance, without qualification, of all terms and conditions within this RFP and the Mandatory Terms and Conditions for a PSA contract may be disqualified as non-responsive. The Department is solely responsible for rendering decisions in matters of interpretation on all terms and conditions.

H. DEBRIEFING / APPEAL / CONTEST OF SOLICITATION OR AWARD

1. **Debriefing:** After receiving notification from the Department, any applicant may contact the Official Contact and request a Debriefing of the procurement process and its application. If applicants still have questions after receiving this information, they may contact the Official Contact and request a meeting with the Department to discuss the procurement process. The Department shall schedule and conduct Debriefing meetings that have been properly requested, within **fifteen (15) days** of the Department's receipt of a request. The Debriefing meeting must not include or allow any comparisons of any applications with other applications, nor should the identity of the evaluators be released. The Debriefing process shall not be used to change, alter, or modify the outcome of a competitive procurement. More detailed information about requesting a Debriefing may be obtained from the Official Contact.
2. **Appeal:** Any time after the submission due date, but **not later than thirty (30) days** after the Department notifies applicants about the outcome of a competitive procurement, applicants may submit an Appeal to the Department. The e-mail sent date or the postmark date on the notification envelope will be considered "day one" of the thirty (30) days. Applicants may appeal any aspect of the Department's competitive procurement; however, such Appeal must be in writing and must set forth facts or evidence in sufficient

and convincing detail for the Department to determine whether during any aspect of the competitive procurement there was a failure to comply with the State's statutes, regulations, or standards concerning competitive procurement or the provisions of the RFA. Any such Appeal must be submitted to the Agency Head with a copy to the Contract Administrator. The applicant must include the basis for the Appeal and the remedy requested. The filing of an Appeal shall not be deemed sufficient reason for the Department to delay, suspend, cancel, or terminate the procurement process or execution of a contract. More detailed information about filing an Appeal may be obtained from the Official Contact.

3. Contest of Solicitation or Award: Pursuant to Section 4e-36 of the Connecticut General Statutes, "Any bidder or proposer on a state contract may contest the solicitation or award of a contract to a subcommittee of the State Contracting Standards Board..." Refer to the State Contracting Standards Board website at www.ct.gov/scsb.
4. Contract Execution: Any contract developed and executed as a result of this RFP is subject to the Department's contracting procedures, which may include approval by the Office of the Attorney General.

I. DISPOSITION OF PROPOSALS - RIGHTS RESERVED

Upon determination that its best interests would be served, the Department shall have the right to the following:

1. **Cancellation**: Cancel this procurement at any time prior to contract award.
2. **Amend procurement**: Amend this procurement at any time prior to contract award.
3. **Refuse to accept**: Refuse to accept, or return accepted proposals that do not comply with procurement requirements.
4. **Incomplete Business Cost Proposal**: Reject any proposal in which the Business Cost Proposal is incomplete or in which there are significant inconsistencies or inaccuracies.
5. **Prior contract default**: Reject the proposal of any Respondent in default of any prior contract with the State or for misrepresentation of material presented in the proposal.
6. **Written clarification**: Require Respondents, at their own expense, to submit written clarification of proposals in a manner or format that the Department may require.
7. **Oral clarification**: Require Respondents, at their own expense, to make oral presentations at a time selected and in a place provided by the Department in order to assist the Department in its determination of the award of the right to negotiate a contract. The Department reserves the right to limit the number of Respondents invited to make such a presentation. The oral presentation shall be permitted only for the purpose of proposal clarification and not to allow changes to be made to the proposal.
8. **No proposal changes**: Allow no additions or changes to the original proposal after the due date specified herein, except as may be authorized by the Department.
9. **Property of the State**: Own all proposals submitted in response to this procurement upon receipt by the Department.

10. **Separate service negotiation:** Negotiate separately any service in any manner necessary to serve the best interest of the State.
11. **All or any portion:** Contract for all or any portion of the scope of work or tasks contained within this RFP.
12. **Proposal most advantageous:** Consider cost and all factors in determining the most advantageous proposal for the Department when awarding Respondents the right to negotiate contracts.
13. **Technical defects:** Waive technical defects, irregularities, and omissions, if in its judgment the best interests of the Department will be served.
14. **Best and Final Offers:** Seek Best and Final Offers (BFO) on price from Respondents upon review of the scored criteria. In addition, the Department reserves the right to set parameters on any BFO it receives.
15. **Unacceptable proposals:** Reopen the procurement process if the Department determines that all proposals are unacceptable.

J. PROPOSAL PREPARATION EXPENSES

The Department assumes no liability for payment of expenses incurred by Respondents in preparing and submitting proposals in response to this procurement.

K. RESPONSE DATE AND TIME

To be considered for review a proposal must be received by the Issuing Office by the date and time stated in the Procurement Schedule in II. B. of this RFP. The Department will not consider a postmark date as the basis for meeting any submission deadline. Respondents should not interpret or otherwise construe receipt of a proposal after the closing date and time as acceptance of the proposal, since the actual receipt of the document is a clerical function. The Department suggests the Respondent use Certified or Registered mail to deliver the proposal when the Respondent is not able to deliver the proposal by courier or in person.

