All-Payer Waiver Contractor Support RFP
Questions and Answers
November 20, 2014

1. What is the expected end date of the contract? Is the end date coterminous with the SIM grant funding term, September 30, 2016, or some other date? (pg. 1)

   ***Answer**: The expected end date of the contract is December 31, 2016. The end date is not coterminous with the SIM grant funding term.*

2. How long is the period of performance? (Pg.1)

   Answer: *January 2015 thru December 2016*

3. First paragraph, page 2 of the RFP states: "All bid submissions must contain an original and five (5) complete copies and one electronic copy, which may be submitted on a CD or to the following email address janet.richard@state.vt.us." Section 6.3 – Submission Checklist, states "Hard copies (2), Original Unbound Master (1) and 1 CD or emailed electronic copy of the bid." Could the State please clarify the number and type of copies to submit? (pg.2)

   ***Answe**r: Please submit an original plus five (5) complete copies and one electronic copy, which may be submitted on a CD or to the following email address janet.richard@state.vt.us.*

4. First paragraph, page 2 of the RFP states: All bids must be sealed and addressed to the Green Mountain Care Board, 89 Main Street, Montpelier Vermont 05620. Paragraph two further states: Hand Carried bids shall be delivered to a representative of the GMCB on or before the due date and stamped by the representative to indicate the date and time of receipt. However, Section 5.2 (page 9) indicates that all methods of transmittal must be received and date stamped by the State Office of Purchasing and Contracting. Could the State please clarify the delivery address and hand carried location for submissions? (pg.2)

   ***Answe**r: All bids must be sealed and addressed to the Green Mountain Care Board, 89 Main Street, Montpelier Vermont 05620. Paragraph two further states: Hand Carried bids shall be delivered to Janet Richard at the GMCB on or before the due date and stamped by the representative to indicate the date and time of receipt.*

5. Section 1.2, page 5 of the RFP states the following: "The state has had preliminary discussions with the CMS Innovation Center about an all-payer waiver, and about the ways in which Vermont's approach might differ from Maryland's." Can the State please share the information gathered from these discussions with CMS? (pg.5)

***Answer**: The Innovation Center has designated a single point of contact for Vermont to correspond with regarding an all-payer waiver. Vermont will not seek waiver terms that are identical to Maryland's. A high-level concept paper that was developed for the Governor to inform his discussions with CMS/CMMI will be made available to bidders.*

6. The RFP states "There will be a bidders' conference call on November 18, 2014 at 10:00am." Please clarify if this conference call is mandatory. Additionally, please provide more detail regarding the content of the call.(pg. 5)

   Answer: *The bidders' conference call on November 18 is not mandatory. The purpose of the call is to review the previously submitted questions and address any new questions from bidders.*

7. RFP Section 3.2 Scope of Work includes "Interfacing with important stakeholder groups regarding the waiver process and the specifics of a potential Vermont waiver." Will the contractor tasked with rate and financial modeling be responsible for working directly with hospital or other provider financial leadership, staff and stakeholders regarding financial aspects of the waiver? (pg.7)

   Answer*: The contractor will work with a team of state staff led by the co-managers of the project. The contractor should expect to work with important stakeholder groups at the request and direction of state staff.*

8. The Year 2 SIM Operational Plan also discusses a Stakeholder Engagement Plan, a Stakeholder Engagement Coordinator and a contractor engaged to develop an outreach plan and a standardized process for reaching out to, and educating, beneficiaries (pages 99 through 112). Please explain how the State anticipates that the stakeholder engagement activities described in the RFP Section 3.2 Scope of Work will intersect with the processes and entities described in the SIM Operational Plan. (pg.7)

   Answer: *The work of the stakeholder engagement activities described in section 3.2 Scope of Work (interfacing with important stakeholder groups regarding the waiver process and the specifics of a potential Vermont waiver) will intersect with the SIM Operational plan by leveraging existing workgroups and other routine avenues for informing stakeholders, such as the Medicaid and Exchange Advisory Board, the Health Care Oversight Committee, the Health Reform Oversight Committee, the Mental Health Oversight Committee, and regular weekly public meetings of the Green Mountain Care Board*.

