SOLICITATION AMENDMENT #2

YH20-0002 Competitive Contract Expansion	Solicitation Due Date October 4, 2021 3:00 pm Arizona Time	Chief Procurement Officer Meggan LaPorte CCE-YH20-0002_Questions@azahcccs.gov

A signed copy of this amendment shall be submitted with your solicitation response. This Solicitation Amendment and Answers to Questions will be posted to the CCE Library https://azahcccs.gov/PlansProviders/HealthPlans/YH20-0002.html.

A. The attached Answers to Questions are incorporated as part of this Solicitation amendment.

B. This Solicitation is also amended as follows:

SECTION	YH20-0002 AMENDMENT
Section D, Paragraph 15, Staffing Requirements	**Revised as follows:** **Quality Management Manager** who is located in Arizona, and an Arizona-licensed registered nurse, physician or physician's assistant in good standing or a Certified Professional in Healthcare Quality (CPHQ) by the National Association for Health Care Quality (NAHQ) and/or CHCQM by the American Board of Quality Assurance and Utilization Review Providers. The QM Manager shall have experience in quality management and clinical investigations. Quality Management shall have sufficient local staffing who are licensed clinical or behavioral health professionals to meet the requirements of the quality management program. The Quality Management Manager shall not hold any other position other than the Quality Management Manager position. Staff shall report directly to the Quality Management Manager. The primary functions of the Quality Management Manager position are: a. Ensure individual and systemic quality of care, b. Conduct comprehensive quality-of-care investigations, c. Conduct onsite quality management visits/reviews, d. Conduct Care Needed Today/Immediate Jeopardy investigations, e. Integrate quality throughout the organization, f. Implement quality improvement, and g. Resolve, track, and trend quality of care grievances.
Section D, Paragraph 15, Staffing Requirements	**Revised as follows:** **Performance/Quality Improvement Manager** who is located in Arizona and: a. Is a CPHQ by the National Association for Health Care Quality (NAHQ), b. Is a CHCQM by the American Board of Quality Assurance and Utilization Review Physicians, or c. Has comparable education and experience in health plan data and outcomes measurement. The Performance/Quality Improvement Manager is responsible for quality improvement activities as well as staff conducting quality improvement work as specified in Contract and policy. Staff reporting to this position shall be located in Arizona, have knowledge of both physical and behavioral health service delivery, and appropriately qualified (education/certification/professional experience) to meet the AHCCCS quality improvement contractual and policy requirements. The Performance/Quality Improvement Manager shall not hold any other position other than the Performance/Quality Improvement Manager position. The primary functions of the Performance/Quality Improvement Manager are: a. Focus organizational efforts on improving quality performance measures, b. Develop and implement performance improvement projects, c. Utilize data to develop interventions/strategies to improve quality outcomes and member satisfaction, and d. Report quality improvement/performance outcomes.

SECTION	YH20-0002 AMENDMENT
Section D, Paragraph 36, Subcontracts	**Revised as follows:** ***Pharmacy Benefit Manager Subcontracts Pass-Through Pharmacy Benefit Manager Pricing Model and Discrete Administrative Fee***: The Contractor shall amend the subcontract between the Contractor and its Pharmacy Benefit Manager (PBM) to reflect a pass-through pricing model, defined as a PBM subcontract in which: 1. The Contractor reimburses the PBM the exact amount of the actual payments made to pharmacies inclusive of the ingredient costs and the dispensing fees for prescription claims. 2. ~~The Contractor and PBM shall ensure that no additional direct or indirect remuneration fees, any membership fees or the like may be imposed on a pharmacy as a condition of claims payment or network inclusion. No additional retrospective remuneration or recoupment models including, but not limited to, Generic Effective Rates (GERs) or Brand Effective Rates (BERs) shall be permitted. However, nothing shall preclude the reprocessing of claims due to claims adjudication error of the Contractor or its agent, or claim related pharmacy audit adjustments for incorrectly billed pharmacy claims,~~ Effective January 1, 2022, the Contractor shall ensure that encounters submitted to AHCCCS are payments issued by the MCO's PBM and/or the MCO PBM's contractors or subcontractors and are representative of the amounts allowed under the reimbursement methodology delineated in the contract between the MCO PBM or Pharmacy Services Administrative Organization (PSAO) and the pharmacy, 3. All revenues including direct and indirect payments and credits received by the PBM related to services provided for the Contractor are passed through to the Contractor, including but not limited to: pricing discounts/credited paid to the PBM, inflationary payments, clawbacks, fees, credits, grants, chargebacks, reimbursements, all rebates, administrative fees paid by manufacturers or other related entities, and any other payments received by the PBM on behalf of or related to the Contractor, 4. The Contractor pays the PBM an all-inclusive administrative fee, on a fixed and/or per script basis, for all services provided under the PBM subcontract. The administrative fee shall not be funded directly or indirectly with revenues associated with credits, rebates, or other payments made to the PBM, 5. For all Contractors, including those contracting with a PBM that subcontracts with another PBM, the submitted encounter by the Contractor shall be the actual payment to the pharmacy. The contracts, between the Contractor and the PBM or the PBM and its subcontracted PBM or any other identified subcontracts associated with the delivery or administration of the pharmacy benefit, shall be submitted to AHCCCS upon request, and 6. For Contractors whose PBMs subcontract with a Pharmacy Services Administrative Organization (PSAO), the submitted pharmacy encounter to AHCCCS shall include the actual payment to the pharmacy that provided the service, including the paid ingredient cost and dispensing fee.
Section D, Paragraph 9, Scope of Services, Crisis Services	**Revised to include the following:** There are specific modifier(s) which shall be included on claims to identify that the service is being provided as part of a crisis episode. The Contractor and providers shall work together to ensure the modifier(s) are being included. The Contractor shall educate its providers about the crisis modifier(s) in order to ensure all appropriate costs are included in the capitation rates for the correct risk group.
CCE Library Title XIX/XXI Data Supplement For Capitation Rate Setting, Section F	**Revised and reposted to the CCE Library and SFTP, as applicable, to allow for GSA Combination bids:** Section F. Rate Development Information ○ Administrative Cost Bid Requirements ○ Administrative Cost Bid Submission (SFTP)

