

**Submission Capitation/Non-Benefit Cost Requirement 20  
North GSA**

All Offeror's	Offeror	Rank
Magellan Complete Care of Arizona, Inc.	Magellan Complete Care of Arizona, Inc.	3
UnitedHealthcare Community Plan	UnitedHealthcare Community Plan	6
Mercy Care	Mercy Care	2
Banner - University Family Care Plan	X	
Health Net Access, Inc.	Health Net Access, Inc.	1
Health Choice Arizona, Inc. (Steward Health Choice Arizona)	Health Choice Arizona, Inc. (Steward Health Choice Arizona)	5
Care1st Health Plan Arizona, Inc.	Care1st Health Plan Arizona, Inc.	4
0	X	
0	X	
0	X	

\*If Offeror does not bid in the North GSA or omits a submission, the requirement rank for that offeror for that submission will be an "X"

Facilitator	Signature	Date
<i>Scott W. Dale</i>	<i>[Signature]</i>	2-5-18

COMPONENT: NON-COST BID SUBMISSION REQUIREMENTS - NORTH

OFFEROR'S NAME: Health Net Access, Inc.

NON-COST BID SUBMISSION REQUIREMENTS	TOTAL RANKING
<p><b>Underwriting Gain Bid</b>                      The Offeror will bid an underwriting gain greater than zero and less than or equal to one percent of the gross medical component for each GSA for which the Offeror is submitting a bid, for each of the first three years of the contract. It is AHCCCS' intent to use the underwriting gain bids for each of these three years. AHCCCS is awaiting CMS requirements of the actuarial certification for the underwriting gain if it is bid rather than developed by AHCCCS' actuaries. If AHCCCS elects not to apply the conditions required by CMS for documentation, the underwriting gain bid will not be used in the capitation rates nor will the underwriting gain bid be scored. In this situation, only the administrative bid will be scored for the Capitation – Non-Benefit Costs bid submission. In the event the underwriting gain bids are not utilized in the capitation rate development, AHCCCS will set the underwriting gain equal to one percent of the gross medical component.</p> <p>A Non-Benefit Costs Bid Submission workbook for the administrative and underwriting gain bids is included in the Data Supplement in the Bidder's Library and is a required submission with the Offeror's bid. A separate worksheet must be completed for each GSA in which the Offeror submits a bid. The single workbook must be submitted in Excel to AHCCCS via the SFTP server in accordance with the Proposal Due Date in Paragraph 15, RFP Milestone Dates in this Section. Instructions for access to the SFTP are included in the General Information section of the Bidders' Library.</p> <p><b>Actuarial Certification(s)</b>                      The Offeror must ensure that an actuary who is a member of the American Academy of Actuaries certifies that the non-benefit costs bid submission meets the requirements of 42 CFR 438.5(e) by including a signed actuarial certification of all rates submitted with the RFP submission. The Offeror may submit a separate certification for each GSA or a single certification that covers all GSAs bid. Further detail regarding requirements of the bids can be found in the Data Supplement in the Bidders' Library in the Non-Benefit Costs Bid Requirements document in Section F, Rate Development Information.</p> <p><b>Data Supplement Information from Section F – Rate Development Information</b>                      The actuarial certification must describe the development (data, assumptions and methodologies) of the non-benefit costs (administrative and UW gain bids) in enough detail so an actuary applying generally accepted actuarial principles and practices can identify each type of non-benefit cost bid and evaluate the reasonableness of the cost assumptions underlying each expense in accordance with 42 CFR § 438.7(b)(3). The actuarial certification must include a statement and a description of why the Offeror has no concern with meeting the capitalization requirements with the UW gain bid.</p>	<p><b>1</b></p>

<p>Further clarification on documentation can be found in the 2017-2018 Medicaid Managed Care Rate Development Guide.                  (<a href="https://www.medicaid.gov/medicaid/managed-care/downloads/guidance/2018-medicaid-rate-guide.pdf">https://www.medicaid.gov/medicaid/managed-care/downloads/guidance/2018-medicaid-rate-guide.pdf</a>).</p>	
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**RATIONALE:**

Major Observations:

Offeror submitted proposed underwriting gain for each Region it listed on Exhibit B.