9. Please provide additional detail and background for the five scope items, the GMCB's goals for the waiver, and the work that the GMCB has done on this topic to date. (pg.7)

   Answer: *Goals: Obtain an all payer waiver from CMS, similar to Maryland's, to reinforce Medicare's role as a full participant in Vermont health care reforms and would establish a framework, across all payers and (providers), for advancing and appropriately overseeing payment models that are more rational, fair, and transparent, and that support improved outcomes.*

   Work to date: *The state has had preliminary discussions with CMS Innovation Center about an all-payer waiver. A state level team has been identified, see p. 6 of RFP section 3.1, to manage both interagency relations related to a potential waiver and the many details that remain to be defined.*

10. Does the GMCB already have an All-Payer Model concept developed and a contractor is needed to refine it and determine which parts of the Medicare payment system have to be waived in order to implement the model (and draft the request to Medicare), or is the Contractor also responsible for developing alternative approaches to an All-Payer Model with pros and cons for each approach, as well as handling the development of a waiver request? (pg.7)

    Answer: *The state has developed a high-level all-payer model concept and as specified earlier, that concept paper will be made available to bidders. Bidders should expect to work in collaboration with the state on exploring this model further and developing a waiver request.*

11. What is the expected timeframe for completing each of the five scope items? (pg.7)

    Answer: *The contract will have a 2 year term. At this time, there are no specific time requirements on individual items identified in the SOW.*

12. Does the GMCB expect the analysis of the potential effect of alternative waiver terms and conditions to be certified by a qualified actuary? (pg.7)

    Answer: *No.*

13. How many stakeholder meetings does GMCB anticipate? (pg.7)

    Answer: *Unknown at this time.*

14. Who are the other stakeholders anticipated to be involved in the waiver? (pg.7)

    Answer: *Hospital CEOs and Administration, OneCare Vermont, Community Health Accountable Care, and Accountable Care of the Green Mountains, other state agencies.*

15. Is the location of work to be principally performed in Montpelier VT as set forth in section 7.3, or can it be performed principally from Contractor's offices, with regular phone meetings with GMCB staff and eight site visits per calendar year, suggested by section 3.3? Is Section 7.3 negotiable if a bidder is selected for negotiation of a contract? (pgs. 7 & 13)

    Answer: *Work may be performed principally from Contractor's offices, with regular phone meetings and 5 Vermont sites visits per calendar year and 5 potential trips to DC/Baltimore per year.*

16. If rate setting and financial modeling are not part of this work, please clarify what is expected related to RFP Section 5.3 Organizational Experience that states that the bid must contain: "Description of the bidder's background and experience in calculating savings and generating quality measures using data provided by multiple payers and providers." (Pg.10)

    Answer: *Understanding of rate setting and financial modeling will be important to this work, and are required skills. A successful bidder will have experience calculating savings based on cost and quality targets.*

17. The Technical Bid section references a "Contractor Responsibilities" section. Please clarify where in the RFP the Contractor Responsibilities can be found. (pg.10)

    Answer: *The Contractor Responsibilities are outlined in section 3.2, Scope of Work.*

18. The RFP states "The State invites Vendors to provide letters of reference from previous clients." Please clarify whether this is requirement for submitting a proposal. (pg.10)

    Answer: *Letters of reference are mandatory.*

19. Section 5.3 Cost Bid states: "The bidder should submit a separate travel cost proposal assuming eight two-day trips to Burlington or Montpelier per calendar year." However, RFP section 3.3 Contract Management states: "The Contractor also will participate in meetings (by phone or in the DC/Baltimore area) with federal officials as needed and will assist in identifying issues arising from those meetings in need of resolution." Should the bidder include additional trips to the DC/Baltimore area or assume that some of the eight two-day trips noted in Section 5.3 will be to DC/Baltimore? (pg.11)

    Answer: *Bidders should NOT submit a separate travel cost proposal, and instead estimate fully loaded rates*. *Bidders should assume 5 trips to Vermont per year and 5 trips to DC/Baltimore.*

20. How much detail is required to support the fixed price or "time and materials" cost bid? Is there a preferred template for laying out these costs? (pg.11)

    Answer*: Bidders should provide a rate card that breaks down staff rates per hour and separates staff by class.*

21. Must the Cost Bid include a Maximum Obligation? (pg.11)

    Answer: *Yes.*

22. What is the estimated total funding available for this contract? (pg.11)
    Answer: *TBD*

23. The RFP states, "The bidder should offer a cost proposal, distinct from the technical proposal." Does the State require a separately sealed cost proposal, or can the cost and technical proposals be included as separate sections within one document? If a separate document, how many copies of the technical proposal and how many copies of the cost proposal are required for submission? (pg.11)

    Answer: The proposals can be separate sections of one document. Bidders should submit equial numbers of technical and cost proposals.