SECTION	YH20-0002 AMENDMENT
Section H: Instructions to Offerors	**Revised as follows:** C2 - The Offeror shall bid the administrative cost portion of the capitation rates. The Offeror shall include an administrative rate for each GSA and GSA combination for which the Offeror is submitting a bid. AHCCCS will include an Administrative Cost Bid Submission Workbook and instructions in the Title XIX/XXI Data Supplement For Capitation Rate Setting in the CCE Library. The Offeror shall submit a single Workbook in Excel to AHCCCS via the SFTP server in accordance with Paragraph 19, Contents of Offeror's Proposal in this Section. A separate worksheet shall be included for each GSA and GSA combination in which the Offeror submits a bid.

OFFEROR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THIS SOLICITATION AMENDMENT.	**THIS SOLICITATION AMENDMENT IS HEREBY EXECUTED ON THIS DAY, IN PHOENIX, AZ.**
SIGNATURE OF AUTHORIZED INDIVIDUAL:	SIGNATURE: **SIGNATURE ON FILE**
TYPED NAME:	TYPED NAME: Meggan Laporte, CPPO, MSW
TITLE:	TITLE: Chief Procurement Officer
DATE:	DATE: September 14, 2021

BANNER UNIVERSITY FAMILY CARE

COMPETITIVE CONTRACT EXPANSION #YH20-0002 QUESTIONS AND RESPONSES TEMPLATE							
	OFFEROR'S NAME	DATE SUBMITTED	CCE SECTION	PARAGRAPH NO.	PAGE NO.	OFFEROR'S QUESTION	AHCCCS RESPONSE
1	Banner University Family Care	9/2/21	Section C: Databook Information	N/A	1	The Data Book Information document mentions that "The Services Data Book files do not have completion factors added and are based on fully adjudicated and paid encounter data." Does AHCCCS intend to provide completion factors so contractors can calculate the estimated incurred claims.	**AHCCCS does not intend to provide completion factors.**
2	Banner University Family Care	9/2/21	Section C: Databook Information	N/A	2	The Data Book Information document mentions that "Ancillary Crisis services are not included in this Data Book but will be included in the Crisis 24 Hour Group rate cell for CYE 23 capitation rates." Will AHCCCS provide utilization or cost estimates so that we can assess the overall impact of ancillary services on the Crisis 24 Hour risk group? Will additional detail (procedure codes) on the full scope of services that would be categorized as ancillary services be provided?	**Appendix 6 in the RBHA actuarial certifications (available on the AHCCCS website - https://www.azahcccs.gov/PlansProviders/RatesAndBilling/ManagedCare/capitationrates.html) provides a table that shows how much of each of the crisis rate cell capitation rates is ancillary and non-ancillary. Ancillary crisis services are defined as those services being provided during a crisis episode (defined by at least one of the main crisis codes being provided). Ancillary crisis services can be non-emergency transportation (to a crisis stabilization unit), psychiatric diagnostic evaluations, mental health assessments, peer**