Respondents should allow extra time to comply with building security procedures, when hand-delivering proposals.

Proposals shall not be considered received by the Issuing Office until they are in the hands of the Official Contact or a representative of the Office of Contract Administration.

L. RESPONDENT ASSURANCES AND ACCEPTANCE

1. **Independent Price Determination:** By submitting a proposal and through assurances given in its Transmittal Letter, the Respondent certifies that in connection with this procurement the following requirements have been met:

- a. **Costs:** The costs proposed have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such process with any other organization or with any competitor;
 - b. **Disclosure:** Unless otherwise required by law, the costs quoted have not been knowingly disclosed by the Respondent on a prior basis directly or indirectly to any other organization or to any competitor;
 - c. **Competition:** No attempt has been or will be made by the Respondent to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition;
 - d. **Prior Knowledge:** The Respondent had no prior knowledge of the RFP contents prior to actual receipt of the RFP and had no part in the RFP development; and
 - e. **Offer of Gratuities:** The Respondent certifies that no elected or appointed official or employee of the State of Connecticut has or will benefit financially or materially from this procurement. Any contract arising from this procurement may be terminated by the State if it is determined that gratuities of any kind were either offered to or received by any of the aforementioned officials or employees from the contractor, the contractor's agent or the contractor's employee(s).
2. **Valid and Binding Offer:** The proposal represents a valid and binding offer to provide services in accordance with the terms and provisions described in this RFP and any amendments or attachments hereto.
 3. **Press Releases:** The Respondent agrees to obtain prior written consent and approval from the Department for press releases that relate in any manner to this RFP or any resulting contract.
 4. **Restrictions on Communications with DSS Staff:** The Respondent agrees that, from the date of release of this RFP until the Department makes an award, it shall not communicate with Department staff on matters relating to this RFP, except as provided herein through the Issuing Office. Any communication by the Respondent with any of the Department's staff relating to this RFP may, at the discretion of the Department, result in disqualification of that Respondent's proposal.
 5. **Acceptance of the Department's Rights Reserved:** The Respondent accepts the rights reserved by the Department.
 6. **Experience:** The Respondent has no less than five (5) years experience providing services related to the tasks identified in this RFP. The Respondent also acknowledges and agrees to allow the Department to examine the Respondent's claim with regard to experience by allowing the Department to review the Respondent's related contracts and/or to interview contracting entities.
 7. **Discovery of a Conflict of Interest:** The Respondent certifies that it shall immediately disclose any situation with the Department's Contract Administrator where the

Respondent (if selected as the ACS contractor) becomes aware of an existing, potential, or perceived conflict that may compromise its objective provision of services under the resultant contract. The Department's Contract Administrator will determine the necessary remedy.

8. **Health Insurance Portability and Accountability Act (HIPAA) Compliance:** The Respondent certifies that it shall comply with the applicable parts of HIPAA pursuant to CFR 45 Part 160 and Part 164. Privacy and Transaction Code Sets.

A blanket assurance statement in the Transmittal Letter is acceptable.

M. INCURRING COSTS

The Department is not liable for any cost incurred by the Respondent prior to the effective date of a contract.

N. FREEDOM OF INFORMATION AND DECLARATION AND PROTECTION OF PROPRIETARY INFORMATION :

Due regard will be given to the protection of proprietary information contained in all proposals received; however, Respondents should be aware that all materials associated with this procurement are subject to the terms of the State Freedom of Information Act, Conn. Gen. Stat. §§ 1-200. et seq., and the Privacy Act and all rules, regulations, and interpretations resulting therefrom. The Respondent must provide convincing explanation and rationale sufficient to justify each exception from release consistent with Section 1-210 (b) of the Connecticut General Statutes to claim proprietary exemptions to the disclosure requirements of the Freedom of Information Act. The rationale and explanation must be stated in terms of the prospective harm to the competitive position of the Respondent that would result if the identified material were to be released and the reasons why the materials are legally exempt from release pursuant to the above cited statute.

It will not be sufficient for Respondents to merely state generally that the proposal is proprietary in nature and, therefore, not subject to release to third parties. Information in proposals concerning price and cost alone do not meet exemption requirements. Those particular pages or sections that a Respondent believes to be proprietary must be specifically identified as such.

While Respondents may claim proprietary exemptions, the final administrative authority to release or exempt any or all material so identified rests with the State.

The Proprietary Declaration must be included in the Transmittal Letter as noted in IV. Proposal Contents Section One: Transmittal Communication, Forms and Acceptance Order.