24. The RFP states, "A redacted copy should be included for portions of submittal that is not proprietary." Should the redacted copy be included in electronic (emailed) form, or in hard copy, or both?

***Answer**: A separate redacted copy should be included in both electronic (emailed) and hard copy form.*

25. The description of the Cost Bid in the RFP indicates that there is a 10 percent limit on indirect costs allowed under this RFP. Please define "indirect costs." (pg.11)

    ***Answer**: Please prepare proposals based on fully-loaded rates, and do not include indirect costs.*

26. The description of the Cost Bid in the RFP indicates that there is a 10 percent limit on indirect costs allowed under this RFP. Please clearly indicate if fee (or profit) is included in "indirect costs." (pg.11)

    ***Answer**: Please prepare proposals based on fully-loaded rates, and do not include indirect costs.*

27. The RFP states "Documentation as the bidder believes sufficient to show proof of the bidder's financial capacity to undertake the responsibilities required under this contract." (pg.11)

    ***Answer**: There is no question to respond to.*

28. Are stakeholder engagement meetings included in the 8 trips? (pg.11)

    Answer: *Yes.*

29. The RFP lists nine items under Submission Checklist. Please clarify if these are the expected headings for labeling and organizing the proposal, or whether the bidder can organize the proposal in the manner it deems fit. (pg.12)

    ***Answer:** Please submit your proposals in the order of the Submission Checklist.*

30. Maryland's All-Payer Waiver pertains only to hospital expenditures. Is this also the intent of the Vermont All-Payer Waiver?

    Answer: *Vermont's All-Payer Waiver is expected to be broader than Maryland's.*

31. Please clarify whether rate setting and financial modeling for the waiver are expected to be conducted as part of the Scope of Work under this RFP.

    Answer: *Understanding of rate setting and financial modeling are a requirement for this RFP. Again, a high-level concept paper will be available to bidders.*

32. We understand that the State has a contract with Wakely Consulting Group for the period of 11/1/14 to 12/31/16 for "actuarial & financial analysis to support payment model development and all-payer waiver development"(Vermont Year 2 SIM Operational Plan, page 162). Please explain how the State anticipates that the work to be performed within the Scope of Work outlined in this RFP will intersect with the work to be performed under the Wakely contract.

***Answer**: The Scope of Work outlined in this RFP is dedicated to the development of an all-payer waiver proposal. The successful bidder will be required to work with other entities on contract with the state of Vermont, but there are no further details at this time.*

33. How does GMCB anticipate that the vendor will also assist with any changes to the state's other waivers (e.g. Global Commitment to Health and Choices for Care) that may result from the all-payer waiver?

    Answer: *Bidders will work with the state co-managers of this project to ensure that the all-payer waiver is coordinated with existing State of Vermont waivers.*

34. Is the waiver intended to include Medicare Parts A, B, and D?

    Answer: *Not yet determined.*

35. Is this waiver intended to seek exemptions to any provisions in the ACA such as mandatory benefits, cost sharing limitations, premium tax credits, or large employer or individual penalties?

    Answer: *No.*

36. Is the Contractor required to staff an office in Vermont?

    Answer: *No.*

37. What is the budget allocated to this project by the GMCB?

    ***Answer:** This information is not available.*

The following questions were asked by vendors participating in the optional Bidders' call on 11/18/2014.

38. How will the written version of the question and answer be transmitted to potential bidders and how will the concept paper be available as well?

Answer: *The written version of the question and answer portion of the Bidders' call and the concept paper will be available on the GMCB website, on the bid board, and by e-mail to the vendors who provided contact information to Janet Richard (janet.richard@state.vt.us).*

39. In regards to the understanding of rate setting and financial modeling, are you expecting the contractor to have an actuary on staff?

Answer*: It is not a requirement to have an actuary on staff.*

40. Are vendors who are currently assisting the State of Vermont with ACA implementation, payment transformation, or development of payment models precluded from bidding?

Answer: *Vendors who are currently assisting the State of Vermont with ACA implementation, payment transformation, or development of payment models are not disqualified from participating in the competitive bidding process. The Green Mountain Care Board will evaluate all bids received, including determining whether a particular bidder's circumstances give rise to a conflict of interest, based on the facts and information presented in the bids.*

41. Did your staff or this vendor write this RFP?

Answer: *Staff*

42. Will the names of the bidders be posted?

Answer: *Yes*

43. Can I identify myself as we are looking for potential partners to bid with?

Answer: *Yes.*

44. As an unnamed bidder, I would urge the GMCB to release the names of those participating on this call, as we believe that this is no different than a public meeting.

