

Consultant Services Related to the New York Health Benefit Exchange Policy Studies and Reporting Requirements Request for Proposals FAU#1110141209

Questions and Answers

- 1) **Question:** Regarding Study #2: Insurance Markets, Item (D): Whether to revise the definition of "small employer" outside the Exchange to be consistent with the definition as it applies within the Exchange. Our reading of the ACA is that the definition of "small employer" applies to the ENTIRE small-group market, and that the SHOP Exchange may then serve employers that meet the marketwide "small employer" definition. So there could not be "separate" definitions for inside and outside the Exchange. Has the state received information or communication from the federal government indicating a different interpretation of the ACA on this matter? (We assume the State considers the small-employer definition to be a separate issue from the question of whether the Exchange would offer coverage to large employers beginning in 2017, and that the latter question is NOT a topic to be addressed in this study.)

Answer: While the ACA provides a definition for small employer for purposes of participating in the SHOP exchange and for determining eligibility for tax credits, the definition is not determinative of how a small employer is defined for small group insurance in New York. Specifically, although New York currently includes employers with 50 or fewer employees in its small employer/small group definition, the method of determining employer size differs from the federal method. The ACA uses an average number of employees, while New York Insurance Law determines employer size at the time of annual renewal of coverage. In addition, New York law allows a larger employer to apply classes pertaining to employment to differentiate among employees so that a sub-group of employees (such as managers vs. non-managers, or full-time vs. part-time, etc.) may be counted, while not including the remaining employees. The impact of this may go away in 2016, when the size of small employers changes to 100, but it may have adverse consequences in the market until that time. At this time, it is unclear as to whether the federal definition is to serve as a "floor" which will permit states to continue to apply their definitions if more generous.

- 2) **Question:** Applicable to all studies. It is our understanding that some studies are already underway using HHS Exchange Planning Grant funding and through technical assistance provided by the Robert Wood Johnson Foundation. What studies are currently in progress? Which vendors (besides those listed on page 2 of the RFP) have been utilized for these studies? Will the preliminary results of the studies be made available?

Answer: The following studies are underway and are being conducted by the entity noted:

- **Basic Health Plan.** The Urban Institute is conducting simulation modeling to analyze this issue. (Insurance Exchange Planning Grant-funded)
- **Insurance Market Issues.**
 - Market Merger. Specifically, whether to merge the individual and small group markets and what impact such a merger has on premiums. The Urban Institute is conducting simulation modeling to analyze this issue. (Insurance Exchange Planning Grant-funded)

- Group Size. Specifically, to analyze the question of whether New York should define group size as 2-50 or 2-100 employees in 2014-16 and how this will affect the market inside and outside the Exchange. The Urban Institute is conducting simulation modeling to analyze this issue. (Insurance Exchange Planning Grant-funded)
- Benefit Standardization. Specifically, whether benefits offered to individuals and small groups should be standardized inside the Exchange, or inside and outside the Exchange. A study is underway by Wakely Consulting. (Insurance Exchange Planning Grant-funded)
- Reinsurance/Risk Adjustment. Specifically, the ACA requires states with a state-based exchange to establish a temporary reinsurance program for 2014 – 2016. States can choose to administer their own risk adjustment program or have the US Department of Health and Human Services administer it. A study is underway by Wakely Consulting to develop a work plan for New York for these activities. (Robert Wood Johnson Foundation/New York State Health Foundation-funded).
- **Self-Sufficiency**. Specifically, in 2015, the Exchange is required to be self-sufficient. What are the anticipated annual operating expenses of the exchange? What are New York's options for funding the exchange? A study is underway by Wakely Consulting to analyze these issues. (Insurance Exchange Planning Grant-funded)
- **Role of Exchange in Decreasing Health Disparities**. Specifically, what role can the Exchange to play in reducing health disparities? A study is being conducted by Center for Health Care Strategies to analyze these issues. (Robert Wood Johnson Foundation-funded)
- **Role of Navigators**. Specifically, what should the criteria for eligibility to serve as a Navigator be? A study is being conducted by Wakely Consulting to analyze these issues. (Robert Wood Johnson Foundation-funded)
- **Role of Insurance Producers, Chambers, Business Associations**. Specifically, what role should producers, chambers, business associations play in enrolling individuals and small groups into qualified health plans? A study is being conducted by Wakely Consulting to analyze these issues. (Robert Wood Johnson Foundation-funded)
- **Integration of Public Health Insurance Programs**. Specifically, how should public health insurance programs be integrated with the Exchange? A study is being conducted by Manatt Health Solutions to analyze these issues. (Robert Wood Johnson Foundation-funded)

The Department will determine on a case by case basis if the preliminary results of the studies underway are available to the contractor selected as a result of this RFP based on their degree of completeness and the relevance to the study being undertaken by the contractor.

- 3) **Question:** Will the successful bidder for any of the studies outlined in this RFP be precluded from providing services related to implementation of the New York health insurance exchange that is currently being evaluated by DOH (FAU Control No. 1106211137)?

Answer: The selected vendor(s) will not be precluded from providing services related to implementation of the New York Health Benefit Exchange under FAU Control No. 1106211137.

4) **Question:** Are there any required components needed for each of the reports?

Answer: It is anticipated that the following sections will be required in the report to the Department. : description of study method, including data reviewed, and statistical calculations, if any; summary of stakeholder involvement; description of findings; policy considerations; and recommendations. This list may be expanded or reduced at the discretion of the Department. The Department reserves the right to work with the contractor on the outline of the report.

5) **Question:** Are there any limitations to performing stakeholder outreach across each study? What outreach methods does the New York State Department of Health envision for each of the studies?

