



Request for Information

#YH15-0029 AHCCCS CARE ACCOUNT ADMINISTRATION

Procurement Officer:

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Issue Date:

September 16, 2015

OFFICE ADDRESS:

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION (AHCCCS)
Contracts and Purchasing Section (First Floor)
701 E. Jefferson, MD 5700
Phoenix, AZ 85034

RFI NAME:

AHCCCS CARE ACCOUNT ADMINISTRATION

RESPONSE DUE DATE:

WEDNESDAY, OCTOBER 21, 2015

AT 3:00 P.M.
ARIZONA TIME

QUESTIONS CONCERNING THIS RFI SHALL BE SUBMITTED TO THE PROCUREMENT OFFICER VIA E-MAIL

BY **WEDNESDAY, SEPTEMBER 23, 2015, 5:00 PM** ARIZONA TIME ON THE **Q & A FORM** PROVIDED WITH THIS RFI.

ANSWERS TO QUESTIONS WILL BE POSTED ON THE AHCCCS WEBSITE FOR THE BENEFIT OF ALL POTENTIAL RESPONDENTS.

Responses to this RFI must be in the actual possession of AHCCCS on or prior to the time and date and at the location indicated above. **Late responses may not be considered.**

This is a Request for Information ("RFI") only and as such will NOT result in any award of contract.

AHCCCS is in the information gathering stage and no decisions have been made concerning the agency's intent to issue a formal Request for Proposal. Responding to this RFI is appreciated and will NOT prohibit the respondents from responding to any future procurements.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the appropriate Procurement Agency. Requests should be made as early as possible to allow time to arrange the accommodation. A person requiring special accommodations may contact the person responsible for this request as identified below.

RESPONDENTS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE RFI.

REQUEST FOR INFORMATION

1. **AHCCCS OVERVIEW**

AHCCCS is the single state Medicaid agency for the State of Arizona. In that capacity it is responsible for operating the Title XIX and Title XXI programs through the State's 1115 Research and Demonstration Waiver, which was granted by the Centers for Medicare and Medicaid Services (CMS), U.S. Department of Health and Human Services. As of September 1, 2015, AHCCCS provides coverage to approximately 1.8 million members in Arizona.

Over 81% of the AHCCCS program's expenditures in SFY 2014 were through managed care programs. AHCCCS contracts with Managed Care Organizations (MCO's) that are responsible for providing Acute, Long Term Care, and Behavioral Health Services. A list of contracted plans can be found here:

<http://www.azahcccs.gov/applicants/healthplans/available.aspx>

The program has a total fund budget for FY 2016 of approximately \$11.23 billion. AHCCCS has over 55,000 active providers in Arizona such as individual medical and behavioral health practitioners, therapy disciplines, institutions, durable medical equipment companies and transportation entities. Additional information may be found on the AHCCCS website reporting page: <http://www.azahcccs.gov/reporting>.

2. **DEFINITIONS**

2.1. CARE – Choice, Accountability, Responsibility and Engagement

3. **INTRODUCTION / PURPOSE/ BACKGROUND**

AHCCCS is seeking information from the Vendor community relating to the administration of Health Savings Account-like arrangements (henceforth referred to as HSAs). Governor Ducey's AHCCCS CARE program uses personal responsibility as a bridge to independence. AHCCCS Members (henceforth referred to as Member/s) must contribute financially in order to more actively manage their own health. AHCCCS CARE will include premium and copayment requirements for specified populations.

Member Contribution requirements are:

- Copays: Up to 3% of annual household income. Members will make monthly AHCCCS CARE payments reflecting copays for services already obtained. This also removes the burden of collecting the copay by providers at the point of service.
- Premiums: Up to 2% of annual household income. Included in the monthly AHCCCS CARE payment is a premium requirement set at 2% of income.
- Member contributions may not exceed 5% of annual household income.