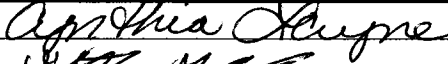
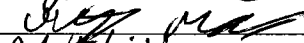

Offeror submitted a rate with an underwriting gain that is greater than zero and less than or equal to one percent.

Offeror’s proposed underwriting gain was compared to other Offerors’ submissions.

Offeror’s certification comprehensively addressed how underwriting gain was developed.

Offeror indicated in its submission that it had no concerns regarding capitalization.

Offeror’s submission included CEO approval of submitted rates.

EVALUATION TEAM MEMBER		
NAME	SIGNATURE	DATE
Cynthia Layne		2/15/18
Windy Marks		02/15/18
Matthew Varitek		02.15.2018

FACILITATOR		
NAME	SIGNATURE	DATE
Scott Wittman		2/15/18

COMPONENT: NON-COST BID SUBMISSION REQUIREMENTS - NORTH

OFFEROR'S NAME: Mercy Care

NON-COST BID SUBMISSION REQUIREMENTS	TOTAL RANKING
<p><b>Underwriting Gain Bid</b>                      The Offeror will bid an underwriting gain greater than zero and less than or equal to one percent of the gross medical component for each GSA for which the Offeror is submitting a bid, for each of the first three years of the contract. It is AHCCCS' intent to use the underwriting gain bids for each of these three years. AHCCCS is awaiting CMS requirements of the actuarial certification for the underwriting gain if it is bid rather than developed by AHCCCS' actuaries. If AHCCCS elects not to apply the conditions required by CMS for documentation, the underwriting gain bid will not be used in the capitation rates nor will the underwriting gain bid be scored. In this situation, only the administrative bid will be scored for the Capitation – Non-Benefit Costs bid submission. In the event the underwriting gain bids are not utilized in the capitation rate development, AHCCCS will set the underwriting gain equal to one percent of the gross medical component.</p> <p>A Non-Benefit Costs Bid Submission workbook for the administrative and underwriting gain bids is included in the Data Supplement in the Bidder's Library and is a required submission with the Offeror's bid. A separate worksheet must be completed for each GSA in which the Offeror submits a bid. The single workbook must be submitted in Excel to AHCCCS via the SFTP server in accordance with the Proposal Due Date in Paragraph 15, RFP Milestone Dates in this Section. Instructions for access to the SFTP are included in the General Information section of the Bidders' Library.</p> <p><b>Actuarial Certification(s)</b>                      The Offeror must ensure that an actuary who is a member of the American Academy of Actuaries certifies that the non-benefit costs bid submission meets the requirements of 42 CFR 438.5(e) by including a signed actuarial certification of all rates submitted with the RFP submission. The Offeror may submit a separate certification for each GSA or a single certification that covers all GSAs bid. Further detail regarding requirements of the bids can be found in the Data Supplement in the Bidders' Library in the Non-Benefit Costs Bid Requirements document in Section F, Rate Development Information.</p> <p><b>Data Supplement Information from Section F – Rate Development Information</b>                      The actuarial certification must describe the development (data, assumptions and methodologies) of the non-benefit costs (administrative and UW gain bids) in enough detail so an actuary applying generally accepted actuarial principles and practices can identify each type of non-benefit cost bid and evaluate the reasonableness of the cost assumptions underlying each expense in accordance with 42 CFR § 438.7(b)(3). The actuarial certification must include a statement and a description of why the Offeror has no concern with meeting the capitalization requirements with the UW gain bid.</p>	<p><b>2</b></p>

<p>Further clarification on documentation can be found in the 2017-2018 Medicaid Managed Care Rate Development Guide.                  (<a href="https://www.medicaid.gov/medicaid/managed-care/downloads/guidance/2018-medicaid-rate-guide.pdf">https://www.medicaid.gov/medicaid/managed-care/downloads/guidance/2018-medicaid-rate-guide.pdf</a>).</p>	
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**RATIONALE:**

Major Observations:

Offeror submitted proposed underwriting gain for each Region it listed on Exhibit B.

Offeror submitted spreadsheet using incorrect version.

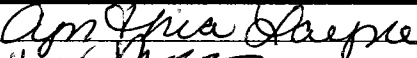
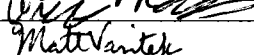

Offeror submitted a rate with an underwriting gain that is greater than zero and less than or equal to one percent.

