Request for Proposals – Actuarial Services

<u>Addendum No. 2 – Revised Questions & Answers</u>

May 20, 2022

	Question	Answer
1.	What is precipitating the release of this RFP at this time?	The current vendor contract is expiring, precipitating the need for the RFP. Pursuant to its board-approved procurement policy, the Exchange must solicit proposals at least once every three years for financial, legal, bond underwriting and other professional services required by the Exchange.
2.	Is there currently a vendor providing these services and if so, who?	Yes: Wakely Consulting Group, LLC
3.	Has a budget been approved or allocated for these services? If yes, what is the budget amount?	No. The budget for specific actuarial service projects has yet to be set.
4.	It appears that for 2023 there are four standard medical plans designs (one Gold, one Silver, and two Bronze) plus the CSR variants for the Silver plan. Does [the Exchange] anticipate roughly the same number of standard plans in future years?	Yes.
5.	Do the standard plans designs apply to the individual and small group markets, or the individual market only?	Individual only.
6.	The first bullet [in subsection one on page 4 of the RFP] indicates that Mental Health Parity is also included in the analysis for standard plan design development. Is [the Exchange] seeking the contractor to perform compliance testing of the proposed plans for compliance with MHPAEA? If so: i. Will the testing include only the Quantitative Treatment Limit (QTL) portion of the testing and the carriers offering the plans will perform the Non-Quantitative Treatment Limit (NQTL) testing based on the policies they offer? ii. Does the current contractor perform the QTL and NQTL testing or only the QTL testing?	No, it is the responsibility of an insurance carrier to validate MHPAEA compliance.
7.	The last bullet [in subsection one on page 4 of the RFP] indicates the contractor is to provide an actuarial value certification report.	i. The Insurance Department currently requires the issuers to certify the actuarial value for their plans, but the Exchange's actuarial firm provides a memorandum documenting the process for the

	i. Can a copy of the most recent report be provided? ii. Is it expected that the contractor will provide a certification for MHPAEA and if so, will this only apply to the QTLs?	development of the standard plan designs and certifying that the plan designs were compliant at the time they are approved by the Exchange's Board of Directors. ii. No, it is the responsibility of an insurance carrier to validate MHPAEA compliance.
8.	Can you provide the number of Individual, Small Group and Stand-Alone Dental filings that were reviewed by the current contractor for the 2022 plan year?	The current contractor reviewed all rate filings for the 2022 plan year from 3 carriers for the Individual Market medical, 2 carriers for the Small Group market and 1 carrier for the Stand-Alone Dental filings. Formal rate approval is performed by the Connecticut Insurance Department, but a review is completed for the Exchange's Board of Directors by its outside actuarial firm.
9.	Is [the Exchange] requesting that a formal report or opinion letter be prepared and submitted by the contractor for each filing reviewed as part of rate filing finalization? If not, what level of final communication related to the reasonableness of the rates is requested from the contractor?	The selected Respondent will be required to prepare a formal report and present its findings to the Exchange's Board of Directors.
10.	For the Consumer Impact Study, we were only able to find a slide presentation that was provided to the [Exchange's] Board of Directors. Is a formal written report being requested in addition to the slide presentation for the [Exchange's] Board of Directors' meeting? If so, can you provide a copy of the most recent formal report so that we can better understand the level of effort being requested (we were able to find the Board presentation but not a formal report)?	Yes, the selected Respondent will be asked to create a written report and a presentation on the Consumer Impact Study. The most recent report will not be made publicly available at this time.
11.	The applicable statute requires a report at least [annually]. Please confirm whether [the Exchange] is requesting the contract to perform [the Adverse Selection Study] more than once annually.	The Exchange requires the Adverse Selection Study to be performed once a year.
12.	To complete [the Adverse Selection Study], will the [Exchange] and/or the CT Department of Insurance assist in facilitating a data call from the carriers offering coverage in the individual and/or small group market?	Yes, the Exchange can assist in facilitating a data call with the insurance carriers.
13.	[For the Adverse Selection Study,] [i]s a formal written report being requested in addition to the slide presentation for the [Exchange's] Board of Directors' meeting? If so, can you provide a copy of the most recent formal report so that we can better understand the level of effort being requested (we were able to find the Board presentation but not a formal report)?	Yes, the selected Respondent will be asked to create a written report and a presentation about the Adverse Selection Study. The most recent report will not be made publicly available at this time.
14.	[Page 5 of the RFP] indicates that Plan Management responsibilities may be requested as needed. Can you provide examples of the specific type	This may include the review of the expanded bronze copay tool and other plan management functions required for the QHP Certification