O. AFFIRMATIVE ACTION

Regulations of Connecticut State Agencies Section 46a68j-3(10) requires State agencies to consider the following factors when awarding a contract that is subject to contract compliance requirements: the applicant's success in implementing an affirmative action plan; the applicant's success in developing an apprenticeship program complying with Section 46a-

68-1 to 46a-68-17 of the Connecticut General Statutes, inclusive; the applicant's promise to develop and implement a successful affirmative action plan; the applicant's submission of EEO-1 data indicating that the composition of its work force is at or near parity when compared to the racial and sexual composition of the work force in the relevant labor market area; and the applicant's promise to set aside a portion of the contract for legitimate small contractors and minority business enterprises. (See CGS 4a-60).

P. RESULTANT CONTRACT PERIOD, FUNDING, AND NUMBER OF AWARDS

The resultant two-year contract period is expected to begin October 1, 2011 and end September 30, 2013, with the option for two one-year extensions at the discretion of the Department.

It is the Department's intent to award one contract for services described in the RFP. The Department reserves the right to fund more than one contract if desired.

III. PROPOSAL FORMAT REQUIREMENTS

A. GENERAL PROPOSAL FORMAT REQUIREMENTS

Respondents must submit proposals that follow the requirements of this RFP including the requirements of form and format that have been established in order to facilitate the Department's evaluation process. The proposal format requirements are listed in this section below and the content requirements are listed in IV. of this RFP. Respondents must respond to each content requirement that begins with "To submit a responsive proposal, **THE RESPONDENT SHALL**" and those responses must reference the RFP request citation.

1. **IV. Proposal Contents - Section One** must contain Transmittal Communication, Forms, and Acceptance Order requirements.
2. **IV. Proposal Contents - Section Two** should demonstrate the Respondent's understanding of and ability to perform the resultant contractor's performance requirements. The Respondent's proposal must present the Respondent's understanding of the project, including how the Respondent proposes to perform the tasks, identify problems, and solve them without a mere rewriting of the RFP requirements. A responsive proposal shall address each task requirement separately.

This section must also contain the Respondent's organizational information as it relates to the Respondent's ability to perform the activities as presented in the RFP. It must describe the background and experience of the Respondent's organization, and subcontractors if applicable, and include details regarding its size and resources, and its experience relevant to the functions to be performed under the resultant contract or recent contracts for similar services.

3. **IV. Proposal Contents Section Three** must contain the Respondent's cost and financial information.

The Department will evaluate each proposal Part separately in sequence.

B. DELIVERY CONDITION – COPIES NECESSARY

The original (clearly marked) and five (5) exact, legible copies of the proposal must be submitted in clearly marked ("Actuarial Consulting Services RFP"), sealed envelopes or boxes by the deadline. In addition, two (2) exact electronic copies (compact disk) of the entire proposal in a non-PDF format must be submitted with the original. Any required documents that are not available in electronic format may be excluded from the electronic copy. The electronic copy must be compatible with Microsoft Office Word or Excel 2003, except any items such as pictures or signatures that cannot be converted into Word or Excel.

C. PROPOSAL STRUCTURE

The Department of Social Services has structured the submission requirements into the following distinct sections:

Section One- Transmittal Communication, Forms, and Acceptance Order

Section Two- Organizational Capability and Structure and Scope of Service

Section Three- Business Cost Proposal

D. PROPOSAL CONSTRUCTION REQUIREMENTS

1. Binding of Proposal - Respondents must submit proposals that coincide with the RFP Table of Contents in loose-leaf notebooks. The legal name of the organization must appear on the outside front cover of each binder and on each page of the proposal. Location of the name is at the Respondent's discretion.
2. Tab Sheet Dividers - A tab sheet keyed to the table of contents must separate each major component of each part of the proposal. The title of each major component must appear on the tab sheet.
3. Table of Contents - Each proposal must incorporate a complete Table of Contents in IV Proposal Contents. It is through this Table of Contents that the Department will evaluate conformance to uniform proposal content and format.
4. Cross-referencing RFP and Proposal - All responses must correspond to the specific assigned task number in the RFP and shall follow the sequence order found in the RFP. Each section of the proposal must cross-reference the appropriate section of the RFP that is being addressed. Proposal responses to specific task requirements must reference the RFP request citation. This will allow the Department to determine uniform compliance with specific RFP requirements.
5. Page Numbers - Each page of each part of the proposal must be consecutively numbered in Arabic numerals beginning with the transmittal page.
6. Page Format - The standard format to be used throughout the proposal is as follows:
 - a. Text shall be on 8 ½" x 11" paper in the "portrait" orientation.
 - b. Text shall be single-spaced.
 - c. Font shall be a minimum of twelve (12) point in Arial (not Arial narrow) or Times New Roman (not Times New Roman Condensed) font as used in Microsoft® Word.
 - d. The binding edge margin of all pages shall be a minimum of one and one half inches (1 ½"). All other margins shall be one inch (1").

- e. Graphics may have a “landscape” orientation, bound along the top (11”) side. If oversized, graphics may have a maximum of one (1) fold.
- f. Graphics may have a smaller text spacing, pitch, and font size.
- g. Resumes are considered text, not graphics.