Offeror's proposed underwriting gain was compared to other Offerors' submissions.

Offeror's certification comprehensively addressed how underwriting gain was developed.

Offeror indicated in its submission that it had no concerns regarding capitalization.

Offeror's submission included CEO approval of submitted rates.

EVALUATION TEAM MEMBER		
NAME	SIGNATURE	DATE
Cynthia Layne		2/15/18
Windy Marks		02/15/18
Matthew Varitek		02.15.2018

FACILITATOR		
NAME	SIGNATURE	DATE
Scott Wittman		2/15/18

COMPONENT: NON-COST BID SUBMISSION REQUIREMENTS - NORTH

OFFEROR'S NAME: Magellan Complete Care of Arizona, Inc.

NON-COST BID SUBMISSION REQUIREMENTS	TOTAL RANKING
<p><b>Underwriting Gain Bid</b>                      The Offeror will bid an underwriting gain greater than zero and less than or equal to one percent of the gross medical component for each GSA for which the Offeror is submitting a bid, for each of the first three years of the contract. It is AHCCCS' intent to use the underwriting gain bids for each of these three years. AHCCCS is awaiting CMS requirements of the actuarial certification for the underwriting gain if it is bid rather than developed by AHCCCS' actuaries. If AHCCCS elects not to apply the conditions required by CMS for documentation, the underwriting gain bid will not be used in the capitation rates nor will the underwriting gain bid be scored. In this situation, only the administrative bid will be scored for the Capitation – Non-Benefit Costs bid submission. In the event the underwriting gain bids are not utilized in the capitation rate development, AHCCCS will set the underwriting gain equal to one percent of the gross medical component.</p> <p>A Non-Benefit Costs Bid Submission workbook for the administrative and underwriting gain bids is included in the Data Supplement in the Bidder's Library and is a required submission with the Offeror's bid. A separate worksheet must be completed for each GSA in which the Offeror submits a bid. The single workbook must be submitted in Excel to AHCCCS via the SFTP server in accordance with the Proposal Due Date in Paragraph 15, RFP Milestone Dates in this Section. Instructions for access to the SFTP are included in the General Information section of the Bidders' Library.</p> <p><b>Actuarial Certification(s)</b>                      The Offeror must ensure that an actuary who is a member of the American Academy of Actuaries certifies that the non-benefit costs bid submission meets the requirements of 42 CFR 438.5(e) by including a signed actuarial certification of all rates submitted with the RFP submission. The Offeror may submit a separate certification for each GSA or a single certification that covers all GSAs bid. Further detail regarding requirements of the bids can be found in the Data Supplement in the Bidders' Library in the Non-Benefit Costs Bid Requirements document in Section F, Rate Development Information.</p> <p><b>Data Supplement Information from Section F – Rate Development Information</b>                      The actuarial certification must describe the development (data, assumptions and methodologies) of the non-benefit costs (administrative and UW gain bids) in enough detail so an actuary applying generally accepted actuarial principles and practices can identify each type of non-benefit cost bid and evaluate the reasonableness of the cost assumptions underlying each expense in accordance with 42 CFR § 438.7(b)(3). The actuarial certification must include a statement and a description of why the Offeror has no concern with meeting the capitalization requirements with the UW gain bid.</p>	<p><b>3</b></p>

<p>Further clarification on documentation can be found in the 2017-2018 Medicaid Managed Care Rate Development Guide.                  (<a href="https://www.medicaid.gov/medicaid/managed-care/downloads/guidance/2018-medicaid-rate-guide.pdf">https://www.medicaid.gov/medicaid/managed-care/downloads/guidance/2018-medicaid-rate-guide.pdf</a>).</p>	
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**RATIONALE:**

Major Observations:

Offeror submitted proposed underwriting gain for each Region it listed on Exhibit B.

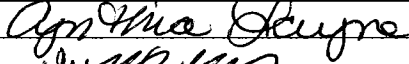
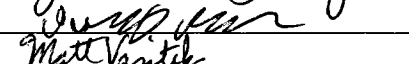
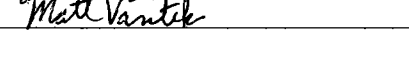
Offeror submitted a rate with an underwriting gain that is greater than zero and less than or equal to one percent.