	of services/analyses that have been and/or could be requested under this item so that we can ensure we include individuals with the applicable expertise in our proposed project team?	process. Additional ad hoc project examples may include market assessment analysis, advisory committee requests, research related to policy and insurance affordability, and regulatory impact analyses.
15.	Please confirm our understanding that we are to provide a fixed fee price proposal for the first three items listed in the table on the top of page 7 of the RFP. If our understanding is incorrect, could you please provide clarification as to how the price for these three projects should be proposed (e.g., hourly rates by staff level)?	Yes, Respondents may either provide a fixed fee or a project cost based on hourly rates for the three projects outlined on pages 4 to 5 of the RFP. The selected Respondent must submit an hourly rate card for any ad hoc projects. Rates and associated fees set forth in the Pricing Proposal must be valid for the entire duration of the Contract. Any annual increase in rates or fees should be noted in the Pricing Proposal.
16.	Given the uncertain nature of conducting rate reviews (e.g., time spent depends upon the number of rate filings submitted, number of issues found and questions that need to be asked, and responses reviewed, etc.) most regulatory agencies request hourly pricing for this type of work. i. Is this work currently performed on a fixed fee basis? ii. Would [the Exchange] consider an hourly rate card for this portion of the work? iii. If a fixed fee is required, would the contracted fees be amended to be increased appropriately if additional carriers enter the Connecticut individual and/or small group market(s) during the contract period, or conversely reduced if carriers were to exit the individual and/or small group market(s)?	Please see answer number 15 above.
17.	For the Ad Hoc Project section of the scope of services, are there specific staffing levels that we should use, or may bidders propose hourly rates that align with their own internal staffing levels?	Respondents should propose hourly rates that align with their own internal staffing levels. The selected Respondent's staffing levels should be at a level to ensure the successful performance of services requested in this RFP.
18.	Given Section 2 of the RFP indicates that a contract "will not exceed three (3) years" and Section 3 indicates that "the Pricing Proposal must be valid for the entire duration of the contract." Should bidders provide proposed fixed fees separately for each of the potential three contract years?	Please see answer number 15 above.
19.	When providing proposed modifications to the standard Contract terms set forth in Appendix A for the [Exchange's] consideration, is there a proposed format that should be used. For example, would [the Exchange] prefer a redline version of the standard Contract with explanations for why a provision is unacceptable and whether failure to modify the term would result in the firm's failure to execute a contract included using comments, or would [the Exchange] prefer a separate	The RFP requires the following response from Respondents: "If you find any term or provision of the proposed draft Contract in Appendix A unacceptable, identify the term, explain why it is unacceptable, and state whether the failure to modify this term would result in your firm's failure to execute a contract for this engagement."

	document listing proposed Contract exceptions for consideration, referencing the specific section of the contract and the proposed alternate language, along explanations for why a provision is unacceptable and whether failure to modify the term would result in the firm’s failure to execute a contract included?	Respondents may respond to the foregoing requirement in whatever format they deem appropriate, and provide alternative proposed contractual language, as applicable.
20.	Can [the Exchange] provide a copy of the evaluation criteria that will apply to proposals received in response to the RFP, in particular the percentage of points awarded to various criteria?	No. The evaluation criteria is not finalized at this time.