Any proposal that fails to comply with the Proposal Construction Requirements as stated above, will be considered non-responsive, and subject to disqualification.

IV. PROPOSAL CONTENTS

1. **SECTION ONE: TRANSMITTAL COMMUNICATION, FORMS, AND ACCEPTANCE ORDER**

To submit a responsive proposal, **THE RESPONDENT SHALL** provide responses to Section One in the order specified below.

A. TRANSMITTAL LETTER - The original proposal and all copies must include a Transmittal Letter of no more than two single-sided pages or one doubled-sided page that addresses:

1. The Respondent Assurances and Acceptance (RFP II. L);
2. The identification of any proprietary information (RFP II. N);
3. A statement that the Respondent has no less than five (5) years experience providing health care related actuarial consulting services and a brief outline of the Respondent's qualifications to undertake the Actuarial Consulting Services as described in the RFP.

The Department will not evaluate proposals from Respondents that have less than five (5) years providing health care related actuarial consulting services.

4. A statement that any submitted response and cost shall remain valid for one hundred twenty (120) days after the proposal due date or until the resultant contract is executed, whichever comes first;
5. The following identifying information:
 - a. Full Legal name of the Respondent and address;
 - b. Federal Employer Identification Number or Social Security Number;
 - c. Name, title, telephone number, fax number, and e-mail address of the individual with the authority to bind the Respondent to sign a contract with the Department; and
 - d. Name, title, telephone number, fax number, and e-mail address of the Respondent's principal contact to receive amendments to the RFP and requests for clarification.
6. Include in the transmittal letter written assurance to the Department of Social Services from its, (Respondent's), legal counsel that it is qualified to conduct business in the State of Connecticut and is not prohibited by its articles of incorporation, bylaws, or the laws under which it is incorporated from performing the services required under any resultant contract.

B. EXECUTIVE SUMMARY - To submit a responsive proposal, THE RESPONDENT SHALL provide a high-level summary limited to two (2) single-sided pages or one-doubled sided page that summarizes the content of the Respondent's proposal. The Department of Social Services will not evaluate proposals from Respondents that have no health care related

actuarial consulting experience. **The Executive Summary shall include the Respondent's demonstrated experience of no less than five (5) years providing health care related actuarial consulting services.**

C. PROCUREMENT AGREEMENT SIGNATORY ACCEPTANCE

The Respondent must provide a signed Acceptance Statement without qualification, of all **MANDATORY TERMS AND CONDITIONS**

D. STATUTORY AND REGULATORY COMPLIANCE

1. **Addendum Acknowledgement** -Proposals must include the Addendum Acknowledgement, which will be placed at the end of any and all amendments to this RFP.
2. **Certification Regarding Lobbying** - To submit a responsive qualification, THE RESPONDENT SHALL provide a signed statement to the effect that no funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
3. **Notification to Bidders, Parts I – V (CHRO) - Contract Compliance, C.G.S. § 4a-60 and Regulations of CT State Agencies § 46a-68j-21 thru 43, inclusive.** CT statute and regulations impose certain obligations on State agencies (as well as Contractors and subcontractors doing business with the State) to insure that State agencies do not enter into contracts with organizations or businesses that discriminate against protected class persons. To submit a responsive qualification, THE RESPONDENT SHALL complete and submit with Proposal.
4. **Consulting Agreement Affidavit (OPM Ethics Form 5) Consulting Agreements, C.G.S. § 4a-81.** Proposals for State contracts with a value of \$50,000 or more in a calendar or fiscal year, excluding leases and licensing agreements of any value, shall include a consulting agreement affidavit attesting to whether any consulting agreement has been entered into in connection with the proposal. As used herein "consulting agreement" means any written or oral agreement to retain the services, for a fee, of a consultant for the purposes of (A) providing counsel to a Contractor, vendor, consultant or other entity seeking to conduct, or conducting, business with the State, (B) contacting, whether in writing or orally, any executive, judicial, or administrative office of the State, including any department, institution, bureau, board, commission, authority, official or employee for the purpose of solicitation, dispute resolution, introduction, requests for information or (C) any other similar activity related to such contract. Consulting agreement does not include any agreements entered into with a consultant who is registered under the provisions of C.G.S. Chapter 10 as of the date such affidavit is submitted in accordance with the provisions of C.G.S. § 4a-81.
IMPORTANT NOTE: To submit a responsive qualification, THE RESPONDENT SHALL complete and submit OPM Ethics Form 5 to the Department with the Proposal.
5. **Gift and Campaign Contributions, C.G.S. §§ 4-250 and 4-252(c); Governor M. Jodi Rell's Executive Orders No. 1, Para. 8 and No. 7C, Para. 10; C.G.S. § 9-612(g)(2).**

If a Respondent is awarded an opportunity to negotiate a contract with an anticipated value of \$50,000 or more in a calendar or fiscal year, the Respondent must fully disclose any gifts or lawful contributions made to campaigns of candidates for statewide public office or the General Assembly. Municipalities and CT State agencies are exempt from this requirement. The gift and campaign contributions certification (OPM Ethics Form 1) is available on OPM's website at http://www.ct.gov/opm/fin/ethics_forms
IMPORTANT NOTE: The successful Respondent must complete and submit OPM Ethics Form 1 to the Department prior to contract execution.

