



# **Best and Final Offer (BAFO) for FFY 2025 Hospital Enhanced Access Leading to Health Improvements Initiative (HEALTHII) Performance Measure Calculations and Reporting**

AHCCCS: Statewide Healthcare Employee Benefit Consulting Contract, BPM005207

Task Order #YH26-0071

April 24, 2026

**Submitted by:**

Ben Mori  
Principal and Senior Healthcare Consultant

**Milliman**

1301 Fifth Avenue  
Suite 3800  
Seattle, WA 98101 USA  
Tel +1 206 613 8204

[milliman.com](https://milliman.com)





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Tel +1 206 613 8204

milliman.com

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Arizona Health Care Cost Containment System  
Division of Business and Finance  
Cynthia Smolens  
Sr. Procurement Specialist  
*Via email to: [procurement@azahcccs.gov](mailto:procurement@azahcccs.gov), "cc" [cynthia.smolens@azahcccs.gov](mailto:cynthia.smolens@azahcccs.gov)*

**Re: Best and Final Offer (BAFO) for Task Order #YH26-0071 – FFY 2025 Hospital Enhanced Access Leading to Health Improvements Initiative (HEALTHII) Performance Measure Calculations and Reporting, under Statewide Healthcare Employee Benefit Consulting Contract BPM005207**

Dear Cynthia,

On behalf of Milliman, we are pleased to present this Best and Final Offer (BAFO) that includes our best pricing. This BAFO replaces Section 9.4 in our originally submitted proposal from March 26, 2026. We have not revised our original technical proposal (e.g., our approach to the scope of work); therefore, that information is not repeated in this document.

We are excited about the opportunity to continue providing hospital performance measure calculations and reporting services to the Arizona Health Care Cost Containment System (AHCCCS). I have signed this BAFO as an authorized representative of the Milliman and will interact with the State of Arizona on any matters pertaining to this Task Order and the resulting contract. As the Engagement Principal for this project, I am empowered to bind Milliman to all statements and services outlined in the proposal and any contract awarded pursuant to it. My contact information is below.

**Ben Mori**

Principal and Senior Healthcare Consultant  
Milliman, Inc.  
1301 Fifth Avenue, Suite 3800  
Seattle, WA 98101  
Phone: (206) 613-8204  
Email: [ben.mori@milliman.com](mailto:ben.mori@milliman.com)

Please do not hesitate to get in touch with me if you have any questions or would like to discuss any aspect of this BAFO. We look forward to working with you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ben Mori'.

Benjamin A. Mori  
Principal and Senior Healthcare Consultant

## 9.4: Pricing Proposal (Updated – BAFO)

9.4.1: Provide a total price for performance of the services listed in the above Scope of Work, including the performance of the Responsibilities/Tasks in Section 5 and submission of Deliverables in Section 8. Travel will not be reimbursable by the State. The total price shall include all costs associated with the delivery of the services. If any deliverables are revised, removed, or ultimately not required by AHCCCS, the changes will be incorporated through the execution of an Amendment, and the price will be adjusted accordingly. If a deliverable is removed, or an optional task is not required, the Contractor shall only bill for services completed. No additional fees will be paid by AHCCCS.

For this Task Order we propose proposed cost amounts by project deliverable, to be invoiced monthly based on hours incurred. Our cost estimate by project deliverable, as shown in **Figure 4** below, includes travel expenses and administrative costs:

**Figure 4 – Cost Estimate by Deliverable**

Task	Proposed Hours	BAFO Cost
<b>HEALTHII FFY 2025 (Required Section 5 Tasks)</b>		
Data request, monthly progress reports, and AHCCCS meetings ( <i>deliverables 8.1 and 8.7</i> )	140	\$57,415
Technical guidance report and associated spreadsheets ( <i>deliverable 8.2</i> )	203	\$73,294
Draft narrative report and spreadsheets with all measure rates ( <i>deliverables 8.3 and 8.4</i> )	1,075	\$338,320
Final narrative report and spreadsheets with all measure rates ( <i>deliverables 8.5 and 8.6</i> )	102	\$33,735
<b>HEALTHII FFY 2025 Required Section 5 Tasks Total</b>	<b>1,520</b>	<b>\$502,764</b>

As shown above, we propose a total amount of 1,520 hours and **\$502,764** in fees for tasks required under Task Order section 5, where the total cost has been reduced by 3% compared to our original proposal. This cost estimate is based on the following proposed BAFO bill rates by level:

**Figure 5 – Proposed Bill Rate by Team Member**

Team Member	BAFO Bill Rate
Ben Mori / Engagement Principal	\$548
Justin St. Andre / Project Manager	\$451
Jason Altieri / Technical Lead	\$524
Noelle Gaughen / Quality Lead	\$407
Benjamin Davis-Bloom / SME	\$349
Orhun Sezer / Data Manager	\$325
Laurel Steedman / Project Coordinator	\$325
Julia Embry / Project Analyst	\$257
Other Analysts	\$250

Our proposed approach and cost estimate for this Task Order assumes the following:

- As mentioned, we will review and identify outlier or abhorrent values self-reported by hospitals or present in the Medicaid claims for further investigation. Our proposed approach does not include an audit to validate values reported by providers or reported in claims data to providers' internal records.
- Per the requirements of this Task Order, we understand Section 5 tasks are based on the six currently established measures, and additional new measures would be included as part of optional tasks under Section 6 of this Task Order.

#### **9.4.2: Provide a total price for performance of the Optional Tasks listed in Section 6.**

We also propose up to 250 hours for optional tasks under Section 6 under this Order, to be billed monthly if hours are incurred at AHCCCS' direction. For our BAFO, we have reduced the cost of these 250 hours to \$85,470, based on the proposed bill rates in Figure 5.

Per the requirements of this Task Order, we understand Section 6 tasks include additional performance measures. Depending on the type and number of new measures, we will provide an hours and cost estimate for AHCCCS' review and approval.



Milliman is among the world's largest providers of actuarial, risk management, and technology solutions. Our consulting and advanced analytics capabilities encompass healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe.

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#### CONTACT

Ben Mori  
[ben.mori@milliman.com](mailto:ben.mori@milliman.com)