Answer: There is no limitation of performing stakeholder outreach across studies. Stakeholder outreach methods may include in-person meetings with individual stakeholders and or groups, structured in-person or telephonic interviews and or surveys, among other methods. Bidders should propose the stakeholder outreach method that they believe will achieve the best study result. However, the Department reserves the right to approve the final stakeholder outreach plan.

6) **Question:** What is the approach to incorporate future federal and state regulations throughout the duration of the study?

Answer: Contractors should be prepared to reflect current federal and state regulations in their reports. The Department may determine that needed federal guidance is not available, in which case it will have the authority to re-establish the due date(s) for the report(s). (See page 4 of the RFP)

7) **Question:** Is the Department willing to discuss with the successful bidder certain clarifications to the terms and conditions contained in the RFP, such as the “Standard Clauses For New York State Contracts”? For example, the terms and conditions do not include an industry standard limit on the contractor’s liability (e.g., a multiple of the total contract value). Many other large financially stable firms like ours may choose not to bid if clarifications to the standard clauses are not allowed, which could create a procurement process that is less competitive and yields a less efficient delivery of services.

Answer: Modifications to “Appendix A – Standard Clauses for New York State Contracts” are not allowed. Minor clarifications or changes to “Appendix D – General Specifications” that would not have a substantive impact on the procurement may be considered by the Department prior to contract execution. Acceptance of any modifications to Appendix D will be at the sole discretion of the Department.

8) **Question:** Inquiries. Please provide the list of firms that submitted questions regarding this RFP.

Answer: This is not relevant to the submission of a response to this RFP.

9) **Question:** . We understand each study will have an anticipated start date and end date of January 20, 2012 through April 1, 2012. What milestones or deliverables will be required to be completed prior to April 1, 2012?

Answer: Study reports should be completed prior to April 1, 2012, unless the Department determines that needed federal guidance is not available, in which case the Department may re-establish the due date(s) for the report(s). (See page 4 of the RFP)

10) **Question:** Regarding Study #1: Essential Benefits for the New York Health Benefits Exchange. What is the approach to perform the study if the Secretary of Health and Human Services has not released the essential benefits package by the study start date?

Answer: If the Department determines that needed federal guidance is not available, the Department may re-establish the due date(s) for the report(s). (See page 4 of the RFP)

11) **Question:** Can you describe what data the New York State Department of Health currently collects for individual and small group benefit plans (other than that provided in the RFP materials)? Does the State have specific datasets to be used to understand the cost of extending any benefits currently required under New York State Insurance Law to policies and contracts sold through the Exchange?

Answer: The New York State Department of Health does not collect data on individual and small group benefit plans. The New York State Department of Financial Services (DFS) has some relevant data; however, reports that are filed with DFS do not contain data broken out by benefit. DFS collects data from plans for the purposes of rate adjustment filings, which are now posted to the DFS website. In addition, data in the New York financial supplement to the NAIC financial statements for each company is available by individual and small group market segment. Finally, the new Supplemental Healthcare Exhibit in the December 2010 NAIC annual statement shows data for comprehensive policies by individual and small group market segment. The New York supplement data is available from NAIC upon request. The website is www.naic.org. There will be a fee for this information.

12) **Question:** Regarding Study #4 Medicaid Benchmark Benefits. Can you describe what data the New York State Department of Health currently collects for participants enrolled in Medicaid (e.g., detailed claim level encounter data)? Does the State have specific datasets to be used to understand the cost to the State of continuing any benefits required under New York State Public Health or Social Services Law that are not identified as benchmark benefits to newly Medicaid eligible individuals through the Exchange?

Answer: The Department has both detailed claim level data for the Medicaid fee for service program and encounter level data for the Medicaid managed care program. Data from these sources will be made available to the selected contractor(s) by the Department as needed to complete the study. The exact level of data and format will be determined by the Department and the successful bidder.

13) **Question:** The NYS Third Quarter Project Report mentions work currently being done by Urban Inst and Wakely on simulation modeling and financial modeling, with reports due th[e] end of October 2011 (see the excerpt below). Will those reports be made available? If so, can they provide any further info on what data those reports will contain?

http://www.healthcarereform.ny.gov/exchange_planning_grant/docs/quarter3_report.pdf (from p. 6)

As described above, Urban Institute/Wakley Consulting began work on their simulation modeling and financial modeling in April 2011. We anticipate that Urban Institute's baseline estimates of the cost and

coverage impacts of federal reform in New York will be available by late July; estimates of the impact of a Basic Health Plan option in New York and the impact of merging the non-group and small group insurance markets in New York will be available by October 2011. Wakely Consulting's deliverables of a detailed work plan of Exchange business and operational tasks, a five-year budget for Exchange operations, and analysis of funding options to achieve self-sustainability of New York's Health Benefit Exchange by January 2015 are expected by October 2011.

Answer: The Urban Institute simulation modeling and Wakely Consulting financial modeling work cited above has not yet been completed. These reports will be made available to the contractor when they are finalized if the Department determines that they are needed to complete the study.

14) Question: For Study # 5: Can NYS supply data on current participation in the FHP Employer Partnership program (i.e., how many employers have signed up, how many individuals are covered under the program).

Answer: Currently there is no enrollment in the FHP Employer Partnership. The State anticipates that an employer will begin participating in the program in February 2012.

15) Question: Attachment 3, Lobbying Form: Where in the proposal should we include Attachment 3, Lobbying Form?

Answer: A completed and signed Attachment 3 - Lobbying Form should be included in the Cost Proposal.