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							support services, among others. These services are not only provided to members in crisis, which is why the defining characteristic for categorizing these services as ancillary crisis is the provision of one of the main crisis codes to a member within the same 24 hour period as the ancillary service.
3	Banner University Family Care	9/2/21	Section H: Enrollment and Member Month Information	N/A	1	Footnote 1 mentions that "There were not crisis-specific rate cells in CYE 18 hence no paid member months". However, we did notice that there were costs included for this group in CYE 18 in the services detail files. Can you comment on what members are associated with the costs included for the Crisis 24-hour group for CYE18?	**For all provided years of crisis costs, AHCCCS pulled historical adjudicated and approved encounter data for the main crisis services (non-ancillary) for *all* TXIX/TXXI Medicaid members since those are the members who will fall into the Crisis 24-hour group with the CCE. These were pulled even for the time frame that did not have crisis-specific rate cells. As noted in the rest of the Title XIX/XXI Data Supplement, Section H: Enrollment and Member Month Information, Footnote 1, "... the crisis-specific rate cell populations have changed over the years. Starting in CYE 21, the crisis-**

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							specific rate cell populations cover all eligible TXIX/TXXI members." Each year's member months are representative of the crisis-specific rate cells for those years.
4	Banner University Family Care	9/2/21	Section H.19. Contents of Offeror's Proposal	2	15	If graphics, callouts, and/or tables remain Calibri 11-point font or larger, can they occupy more than half of a page?	**Yes.**

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5	Banner University Family Care	9/2/21	Section C - Databook Information	N/A	N/A	Section "I.2.B.iii.(c) Errors Found in the Data" of the recently released CYE 2022 RBHA Capitation Rate Certification (https://www.azahcccs.gov/PlansProviders/Downloads/CapitationRates/RBHA/CYE_22_RBHA_Capitation_Rate_Certification_SOF.pdf) mentions that there was a "delayed processing of claim payments by the South RBHA due to claims payment system issues related to the ACC integration" in the first six months of CYE 19 (October 1, 2018 through March 31, 2019). Are the encounters in the Databook affected by this issue?	**The rate development process for CYE 23 will include analysis of all encounter data, including checking for issues with claims payment and completion timing. The encounters in the Databook were pulled at a later date than what was used for CYE 22 RBHA capitation rates allowing more time for the MCOs to correct encounter issues or submit the encounters. Additional analysis has not been done to determine whether all additional encounters for the South RBHA for the aforementioned time period have been submitted.**
6	Banner University Family Care	9/2/21	Section H – Instructions to Offerors	N/A	N/A	If a term is defined in the CCE with an acronym, are offeror's required to define them again in the first reference in their response? For example, is it acceptable to use "PRO" for Peer-Run Organization, since that term is defined in the CCE?	**AHCCCS suggests the Offeror define the acronym in the first place it is referenced in its response.**

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7	Banner University Family Care	9/2/2021	Section D – Program Requirements	47	196 - 198	Since this is a contract expansion, will the equity requirements for SMI and Crisis 24 Hour rate cells be added to the ACC rate cells yielding a combined equity requirement. Or, will the equity requirements be unique and stand-alone?	**The RBHA equity requirement for SMI/Crisis 24 Hour will be separately calculated from the ACC equity requirement and thus both requirements are stand-alone. The separate total required equity for ACC and the separate total required equity for RBHA, as calculated, will be added together and compared to the ACC-RBHA's total equity balance to determine compliance.**
8	Banner University Family Care	9/2/2021	Section F – Rate Development Information Document – Administrative Cost Bid Requirement		1	Should the Administrative Cost Bid include or exclude the Non-Title XIX / XXI expected administrative expenses?	**The Administrative Cost Bid shall exclude the Non-Title XIX/XXI expected administrative expenses.**

AZ COMPLETE HEALTH

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1	Arizona Complete Health	9/2/2021	Data Supplement	F Rate Development Information		Given there is only one tab per GSA in the Administrative Cost Bid Submission template, please confirm that Offerors should bid each GSA assuming they win that GSA only.	**An amended Administrative Cost Bid Submission workbook has been provided. Additional tabs have been added as noted below.** **The administrative cost bids for the tabs labeled North, South, and Central shall be developed with the assumption that the Offeror will win that specific GSA and no other. Thus, each individual GSA administrative cost bid stands alone.** **The tabs labeled North-South, North-Central, and Central-South have been added. The administrative cost bids for the combined GSAs shall be developed with the assumption that the Offeror will win that GSA combination and no other.** **Section H, Instructions to Offerors is amended as specified in CCE Amendment 2.**