Contributions for premiums may then be used for non-covered services such as dental, vision or chiropractic care, gym memberships or other health-related activities. In addition, members may meet a set of healthy behavior targets to allow them to reduce their AHCCCS CARE payments or roll unused funds over into the next benefit year. Additional information on Governor Ducey's AHCCCS CARE program can be found here:

<http://azahcccs.gov/shared/FiveYear.aspx>

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4. HSA SUMMARY and BUSINESS REQUIREMENTS

4.1. Impacted Population

4.1.1. The following populations pay copays and premiums into the HSA:

- Newly Eligible Adults (Enrolled adults with incomes between 100-138%FPL)
- Adults (Enrolled adults with incomes between 0-100% FPL)
- Parents (with incomes between 22-100% FPL)

4.1.2. Business requirements

- Use daily enrollment information from AHCCCS to establish, update and maintain a HSA account for each applicable AHCCCS member.
- Use monthly enrollment information from AHCCCS to reconcile and ensure appropriate accounts have been established.
- Supply AHCCCS with information on each member with an HSA account including effective dates and current account status, such as reporting when members meet healthy targets, are not making required payments timely, etc.

4.2. Account Maintenance

4.2.1. All payments (premium and copays) are centrally billed and collected by a vendor that manages the HSA. Copays and premiums are calculated, billed and paid as part of one bill to the HSA:

- Members are billed for copays (if any) based on the prior 3 months of care utilization.
- Premiums are calculated based on 2% of the individual's income.

4.2.2. Members are billed on a quarterly basis. The vendor must demonstrate the ability to bill members either electronically or by mail. Member statements would include the following information at a minimum:

- Copay amounts due for the next 3 months
- Premium amounts due for the next 3 months
- Premium amounts collected for the year.
- Any past due amounts delineated by copays and premiums
- Amounts deposited into the account from either an employer contribution or a philanthropic contribution
- Account balance

4.2.3. All payments (premiums and copays) and contributions received for each beneficiary are tracked by the vendor and payments by members may not exceed the federal limit of 5% of household income. The vendor must monitor payments and adjust a member's required payment amounts (including communicating adjustments to members) accordingly to assure the payments do not exceed the 5% limit.

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4.2.4. Business Requirements

- 4.2.4.1. Develop an AHCCCS CARE branded web portal to allow members to view and pay monthly HSA bills online as well as offer other payment options.
- 4.2.4.2. Develop billing process, including communications to members regarding amounts due and account status.
- 4.2.4.3. Establish a customer service center that would handle member inquiries about the account, including disputes regarding calculations and collections.

4.3. Member Contributions

4.3.1. Copays

- Members pay up to 3% of household income in copays.

4.3.2. Premiums

- Members pay 2% of household income in premiums.

4.3.3. Cost sharing (premiums and copays) cannot exceed 5% of household income (calculated quarterly) as required by federal law.

4.3.4. Business Requirements:

- 4.3.4.1. Use claims data supplied by AHCCCS on a monthly basis to calculate copays due for the next three months.
- 4.3.4.2. Use income data supplied by AHCCCS to calculate member premium payments.
- 4.3.4.3. Use income data supplied by AHCCCS to establish a 5% limit on member cost sharing:
 - 2% limit for premiums; and
 - 3% limit for copays.
- 4.3.4.4. Calculate copay and premiums to ensure cost sharing in a given quarter does not exceed the 5% limit.
- 4.3.4.5. Adjust Premium and Copay amounts based on reported income changes to remain under the 5% threshold

4.4. Employer Contributions

4.4.1. Employers can contribute directly into their employee's HSA account. Employer participation is voluntary.

4.4.2. Business Requirement

Accept, track and apply contributions received from employers to the member's account.

4.5. Philanthropic Contributions

4.5.1. Charitable organizations may contribute to HSAs based on a desire to promote healthy behaviors. For example, a philanthropy may want to designate its \$100,000 contribution be directed to accounts of individuals who successfully complete smoking cessation activities.

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4.5.2. Business Requirements

- Identify member compliance with the philanthropy's designation requirements and apply contributions to accounts of qualifying members.
- Accept, track and apply contributions received by charitable organizations for members and determine appropriate distribution to qualifying members' accounts.

4.6. State Contribution

4.6.1. The State may consider a contribution into Qualified Members' (see 4.7) HSA accounts to encourage healthy behaviors.

4.6.2. Business Requirement

Accept, track and apply contributions received from State for each Qualified Member.

4.7. Incentivizing Healthy Behaviors, Becoming a qualified Member

4.7.1. Members can earn Qualified Member status by:

- Completing recommended preventive services;
- Making timely HSA payments; and
- Meeting Work Incentives, (except for individuals who have a designation of having a Serious Mental Illness).

4.7.2. Business Requirement

Develop a process to identify and maintain Qualified Members.