6. **Nondiscrimination Certification, C.G.S. §§ 4a-60(a)(1) and 4a-60a(a)(1).** **If a Respondent is awarded** an opportunity to negotiate a contract, the Respondent must provide the Department with *written representation* or *documentation* that certifies the Respondent complies with the State's nondiscrimination agreements and warranties. A nondiscrimination certification is required for all State contracts – regardless of type, term, cost, or value. Municipalities and CT State agencies are exempt from this requirement. The nondiscrimination certification forms are available on OPM's website at http://www.ct.gov/opm/fin/nondiscrim_forms
IMPORTANT NOTE: The successful Respondent must complete and submit the appropriate nondiscrimination certification form to the awarding Department prior to contract execution.

7. **SEEC FORM 11-** is included in this RFP for information purposes under the authority of Connecticut General Statutes 9-612(g)(2), as amended by P.A. 07-1.

2. SECTION TWO: ORGANIZATIONAL CAPABILITY AND STRUCTURE AND SCOPE OF SERVICES

A. ORGANIZATIONAL CAPABILITY AND STRUCTURE -

Respondents that propose the use of subcontractors must present the same information about the proposed subcontractors as for the Respondents.

General - Responses to the requirements in this section must describe the Respondent's background and experience relevant to health related Actuarial Consulting Services (ACS). The responses must also address the details regarding the Respondent's size if an organization, and resources of the organization or individual consultant. The proposal must clearly describe the Respondent's ability and competence to perform the requirements under this RFP.

1. Summary of Organizational Capacity - The Department is requesting proposals from qualified organizations/individuals, to fulfill the health related ACS as directed by the DSS/DFMA.

A responsive proposal must summarize the Respondent's overall qualifications to provide actuarial and related analytical assistance to DSS/DFMA staff regarding the impact of programmatic or legislative changes that may or will impact the Department's health programs. A responsive proposal shall demonstrate that the actuarial consultants proposed by the Respondent are Associates or Fellows of the Society of Actuaries and members of the American Academy of Actuaries, and have no less than five years experience in health care actuarial consulting. Analytical support staff (if applicable) must also demonstrate similar minimum experience requirements.

To submit a responsive proposal, **THE RESPONDENT SHALL** include the following specific details regarding the Respondent:

- a. Organization / individual consultant establishment date, mission at time of establishment, the current mission, and if the current mission is different from original, a description of the changes in focus that led to the current mission;
- b. Experience relevant to the functions to be performed as required under the resultant contract and a listing and summary of recent contracts for similar services.

To submit a responsive proposal, **THE RESPONDENT SHALL** include the following:

2. Key Positions - Identify positions that will be responsible for the operation and success of the ACS and include job descriptions for proposed key positions and resumes for key personnel proposed to fill the key positions.

- a. Describe the contract-related experience, credentials, education and training, and work experience required in job descriptions for proposed key positions and in the resumes for key personnel proposed to fill the key positions and include:
 1. Experience with Respondent;
 2. Experience working in this type of activity;
 3. Education, experience, and training relevant to the requirements of the RFP, including Society of Actuaries and American Academy of Actuaries memberships as required in the RFP; and
 4. Three references for each key personnel: Names, positions, titles, and telephone numbers of persons able to provide information concerning the proposed key personnel's experience and competence.

Resumes for key personnel proposed to fill the key positions are limited to two pages per resume. **Respondents must incorporate resumes and job descriptions into an appropriately tabbed section of the binder sequentially following the previous "Respondent shall" item.**

3. Corporate Experience - To submit a responsive proposal, **THE RESPONDENT SHALL:**

Describe its experience and success related to the Scope of Services for ACS including the following information concerning the Respondent's experience with other contracts or projects similar to the type of service contemplated by this RFP, whether ongoing or completed:

- a. Identify all State agencies and commercial vendors for which the Respondent has engaged in similar or related contract work;
- b. Describe the consultant's corporate background as it relates to projects similar in scope and complexity to the project described in this RFP. If the proposal includes the use of subcontractors, include a similar description of each subcontractor's corporate background.
- c. Explain whether work was performed as a prime consultant or subcontractor. If the work was performed as a subcontractor, the consultant must describe the scope of subcontracting activities;
- d. Provide a signed release allowing the Department of Social Services to access any evaluative information including, but not limited to, site reviews conducted by any state agency or commercial vendor for which the Respondent has performed work in the past five years. **NOTE: The signed release must be submitted as a separate sheet and**

must be located immediately following the Executive Summary located after the Table of Contents.