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							Additionally, refer to the revised documents in the CCE Library, Title XIX/XXI Data Supplement for Capitation Rate Setting, Section F, Rate Development Information.
2	Arizona Complete Health	9/2/2021	Data Supplement	F Rate Development Information		How does AHCCCS intend to adjust the Administrative Cost Bid in order to be used for capitation rates if the Offeror is awarded multiple GSAs?	**Refer to the answer to AZCH question #1. Also, per the Administrative Cost Bid Requirements document, AHCCCS will evaluate administrative bids and AHCCCS will set administrative cost components of the capitation rates for each year of the contract in compliance with the Medicaid Managed Care Rules and Rate Setting Guidelines.**

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3	Arizona Complete Health	9/2/2021	Data Supplement	F Rate Development Information		How does AHCCCS intend to adjust the Administrative Cost Bid in order to be used for capitation rates if the Offeror's projected member months differs from AHCCCS' projected member months or the actual member months?	**AHCCCS intends to use the Offerors' projected member months to calculate administrative cost PMPMs for consideration in the capitation rates since the administrative cost dollars bid shall be based on the numbers of members that the Offeror assumed in the bid. AHCCCS may adjust administrative cost bids when setting the administration cost component of the capitation rates for each year of the contract to ensure compliance with the Medicaid Managed Care Final Rules, Rate Setting Guidelines, and applicable ASOPs.**
	Note – AZCH's submitted questions did not include a question #4.						
5	Arizona Complete Health	9/2/2021	Section H: Instructions to Offeror	n/a	n/a	Will the State allow an optional transmittal letter/cover letter to be included with the proposal? If yes, please confirm that this will not count towards the page limits.	**No a transmittal letter/cover letter may not be included with an Offeror's Proposal and if submitted, will not be considered.**

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6	Arizona Complete Health	9/2/2021	Section I: Exhibits, Exhibit C Narrative Submission Requirements	B5C	Page 2 of 4	Narrative B5c asks the respondent to describe how the Offeror will incorporate additional Arnold vs. Sarn requirements into service planning for members. Is the word "additional" referring to the ADHS and the State of AZ stipulations to terminate the litigation listed below: • Increase ACT teams from 15 in fiscal year 2014 to 23 by the end of fiscal year 2016. • Increase the capacity of supported employment in Maricopa County. By the end of fiscal year 2016, the system will be capable of handling 750 more members with supported employment services. • Increase the number supportive housing slots in Maricopa County. By the end of fiscal year 2016, 1200 more seriously mentally ill members will receive	**In addition to Peer and Family Supports as specified in Narrative B5c, also describe how you will incorporate the other Arnold v Sarn imposed obligations, requirements, and services/benefits to be provided to Class Members as set forth in the Arnold v. Sarn Stipulation for Providing Community Services and Terminating the Litigation, signed by the parties on January 8, 2014.**

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						supportive housing services. • Increase the number of peer and family members who may receive these support services in Maricopa County. By the end of fiscal year 2016, space for an additional 1,500 peer and family members to receive the aforementioned support services will be made available. If the stipulations above are not what the word "additional" is referring to, please provide clarification of AHCCCS' intent for the word "additional".	

HEALTH CHOICE

COMPETITIVE CONTRACT EXPANSION #YH20-0002 QUESTIONS AND RESPONSES TEMPLATE							
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1	Health Choice Arizona	9/2/2021	N/A	N/A	N/A	If an MCO is bidding for 2 GSAs, how do we account for fixed administrative spend that would cover both service areas? Will AHCCCS be providing an additional spreadsheet for a multiple GSA bid?	**An amended Administrative Cost Bid Submission workbook has been provided. Additional tabs have been added as noted below.** **The administrative cost bids for the tabs labeled North, South, and Central shall be developed with the assumption that the Offeror will win that specific GSA and no other. Thus, each individual GSA administrative cost bid stands alone.** **The tabs labeled North-South, North-Central, and Central-South have been added. The administrative cost bids for the combined GSAs shall be developed with the assumption that the Offeror will win that GSA combination and no other.** **Section H, Instructions to Offerors is amended as specified in CCE Amendment 2. Additionally, refer to the revised documents in the CCE**

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							Library, Title XIX/XXI Data Supplement for Capitation Rate Setting, Section F, Rate Development Information.
2	Health Choice Arizona	9/2/2021	N/A	N/A	N/A	We have noted that some bidders have used a "title" or "separator" page in past bids that included the number and full text of the question. It does not appear that AHCCCS counted these pages as part of the page limit for each question. Will that practice be acceptable in this bid as well?	**Yes, this is acceptable.**