4.8. How Member Contributions are used

4.8.1. Copays - All copays collected will be used to offset program cost and will be returned to AHCCCS.

4.8.2. Premiums (Qualified Members) - Premiums collected will be deposited into the HSA account and can be used by Qualified Members* to either pay for healthy incentives or be rolled over to offset copay payment amounts in the next benefit period.

4.8.3. Premiums (Non-Qualified Members) - Premiums collected from Non-Qualified Members (i.e. those not meeting healthy incentives) will be used to offset program costs and will be returned to AHCCCS annually.

4.8.4. Business Requirements

4.8.4.1. Develop a process to disburse collected co-pays to AHCCCS.

4.8.4.2. Develop a process to allow Qualified Members to choose how to use premiums—pay for healthy incentive or offset copays in the next benefit period.

4.8.4.3. Develop and implement a process to return premiums collected from non-qualified members (i.e. those not meeting healthy incentives) to AHCCCS.

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4.9. Healthy Incentives

4.9.1. Qualified members earn the ability to use their HSA funds to purchase non-covered services, such as:

- Dental
- Vision care
- Nutrition counseling and supplements
- Chiropractic care
- Gym memberships

4.9.2. Business Requirement

- Develop a process to allow Qualified Members to access premiums in the HSA to pay for specific healthy incentives as defined by AHCCCS. Limit the disbursement of funds to the incentives/activities identified.
- Develop a process to track Qualified Members disbursements to pay for healthy incentives.
- Provide reports on Qualified Members, including how many members become Qualified Members, the disbursement of monies and how the funds are used.

4.10. Members who leave AHCCCS

4.10.1. Qualified Members who leave AHCCCS may be able to transfer their premium contributions into another HSA or, if a new HSA is not available to them, they can carry their AHCCCS CARE HSA forward.

4.10.2. Business Requirement

Transfer Qualified Members premium contributions into another HSA as designated by the member or maintain the current account.

5. ***INFORMATION REQUESTED:***

5.1. AHCCCS is requesting the following information detailed by written response:

5.1.1. Describe your experience delivering this type of service in other states or similar settings.

5.1.2. Describe how you would deliver this type of service in Arizona.

5.1.3. Describe potential benefits of implementing this service in Arizona including any supporting information. (Return on Investment, positive outcomes for members, cost avoidance).

5.1.4. What options does AHCCCS have to allow funds or contribution to be portable for members who lose AHCCCS eligibility?

5.1.5. What regular and periodic reporting will you provide to AHCCCS?

5.1.6. What are lessons learned from other state's implementation of this service?

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- 5.1.7. What do you see as the top 10 important things that we should know as Arizona heads into this?
- 5.1.8. Do you have the ability to receive and analyze claims and encounter and income data from AHCCCS? Please describe the level and frequency of data required in the form of a standard HIPAA transaction.
- 5.1.9. *What web portal features would be most important for members?*
- 5.1.10. Can you collect members' contributions through various payment methods including check, money order, automated clearing house (ACH), cash; electronic funds transfer (EFT)? Can you collect member payment through a designated partner such as Wal-Mart or Western Union? What other options are available for collecting member contributions and what limitations exist?
- 5.1.11. What options can you provide for employers to remit contribution and track these contributions directly into the HSA account for a member?
- 5.1.12. What options can you provide for employers, charitable organizations or other sources to remit contributions directly into the HSA account for a member or group of members?
- 5.1.13. What is the best way to identify how Qualified Members meet the requirement to access the funding the HSA using information provided by AHCCCS or by members? For example, is it to rely on self-reported data with a back end audit, or to use claims and encounter data which may be lagged? What other options are available and what are the advantages and disadvantages of each? What data is required to support this?
- 5.1.14. How will Qualified Members access premiums in the HSA to pay for healthy incentives? Do you have the ability to issue a debit/credit card for Qualified Members to pay for healthy incentives? How will you restrict the use of account monies to only a specified set of services or providers?
- 5.1.15. AHCCCS members can enroll in this program at any time during the year (i.e., there is no open enrollment period). Are there any barriers to enrollment in the HSA program throughout the year as opposed to an annual open enrollment period?
- 5.1.16. Describe your member billing and payment collection process.
- 5.1.17. Describe your customer support structures.
- 5.1.18. How much time do you need to develop such a tool?
- 5.1.19. How will you test your product?
- 5.1.20. What kind of support do you need from AHCCCS?
- 5.1.21. Do you have an alternative solution to allow members to view and pay HSA bills?