- e. Identify contacts for those projects including name of customer's project officer, title, mailing address, telephone number, fax number, and e-mail address;
 - f. Identify the term for the contracts including the contract signing date, the project initiation date, the initial scheduled completion date, and the actual completion date;
 - g. List all sanctions, fines, penalties, or letters of noncompliance issued against the Respondent by any of the contracting entities listed above. The list shall describe the circumstance eliciting the sanction, fine, penalty, or letter of noncompliance and the corrective action or resolution to the sanction, fine, penalty, or letter of noncompliance. If no sanctions, fines, penalties, or letters of noncompliance were issued, a statement that attests that no sanction, fine, penalty, or compliance action has been imposed on the Respondent within the three years immediately preceding the RFP posting/release date must be submitted.
 - h. List all contracts awarded to the Respondent or its predecessor firm(s) by the State of Connecticut during the last five years, by State Department, Division, Contact Person (with mailing address/phone number), period of performance and amount.
4. Respondent References - To submit a responsive proposal, **THE RESPONDENT SHALL** provide three specific programmatic references for the Respondent. References must be persons able to comment on the Respondent's capability to perform the services specified in this RFP. The contact person must be an individual familiar with the organization and its day-to-day performance. If the Respondent has been a State contractor within the last five years, the Respondent must include a State of Connecticut reference. Respondents are strongly encouraged to call or write their references to ensure the accuracy of their contact information and their willingness and capability to be references. References must include the organization's name, name of a specific contact person, mailing address, telephone number, and e-mail address. The Department of Social Services expects to use these references in its evaluation process. References cannot be the Respondent's current employees. If the Respondent's proposal proposes the use of subcontractors for direct service provision, the Respondent's proposal must also include three programmatic references for each proposed subcontractor.
5. Small, Minority, or Women's Business Enterprise -Section 32-9e of the Connecticut General Statutes, superseded by Section 4a-60g sets forth the requirements of each executive branch agency relative to the Connecticut Small Business Set-Aside program. Pursuant to that statute, twenty-five (25%) of the average total of all contracts let for each of the three previous fiscal years must be set aside.

The Department requires that the Resultant Contractor make a "good-faith effort" to set aside a portion of this contract for a small, minority or women's business enterprise as a subcontractor. Such subcontractors may supply goods or services. Prospective Respondents

may obtain a list of firms certified to participate in the Set-Aside program by contacting the Department of Administrative Services at the DAS website.

To submit a responsive proposal **THE RESPONDENT SHALL** describe its intention to set aside a portion of this contract for a small, minority or women's business enterprise as a subcontractor.

6. Department of Social Services Responsibilities - To submit a responsive proposal, **THE RESPONDENT SHALL** propose specific support the Respondent requires from the Department of Social Services to perform the tasks in any resultant contract.

Specific Department of Social Services responsibilities are:

- Project Management - A Project Manager will be appointed by the Department of Social Services. This individual will be responsible for monitoring project progress and will have final authority to approve/disapprove project deliverables.
- Staff Coordination - The Project Manager will coordinate all needed contacts between the resultant ACS contractor and DSS/DFMA staff.
- Approval of Deliverables - The Project Manager will review, evaluate, and approve all deliverables before the ACS contractor is released from further responsibility.
- Policy Decisions - The Department of Social Services retains final authority for making policy decisions affecting completion of the ACS. In addition, the Department of Social Services shall:
 - Monitor the ACS contractor's performance and request updates, as appropriate;
 - Respond to written requests for policy interpretations;
 - Provide technical assistance to the ACS contractor, as needed;
 - Allow access to Department of Social Services automated databases, as available and permitted;
 - Allow access to management reports and case files, as appropriate;
 - Hold regularly scheduled project meetings with the ACS contractor;
 - Provide a process for, and facilitate open discussions with, staff and personnel to gather information regarding recommendations for improvement; and
 - Provide data as required by the ACS contractor to perform the functions of the ACS contract.

B. SCOPE OF SERVICES -

Respondents that propose the use of subcontractors must present the same information about the proposed subcontractors as for the Respondents.

General - Responses for this section must describe the Respondent's capability and competence to perform the requirements specified in this RFP.

No Rewrites - The Department of Social Services does not want a rewrite of the RFP requirements, since such a proposal would show a lack of understanding of the project and an inability to provide appropriate levels of support and guidance for the implementation of this type of project.