Answer: *We will post the bidders names, but it is up to the bidders to e-mail and inform us that they have participated in the call. Please e-mail Janet.Richard@state.vt.us.*

45. We understand that the re-cap of questions from today's call, pre-submitted questions, and the Governor's concept paper will be posted and sent to bidders that have participated in the call, what is a reasonable expectation for this to happen?

Answer: *November 20, 2014*

Concept Paper
Vermont All-Payer Health Care Payment System

The purpose of this concept paper is to describe the general approach Vermont is proposing for all-payer health care payment reform. This paper can serve as a starting point for discussion among internal and external stakeholders, including the federal Centers for Medicare and Medicaid Services (CMS), about the proposed approach.

Vermont is developing a payment reform strategy that is consistent with federal policy and builds on the public/private partnership that has been established in the state. Our proposed approach allows for appropriate provider autonomy and consumer protection under the umbrella of a transparent, effective regulatory system.

Vermont has undertaken a multi-year effort to implement universal, comprehensive health care coverage for all of the state's residents that is equitably financed and made affordable well into the future. The state plans to seek a federal all-payer waiver that would permit Medicare and Medicaid participation in payment and delivery system reforms that are central to the plan. These reforms build on the innovative models supported by CMS and on the progress made within Vermont to implement those models. Specific Vermont achievements in payment and delivery system reform, made with CMS support, include:

- Vermont has used its long-standing section 1115 waivers (the Global Commitment and Choices for Care) to fund Medicaid managed care investments and to shift services away from institutional care to community-based services;
- More than 80 percent of Vermonters are served by an Advanced Primary Care Medical Home that is part of the MACPAC all-payer demonstration;
- The vast majority of Vermont providers, including all of our hospitals and New Hampshire-based Dartmouth Hitchcock Medical Center (DHMC, a major provider of health care to Vermonters) are in one of three Vermont ACOs participating in the Medicare Shared Savings Program;
- DHMC also is in the Pioneer ACO program for New Hampshire;
- The majority of Vermont's federally-qualified health centers have formed a primary care-based ACO;
- Vermont received a State Innovation Model (SIM) grant, which has supported expansion of the shared savings program to Medicaid and commercial insurers. Three of our ACOs are participating in the commercial ACO program, while two are participating in the Medicaid program;
- The SIM grant also is supporting development of all-payer bundled payments and full build-out of Vermont's health information exchange infrastructure.

Building on this active participation in CMS initiatives, and CMS support of Vermont's innovation efforts, Vermont is proposing a statewide, all-payer system of provider

payment. Governor Shumlin has proposed covering the bulk of Vermonters through one payer under a system of public financing. We believe this proposal could work equally well with that model or with our existing, limited multi-payer private insurance market (two carriers do business in Vermont's merged individual and small group market and only three sell in the large group market).

Vermont's proposal has two strengths, in addition to the strong foundation described above:

1. An explicit commitment from the Governor, backed by Vermont law passed in 2011, to constrain health care cost growth to a level that is affordable, relative to the state's overall economic growth, and to move away from volume-based provider payment;
2. A mature regulatory system under the authority of the Green Mountain Care Board (GMCB). The GMCB was created in 2011 as an independent, full-time, professional board that reviews and approves health insurer rates, annual hospital budgets and major capital expenditures by health care providers.
    - The GMCB also is the overseer of payments to ACOs and other key aspects of the commercial and Medicaid shared savings programs, including calculation of shared savings, risk adjustment, risk corridors and quality measurement.
    - The GMCB has broad (as yet unused) statutory authority to implement broader provider rate-setting, beyond the hospital sector.
    - The GMCB set a limit of 3 percent growth in hospital budgets for current year. Actual budgets approved by the board are slated to grow at 2.7 percent, year-over-year. These budgets include not only expenditures for hospital services, but also the majority of physician payments, as a high and growing percentage of physicians in the state are employed by hospitals.
    - In setting the limit on hospital budget growth, the board looked to indicators of economic growth in the state and made clear that their goal was to link health care cost growth and economic growth over the long term.