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- 5.1.22. If, in the future, AHCCCS chose to have the vendor expand collection of co-payments to include other populations (with similar parameters as discussed for the populations currently included in this RFI), how could this impact the vendor's solutions (e.g., is the solution scalable to larger populations)?

5.2. Financial/Total Cost of Ownership

- 5.2.1. Provide complete operational and implementation cost details, including costs for the first year and ongoing operational costs.
- 5.2.2. Provide, to the extent possible, an estimated cost model to purchase, implement, and operate your described solution.
- 5.2.3. Respondents must clearly state all assumptions underlying your pricing responses (i.e., charge basis, charge variances and sensitivities, etc.).

5.3. Presentations/ Demonstrations:

Respondents may have the opportunity, if desired, to schedule a 60-minute presentation with select AHCCCS management. AHCCCS will contact you, should this opportunity be available, with dates and times that are convenient for both parties. AHCCCS reserves the right to decide if presentations will be scheduled for some or any of the respondents. Please indicate your willingness to schedule an in-person presentation.

- 5.4. Respondents shall submit the completed Attachment A, Respondent's Information, which includes contact information, including name, title, mailing address, email address, authorized signature, and phone number of the contact person for questions relating to the RFI.

6. **HOW TO RESPOND**

- 6.1. Submit one (1) electronic copy of the RFI response in portable format (Microsoft Word or PDF) via
 - 6.1.1. CD; or
 - 6.1.2. Email attachment.
- 6.2. Submit your response no later than **3:00 p.m., Arizona Time, WEDNESDAY, OCTOBER 21, 2015**
- 6.3. Submit your response electronically or physically to:

Jennifer Roberts, CPPB
AHCCCS Contracts and Purchasing, First Floor
701 E. Jefferson St., MD-5700
Phoenix, AZ 85034
Jennifer.Roberts@azahcccs.gov

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6.4. Confidential Information:

- 6.4.1. To the extent allowed by law, information contained in a response to a request for information shall be considered confidential until a formal procurement process is concluded or for two (2) years, whichever occurs first. This RFI and responses to the RFI are subject to the Arizona Public Records law.
- 6.4.2. Detailed Legal Analysis: If a Respondent believes that a specific portion of its response, bid, proposal, offer, specification, or protest contains information that should be withheld from public inspection due to confidentiality, the Respondent shall submit to the Procurement officer a detailed legal analysis, prepared by legal counsel, which sets forth the bases for the requested non-disclosure and the specific harm or prejudice which may arise if disclosed. The analysis shall be presented to the Procurement Officer at the same time as the bid, proposal, offer, specification or protest.
- 6.4.3. Redacted Version of Response: If any pieces of your proposal are being requested to be kept confidential, and withheld from public viewing, please submit an additional redacted copy of the proposal ON A SEPARATE CD. This will ensure that our office is crystal clear on which version of your proposal is acceptable for public viewing as opposed to the version that contains confidential information for AHCCCS viewing only.
- 6.4.4. An entire response shall not be identified as confidential; only those very limited and distinct portions which are considered by the Offeror as confidential may be identified as such.
- 6.4.5. In the event that AHCCCS receives a request for disclosure of the information, AHCCCS shall disclose the information in accordance with law. Prior to disclosure, AHCCCS will inform the Offeror of such request and provide the Offeror a period of time to take action it deems appropriate to support non-disclosure. The Offeror shall be responsible for any and all costs associated with the nondisclosure of the information.

6.5. **Reimbursement:** AHCCCS will not reimburse any respondent for the cost of preparing and submitting a response to the RFI.

6.6. **No Award of Contract:** This is a Request for Information (“RFI”) only and as such will NOT result in any award of contract. AHCCCS is in the information gathering stage and no decisions have been made concerning the agency’s intent to issue a formal Request for Proposal. Responding to this RFI is appreciated and will NOT prohibit the respondents from responding to any future procurements.

Attachment A: Respondent's Contact Information

Arizona Transaction (Sales) Privilege Tax License No.:

Federal Employer Identification No.:

E-Mail Address: _____

Company Name

Address

City State Zip

For clarification of this response, contact:

Name: _____

Phone: _____

Fax: _____

Signature of Person Authorized to Sign

Printed Name

Title

END OF DOCUMENT

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