Offeror’s proposed underwriting gain was compared to other Offerors’ submissions.

Offeror’s certification addressed how underwriting gain was developed.

Offeror failed to indicate in its submission that it had no concerns regarding capitalization.

Offeror’s submission included CEO approval of submitted rates.

EVALUATION TEAM MEMBER		
NAME	SIGNATURE	DATE
Cynthia Layne		2/15/18
Windy Marks		02/15/18
Matthew Varitek		02-15-2018

FACILITATOR		
NAME	SIGNATURE	DATE
Scott Wittman		2-15-18

COMPONENT: NON-COST BID SUBMISSION REQUIREMENTS - NORTH

OFFEROR'S NAME: Care1st Health Plan Arizona, Inc.

NON-COST BID SUBMISSION REQUIREMENTS	TOTAL RANKING
<p><b>Underwriting Gain Bid</b>                      The Offeror will bid an underwriting gain greater than zero and less than or equal to one percent of the gross medical component for each GSA for which the Offeror is submitting a bid, for each of the first three years of the contract. It is AHCCCS' intent to use the underwriting gain bids for each of these three years. AHCCCS is awaiting CMS requirements of the actuarial certification for the underwriting gain if it is bid rather than developed by AHCCCS' actuaries. If AHCCCS elects not to apply the conditions required by CMS for documentation, the underwriting gain bid will not be used in the capitation rates nor will the underwriting gain bid be scored. In this situation, only the administrative bid will be scored for the Capitation – Non-Benefit Costs bid submission. In the event the underwriting gain bids are not utilized in the capitation rate development, AHCCCS will set the underwriting gain equal to one percent of the gross medical component.</p> <p>A Non-Benefit Costs Bid Submission workbook for the administrative and underwriting gain bids is included in the Data Supplement in the Bidder's Library and is a required submission with the Offeror's bid. A separate worksheet must be completed for each GSA in which the Offeror submits a bid. The single workbook must be submitted in Excel to AHCCCS via the SFTP server in accordance with the Proposal Due Date in Paragraph 15, RFP Milestone Dates in this Section. Instructions for access to the SFTP are included in the General Information section of the Bidders' Library.</p> <p><b>Actuarial Certification(s)</b>                      The Offeror must ensure that an actuary who is a member of the American Academy of Actuaries certifies that the non-benefit costs bid submission meets the requirements of 42 CFR 438.5(e) by including a signed actuarial certification of all rates submitted with the RFP submission. The Offeror may submit a separate certification for each GSA or a single certification that covers all GSAs bid. Further detail regarding requirements of the bids can be found in the Data Supplement in the Bidders' Library in the Non-Benefit Costs Bid Requirements document in Section F, Rate Development Information.</p> <p><b>Data Supplement Information from Section F – Rate Development Information</b>                      The actuarial certification must describe the development (data, assumptions and methodologies) of the non-benefit costs (administrative and UW gain bids) in enough detail so an actuary applying generally accepted actuarial principles and practices can identify each type of non-benefit cost bid and evaluate the reasonableness of the cost assumptions underlying each expense in accordance with 42 CFR § 438.7(b)(3). The actuarial certification must include a statement and a description of why the Offeror has no concern with meeting the capitalization requirements with the UW gain bid.</p>	<p><b>4</b></p>



<p>Further clarification on documentation can be found in the 2017-2018 Medicaid Managed Care Rate Development Guide.                  (<a href="https://www.medicaid.gov/medicaid/managed-care/downloads/guidance/2018-medicaid-rate-guide.pdf">https://www.medicaid.gov/medicaid/managed-care/downloads/guidance/2018-medicaid-rate-guide.pdf</a>).</p>	
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**RATIONALE:**

Major Observations:

Offeror submitted proposed underwriting gain for each Region it listed on Exhibit B.

Offeror submitted a rate with an underwriting gain that is greater than zero and less than or equal to one percent.

Offeror’s proposed underwriting gain was compared to other Offerors’ submissions.

Offeror’s certification addressed how underwriting gain was developed.

Offeror indicated in its submission that it had no concerns regarding capitalization.

Offeror’s submission included CEO approval of submitted rates.