Building on these strengths, Vermont proposes a system of health care provider payment oversight with three central elements:

1. Continued regulatory oversight of the parameters of ACO/payer relationships, including payment levels, rates of increase in payment year-to-year and quality measurement;
2. Oversight of insurer payments to non-ACO providers, and a requirement for a fair, transparent and standardized fee schedule for those providers;
3. Continued oversight of health insurance premiums and premium growth.

The state is currently assessing the interface between these regulatory schemes and regulation of hospital budgets (which has existed since the 1980s), and the extent to

which the hospital budget review process is necessary, and/or whether it should be redesigned, under a fully-developed system of broader provider payment regulation.

With these three elements in place (at a minimum), Vermont would propose that we commit to:

- Control of the rate of growth in total health care costs at a rate that is consistent with growth in the economy;
- Deliberate movement further away from fee-for-service provider payment by transitioning ACO payments from shared savings to a model involving two sided risk and increased provider accountability for total costs and quality;
- Obtaining a commitment from all commercial payers in the individual and small group market, plus Medicaid, to participate in the models of payment to both ACOs and non-ACO providers;
- Adoption by the GMCB of parameters for all-payer payments to ACOs;
- Adoption by the GMCB of rules for all-payer payments to providers outside of ACOs;
- Continued payments by Medicaid and commercial payers to Blueprint Advanced Primary Care Medical Homes and Community Health Teams.

We would be asking CMS for:

- Approval for Medicare participation in the Vermont provider payment model – for both ACO payments and non-ACO payments;
- Necessary approval from CMS for Medicaid participation in this model;
- Continued participation in payments to Advanced Primary Care Medical Homes and Community Health Teams.

Medicare participation in this model is critical, as will make our policies universal, consistent and substantially more efficient and effective. This approach has the potential to reduce administrative costs for payers, providers and government and maximize positive delivery system change through consistent payment rules and monitoring. The end result will be lower costs for all payers.

Further details of the ACO and non-ACO provider payment models will be developed by GMCB board members, staff and contractors over the next 12 months, with input from the Governor's Office, key stakeholders, the Agency of Human Services and the Department of Vermont Health Access. Elements of the proposal that require further development include:

- The specific methodology for the ACO payment system;
- The specific methodology for the non-ACO payment system;
- Whether and how to incorporate in payment models services beyond the normal scope of ACOs, including long term services and supports;
- The extent to which per capita payments or payment levels for specific services from payers to providers will vary across payers;
- The extent to which, across all payers, per capita payments or payment levels for specific services will vary by provider;
- The specific levels of the limits to be applied to health care cost growth;
- The specific methodology for attributing Vermont's population to providers;
- Membership rules and roles for participating providers;
- Appropriate consumer protections in a statewide, all-payer system of health care cost and quality regulation.

Vermont is a relatively low-cost state for the Medicare program, but per-capita Medicare growth rates exceeded the national average in recent years (see data below). We believe this program would offer CMS a compelling example of how a low-cost, rural state, through a deliberate commitment to low rates of cost growth, could reduce expected Medicare expenditures, reduce pressure on Medicaid and private premiums and improve outcomes for all residents of the state.

VT total (all payers) per capita health care costs, 2009, $7,635 (above national average)
VT total rate of growth 1991-2009, 6.7% (above national average)
National per capita all payers, 2009, $6,815
National all-payer trend, 1991-2009, 5.3%
VT Medicare per capita $8,719 (below national average)
VT Medicare rate of growth 1991-2009, 6.8% (above national average)
National Medicare per capita, 2009, $10,365
National Medicare rate of growth, 1991-2009, 6.3%

All-Payer Waiver Contract Support RFP
Bidders' Conference Call
November 18, 2014
Attendees

Bidders who notified GMCB they attended the Bidders Conference call:

Emily Newton
enewton@pcgus.com
PCG Health

Lucie L. Garand
lgarand@drm.com
Downs Rachlin Martin, PLLC

Kevin Lombardi
Kevin.loombardi@nabigant.com
Navigant

Jason R. Garrow
jgarrow@vtmconsulting.com
Vital technology Management

Suzanne Santaracangelo
ssantarcangelo@phpg.com
Pacific Health Policy Group

Katharine London
Katharine.london@umassmed.edu
University of Massachusetts Medical School

GMCB Staff Attendees:

Susan Barrett, Executive Director
Ena Backus, Deputy Director of Policy & Evaluation
Kate Jones, Financial Director
Spenser Weppler, Health Care Reform Specialist
Anna Bassford, Executive Assistant to the Chair
Janet Richard, Support Services Coordinator