1. Respondent's Comprehensive Risk Understanding - The overall focus of the Actuarial Consulting Services (ACS) is to seamlessly provide actuarial consulting services to assist the DSS/DFMA staff with ad hoc projects requiring actuarial expertise. To this end, the ACS contractor must be sensitive to the needs and circumstances of individuals and the policy requirements of the Department of Social Services and the Federal government. The Department of Social Services looks forward to a relationship with an ACS contractor who will expect risks and propose solutions to problems that may occur in providing actuarial consulting services to the DSS/DFMA staff. To submit a responsive proposal, THE RESPONDENT SHALL:
 - a. Show its understanding of the ACS functions by describing potential risks to the Department of Social Services and risks that the Respondent could encounter by acting as the ACS contractor; and
 - b. Propose solutions or approaches for managing those risks that show the Respondent's familiarity and sensitivity with managing the project described in this RFP.
2. Collaborating with the Department of Social Services - To submit a responsive proposal, THE RESPONDENT SHALL propose its approach for collaborating with the Department of Social Services to provide seamless ACS.
3. Task-related Policies and Procedures - To submit a responsive proposal, THE RESPONDENT SHALL acknowledge and agree that:
 - The success of the ACS contractor's performance depends, in part, on the ACS contractor's development and application of clear and accurate policies and procedures that reflect functional interpretations of regulations, quality goals, and directives; and
 - The ACS contractor's policies and procedures must be organized and available to allow seamless access by both the ACS contractor and designated Department administrative staff.

4. The Department/DSS is seeking an ACS contractor to provide actuarial consulting services to assist the DSS/DFMA staff with ad hoc projects requiring actuarial expertise. The ACS contractor shall, as directed by the Department:
 - a. Review actuarial analysis performed by the DSS/DFMA staff on Department health programs and program changes and provide analyses when needed;
 - b. Assist DSS in developing an alternative benefit package for its Medicaid Low Income Adults (LIA) population through the federal Affordable Care Act (ACA);
 - c. Perform actuarial activities to support the State's dual eligible individuals. Use risk adjusted actuarial methods to establish benchmark expenditures, to project expenditures for dual eligibles inclusive of all Medicare and Medicaid benefit areas, and to determine amount of savings, if any, to be shared with Medicare or each Integrated Care Organization (ICO);
 - d. Develop approaches to health care purchasing designed to promote improvements in service delivery, organization, and accountability among local health care systems, in an effort to improve patient outcomes and achieve efficiencies;
 - e. Assist the Actuarial and Analytical Support Unit/DFMA in meeting the analytical responsibilities placed upon it through federal or state legislation;
 - f. Establish target per member per month costs for various covered populations including family coverage, LIA, Aged Blind & Disabled and dual eligible coverage groups, and services to determine whether the care management and utilization management activities are cost efficient; and
 - g. Assist the Department staff with other services as needed.

For all of the above, the ACS contractor shall be required to provide the Department with expert advice regarding various assumptions that need to be made to address issues including but not limited to changing demographics, economic health, State and federal assistance, and health care delivery (new technologies, etc.). In some cases, data will be provided to the ACS contractor; in other cases, the Department will depend on national Data Sets that the ACS contractor shall make available. Data Sets used will be agreed upon by the ACS contractor and DSS/DFMA staff prior to the Department's direction to the Contractor to begin the task(s). The ACS contractor shall provide, when required by DSS/DFMA, back-up material or supporting documentation used in analyses. *The Contractor and the Department will agree on the due dates for each of the deliverables. They shall be scheduled and agreed to by the parties prior to the Department's direction to the Contractor to begin the task(s).*

A responsive proposal shall demonstrate the Respondent's expertise in performing actuarial analysis in health care ; knowledge of State and federal health care delivery systems; knowledge of and experience in working with data from State and federal health

care programs; knowledge of options for the expansion of health insurance coverage; and knowledge of available Data Sets at federal and State levels.

To submit a responsive proposal, **THE RESPONDENT SHALL:**

1. Present examples of generic expert advice provided regarding changing demographics, economic health, State and federal assistance, and health care delivery (new technologies, etc.);
2. Describe its past experience with national Data Sets;
3. Demonstrate its knowledge of and expertise in performing health care actuarial analysis and its knowledge of State and federal health care delivery systems; and
4. Provide evidence of knowledge of and experience in working with data from state and federal health care programs; knowledge of options for the expansion of health insurance coverage; knowledge of available Data Sets at federal and State levels.

3. SECTION THREE- BUSINESS COST PROPOSAL

No cost information or other financial information may be included in any other portion of the proposal. Any proposal that fails to adhere to this requirement may be disqualified as non-responsive. Each proposal must include cost information and other financial information in the following order.

1. Audited Financial Statements - To submit a responsive proposal, THE RESPONDENT SHALL provide audited financial statements for each of the Respondent's last two fiscal years. If audited financial statements for each of the last two fiscal years are not available, the Respondent shall provide comparable statements that will document the Respondent's financial stability and include an explanation of the reason for submission of documents other than audited financial statements.
2. Business Cost Proposal - To submit a responsive proposal, THE RESPONDENT SHALL provide the hourly rates for the key positions identified in Section Two A. 2. Key Positions of the RFP that will be responsible for the operation and success of the ACS.

Hourly rates must be all-inclusive, i.e., consulting services, administrative expenses, travel expenses, attendance at meetings, and any other activities initiated to fulfill the requirements of this RFP. Refer to the Cost Summary, embedded as a hyperlink, for completion of the all-inclusive hourly rate cost summary for the proposed two-year resultant contract.