EVALUATION TEAM MEMBER		
NAME	SIGNATURE	DATE
Cynthia Layne	<i>Cynthia Layne</i>	2/15/18
Windy Marks	<i>Windy Marks</i>	02/15/19
Matthew Varitek	<i>Matt Varitek</i>	02.15.2018

FACILITATOR		
NAME	SIGNATURE	DATE
Scott Wittman	<i>Scott Wittman</i>	2-5-18

COMPONENT: NON-COST BID SUBMISSION REQUIREMENTS - NORTH

OFFEROR'S NAME: Health Choice Arizona, Inc. (Steward Health Choice Arizona)

NON-COST BID SUBMISSION REQUIREMENTS	TOTAL RANKING
<p><b>Underwriting Gain Bid</b>                      The Offeror will bid an underwriting gain greater than zero and less than or equal to one percent of the gross medical component for each GSA for which the Offeror is submitting a bid, for each of the first three years of the contract. It is AHCCCS' intent to use the underwriting gain bids for each of these three years. AHCCCS is awaiting CMS requirements of the actuarial certification for the underwriting gain if it is bid rather than developed by AHCCCS' actuaries. If AHCCCS elects not to apply the conditions required by CMS for documentation, the underwriting gain bid will not be used in the capitation rates nor will the underwriting gain bid be scored. In this situation, only the administrative bid will be scored for the Capitation – Non-Benefit Costs bid submission. In the event the underwriting gain bids are not utilized in the capitation rate development, AHCCCS will set the underwriting gain equal to one percent of the gross medical component.</p> <p>A Non-Benefit Costs Bid Submission workbook for the administrative and underwriting gain bids is included in the Data Supplement in the Bidder's Library and is a required submission with the Offeror's bid. A separate worksheet must be completed for each GSA in which the Offeror submits a bid. The single workbook must be submitted in Excel to AHCCCS via the SFTP server in accordance with the Proposal Due Date in Paragraph 15, RFP Milestone Dates in this Section. Instructions for access to the SFTP are included in the General Information section of the Bidders' Library.</p> <p><b>Actuarial Certification(s)</b>                      The Offeror must ensure that an actuary who is a member of the American Academy of Actuaries certifies that the non-benefit costs bid submission meets the requirements of 42 CFR 438.5(e) by including a signed actuarial certification of all rates submitted with the RFP submission. The Offeror may submit a separate certification for each GSA or a single certification that covers all GSAs bid. Further detail regarding requirements of the bids can be found in the Data Supplement in the Bidders' Library in the Non-Benefit Costs Bid Requirements document in Section F, Rate Development Information.</p> <p><b>Data Supplement Information from Section F – Rate Development Information</b>                      The actuarial certification must describe the development (data, assumptions and methodologies) of the non-benefit costs (administrative and UW gain bids) in enough detail so an actuary applying generally accepted actuarial principles and practices can identify each type of non-benefit cost bid and evaluate the reasonableness of the cost assumptions underlying each expense in accordance with 42 CFR § 438.7(b)(3). The actuarial certification must include a statement and a description of why the Offeror has no concern with meeting the capitalization requirements with the UW gain bid.</p>	<p><b>5</b></p>

<p>Further clarification on documentation can be found in the 2017-2018 Medicaid Managed Care Rate Development Guide.                  (<a href="https://www.medicaid.gov/medicaid/managed-care/downloads/guidance/2018-medicaid-rate-guide.pdf">https://www.medicaid.gov/medicaid/managed-care/downloads/guidance/2018-medicaid-rate-guide.pdf</a>).</p>	
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**RATIONALE:**

Major Observations:

Offeror submitted proposed underwriting gain for each Region it listed on Exhibit B.

Offeror submitted a rate with an underwriting gain that is greater than zero and less than or equal to one percent.

Offeror’s proposed underwriting gain was compared to other Offerors’ submissions.

Offeror’s certification did not provide detailed information to demonstrate how underwriting gain was developed.

Offeror failed to indicate in its submission that it had no concerns regarding capitalization.

Offeror’s submission included CEO approval of submitted rates.