3. Business Narrative (maximum two pages) - To submit a responsive proposal, THE RESPONDENT SHALL provide a written explanation of the proposed all-inclusive hourly rates for the key positions noted in the cost summary for the proposed two year resultant contract. The narrative must also include any business, economic, legal, programmatic, or practical assumptions that underlie the cost proposal.

The Respondent may separately identify cost-saving and cost-avoidance methods and measures and the effect of such methods and measures on the cost proposal and requirements of the RFP.

4. Cost Standards - Budgetary information included in the Respondent's response to this RFP must comply with the Statewide Cost Standards published by the State of Connecticut Office of Policy and Management. The cost standards are available online at http://www.ct.gov/opm/cwp/view.asp?a=2981&q=382994#Cost_Standards.

Payment Structure - The ACS contractor shall be paid in accordance with expenditures incurred in accordance with the approved cost summary. While specific payment terms will be made final during contract negotiations, it is expected that payments will be made monthly, contingent upon the ACS contractor's timely compliance with the resultant contract deliverables including, but not limited to, the ACS contractor's submission and Department of Social Services' acceptance of all required reports and payment requests.

V. PROPOSAL EVALUATION

A. OVERVIEW OF THE EVALUATION OF PROPOSALS

The Department of Social Services will conduct a comprehensive, fair, and impartial evaluation of proposals received in response to this RFP. An Evaluation Team will be established to assist the Department in selection of the ACS contractor. The Department reserves the right to alter the composition of the Evaluation Team. The Evaluation Team will be responsible for submitting recommendations to the Commissioner of Social Services. The Commissioner will notify the selected Respondent that the selected Respondent has been awarded the right to negotiate a contract with the Department for the Actuarial Consulting Services.

The evaluation will be conducted in five phases:

- Phase One - Evaluation of General Proposal Requirements and Structure
- Phase Two - Evaluation of the Organizational Capability and Structure
- Phase Three - Evaluation of the Scope of Services
- Phase Four - Evaluation of the Business Cost Proposal
- Phase Five - Ranking of the Proposals

B. PHASE ONE - EVALUATION OF GENERAL PROPOSAL REQUIREMENTS AND STRUCTURE

The purpose of this phase is to determine whether each proposal is adequately responsive to the General Proposal Requirements to permit a complete evaluation of the proposal. Proposals must comply with the instructions to Respondents contained throughout this RFP. Failure to comply with the instructions may deem the proposal non-responsive and subject to rejection without further consideration. The Department of Social Services reserves the right to waive minor irregularities. The General Proposal Requirements are identified in this RFP.

C. PHASE TWO - EVALUATION OF THE ORGANIZATIONAL CAPABILITY AND STRUCTURE

Only those proposals passing the General Proposal Requirements review will be considered in Phase Two. The Department of Social Services reserves the right to reject any and all proposals. The quality of the organizational capability and structure responses will be evaluated including the organization, completeness, and logic of the proposed plan. The evaluation will consider how comprehensive and knowledgeable the Respondent is in responding to the functional and technical requirements outlined in this RFP.

The Department of Social Services will evaluate the experience of proposed key personnel, organization and individual resources, and the Proposals and affirmative action achievement (as shown in the Bidder Contract Compliance Monitoring Report) of the Respondent and any proposed subcontractors. The Department of Social Services will determine to what extent the organization and its key personnel have the capability to work effectively with the Department of Social Services to successfully develop and implement the Actuarial Consulting Services. The Department of Social Services will also assess the Respondent's capability to take on the additional workload that would be generated by the resultant contract and the Respondent's financial capability (by examining the Audited Financial Statements submitted with the proposal) to undertake the resultant contract. References will be checked. The Organizational Capability and Structure section of the proposal will be worth **40 percent** of the available points for the entire proposal.

D. PHASE THREE - EVALUATION OF THE SCOPE OF SERVICES

The proposed Scope of Services will be evaluated for its responsiveness to the requirements of this RFP including its organization, appropriateness, completeness, and logic. The evaluation will consider how creative and innovative the Respondent is in responding to the functional and technical requirements outlined in this RFP. The Scope of Services section of the proposal will be worth **30 percent** of the available points for the entire proposal.

E. PHASE FOUR - EVALUATION OF THE BUSINESS COST PROPOSAL

The Business Cost Proposal will be worth **30 percent** of the available points for the entire proposal. It will be scored for:

1. Cost comparison (determined by comparing cost information)
2. Cost reasonableness (determined by examining the Business Narrative and the relationship between the all-inclusive hourly rates, i.e., consulting services, administrative expenses, travel expenses, attendance at meetings, and any other activities initiated to fulfill the requirements of this RFP).

F. PHASE FIVE - RANKING OF THE PROPOSALS

After the Evaluation Team has scored the proposals, the points awarded will be totaled to determine the ranking. Recommendations, along with pertinent supporting materials, will then be conveyed to the Commissioner of Social Services. The Commissioner of Social Services, at his discretion, reserves the right to approve or reject the Evaluation Team's recommendations.