EVALUATION TEAM MEMBER		
NAME	SIGNATURE	DATE
Cynthia Layne	<i>Cynthia Layne</i>	2/15/18
Windy Marks	<i>Windy Marks</i>	02/15/18
Matthew Varitek	<i>Matthew Varitek</i>	02.15.2018

FACILITATOR		
NAME	SIGNATURE	DATE
Scott Wittman	<i>Scott Wittman</i>	2/15/18

COMPONENT: NON-COST BID SUBMISSION REQUIREMENTS - NORTH

OFFEROR'S NAME: UnitedHealthcare Community Plan

NON-COST BID SUBMISSION REQUIREMENTS	TOTAL RANKING
<p><b>Underwriting Gain Bid</b>                      The Offeror will bid an underwriting gain greater than zero and less than or equal to one percent of the gross medical component for each GSA for which the Offeror is submitting a bid, for each of the first three years of the contract. It is AHCCCS' intent to use the underwriting gain bids for each of these three years. AHCCCS is awaiting CMS requirements of the actuarial certification for the underwriting gain if it is bid rather than developed by AHCCCS' actuaries. If AHCCCS elects not to apply the conditions required by CMS for documentation, the underwriting gain bid will not be used in the capitation rates nor will the underwriting gain bid be scored. In this situation, only the administrative bid will be scored for the Capitation – Non-Benefit Costs bid submission. In the event the underwriting gain bids are not utilized in the capitation rate development, AHCCCS will set the underwriting gain equal to one percent of the gross medical component.</p> <p>A Non-Benefit Costs Bid Submission workbook for the administrative and underwriting gain bids is included in the Data Supplement in the Bidder's Library and is a required submission with the Offeror's bid. A separate worksheet must be completed for each GSA in which the Offeror submits a bid. The single workbook must be submitted in Excel to AHCCCS via the SFTP server in accordance with the Proposal Due Date in Paragraph 15, RFP Milestone Dates in this Section. Instructions for access to the SFTP are included in the General Information section of the Bidders' Library.</p> <p><b>Actuarial Certification(s)</b>                      The Offeror must ensure that an actuary who is a member of the American Academy of Actuaries certifies that the non-benefit costs bid submission meets the requirements of 42 CFR 438.5(e) by including a signed actuarial certification of all rates submitted with the RFP submission. The Offeror may submit a separate certification for each GSA or a single certification that covers all GSAs bid. Further detail regarding requirements of the bids can be found in the Data Supplement in the Bidders' Library in the Non-Benefit Costs Bid Requirements document in Section F, Rate Development Information.</p> <p><b>Data Supplement Information from Section F – Rate Development Information</b>                      The actuarial certification must describe the development (data, assumptions and methodologies) of the non-benefit costs (administrative and UW gain bids) in enough detail so an actuary applying generally accepted actuarial principles and practices can identify each type of non-benefit cost bid and evaluate the reasonableness of the cost assumptions underlying each expense in accordance with 42 CFR § 438.7(b)(3). The actuarial certification must include a statement and a description of why the Offeror has no concern with meeting the capitalization requirements with the UW gain bid.</p>	<p><b>6</b></p>

<p>Further clarification on documentation can be found in the 2017-2018 Medicaid Managed Care Rate Development Guide.                  (<a href="https://www.medicaid.gov/medicaid/managed-care/downloads/guidance/2018-medicaid-rate-guide.pdf">https://www.medicaid.gov/medicaid/managed-care/downloads/guidance/2018-medicaid-rate-guide.pdf</a>).</p>	
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**RATIONALE:**

Major Observations:

Offeror submitted proposed underwriting gain for each Region it listed on Exhibit B.

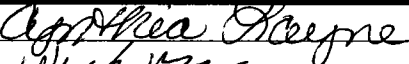
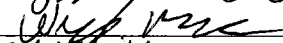

Offeror submitted a rate with an underwriting gain that is greater than zero and less than or equal to one percent.

Offeror’s proposed underwriting gain was compared to other Offerors’ submissions.

Offeror’s certification generally addressed how underwriting gain was developed.

Offeror indicated in its submission that it had no concerns regarding capitalization.

Offeror’s submission included CEO approval of submitted rates.

EVALUATION TEAM MEMBER		
NAME	SIGNATURE	DATE
Cynthia Layne		2/15/18
Windy Marks		02/15/18
Matthew Varitek		02.15.2018

FACILITATOR		
NAME	SIGNATURE	DATE
Scott Wittman		2-15-18