![AHCCCS logo]

AHCCCS WEB BASED CAPITATION RATE PROPOSAL APPLICATION

INSTRUCTIONS

The web application is a tool provided to bidders to facilitate an efficient and convenient process of inputting capitation bids for the contract year ending 2004 (CYE04) Acute Care request for proposal process. The following instructions are organized as a set of "Frequently Asked Questions" (FAQs) that will help guide bidders through the process.

The FAQs are broken down into the following six sections:

Section 1 - Software Requirements and Access

Section 2 - Capitation Proposal Page

Section 3 - Capitation Rate Calculation Sheet (CRCS) Input Screens (Except Delivery)

Section 4 – Delivery CRCS Input Screens

Section 5 - Initial Bid Period

Section 6 - Final Bid Period

SECTION 1 - SOFTWARE REQUIREMENTS and ACCESS

1. **What software is needed to be able to access the web application?**
    Each bidder needs to have Internet Explorer 6.0 (IE 6.0) or higher installed on their computer. If you do not have IE 6.0 then you can download it by following a link on the web application login site. Internet Explorer 6.0 must be configured so that java-script and cookies are enabled.

2. **What is the URL of the web application?**
    The location of the web application can be found at the following Internet address:
    https://scertsrv.ahcccs.state.az.us/Home.asp

    When you log into this web site, you will need to enter your user-ID and password and then click on "capitation" to launch into the web application.

3. **Where can I get a user-ID and password to be able to access the web application?**
    Each bidder will receive a user-ID and password from Michael Veit, Contracts and Purchasing Administrator. Please provide Michael Veit with the name and phone number of

the person in your organization that this information should be provided to on the form supplied. This information will be made available on or before February 28, 2003.

4. **When will the web application be made available?**
    The web application will be available at 8:00 a.m., March 3, 2003.

5. **Is the web site secure and confidential?**
    Secure Sockets Layer (SSL) protocol and Digital Certificates will be implemented for security. Since SSL is the standard for securing web transactions and is compatible with all recent web browsers, most users should be able to access the site without upgrading their software or hardware. Verisign, a third party Certificate Authority (CA) will be used for authentication. Since most browsers have a Verisign root certificate preinstalled, most providers should be able to access the web site without any problems. Furthermore, a username and password will also be required for access to the website.

6. **Who do I contact if I have technical problems with the web application?**
    If you experience technical problems with the web application, please contact the AHCCCS Computer Help Desk at 602-417-4451.

SECTION 2 - CAPITATION PROPOSAL PAGE

1. **What is the difference between the two capitation tables?**
    The two tables you see when you first view the capitation page list each geographic service area (GSA) and risk group for which you may enter a bid. The first table is for bids under the assumption that pharmacy *will not* be carved out of the managed care program. The second table is for bids under the assumption that pharmacy *will* be carved out of the managed care program. The only difference between the two sets of rate sheets is that the rate sheets in the "Without Pharmacy" table do not have a "Pharmacy" service category. The bids that you submit for each rate sheet are required to have a bid sheet for the with and without pharmacy assumptions.

2. **Within the capitation tables what does the cell label "No bid" signify?**
    The two tables show the bidding progress by GSA and risk group. When you first log in all the cells within the tables will state that "No bid" was entered. As you advance through the process and enter bids within particular risk group/GSA combinations, those statements will change to "Initial Bid" and "Bid Req'd." Those cells with "No bid" statements inform you that no bid was entered and that none is necessary to enter unless you wish to.

3. **Within the capitation tables what does the cell label "Bid Req'd" signify?**
    Upon entering a bid within a particular risk group/GSA combination, each of the risk groups within that particular GSA will then turn red and require a bid. Since contracts will not be awarded on a risk group basis within each GSA, the "Bid Req'd" cells remind you that it is necessary to bid the remaining risk groups in that GSA in order to complete your bid. If there

are "Bid Req'd" cells remaining at the end of either the initial bid period or final bid period, your submission will be incomplete and not scored for that GSA.

4. **Within the capitation tables what does the cell label "Initial Bid" signify?**
After entering a bid in a particular risk group/GSA combination and pressing the submit button, the cell will reflect that you have entered data for that rate displaying the phrase "Initial Bid." This does not mean that you cannot modify your bid before the initial bid period passes, it only serves to notify you of your progress. It is also important to note that the "Initial Bid" label does not signify that your bid is complete for that risk group/GSA combination. For example, simply entering enough information to calculate the per member per month (PMPM) for Hospital Inpatient and pressing the submit button would result in an "Initial Bid" description.

5. **How is the composite rate calculated?**
The last row of each table on the capitation proposal page shows the composite rate of each of the risk groups, except the delivery supplemental rate, that were bid on in a particular GSA. To develop the composite rate, each risk group's net capitation rate is multiplied by the proportion of that risk groups enrollment relating to the total enrollment for that GSA. Section H, Report 2 of the data supplement details the weights per risk group, by GSA. The composite rate for each risk group is then summed to determine the overall composite rate for that GSA.

SECTION 3 - CRCS INPUT SCREENS (EXCEPT DELIVERY)

1. **What are the necessary steps to submit a bid?**
Each of the risk group input screens identify the GSA, risk group, and pharmacy carve-out status that you are bidding at the top of the page. Along the left will be a list of 14 service categories with each row containing a cell to enter units per 1000 and cost per unit amounts. By entering an amount for the service category in the units per 1000 and cost per unit input cells, a PMPM value will be automatically calculated. Once a number is entered, use the "tab" key to move to the next cell. If you hit the "enter" key, you will return to the capitation proposal page and the information entered to that point will be saved (same as selecting the "submit bid" button). Repeat the process by entering amounts in all applicable service categories.

A gross capitation rate will be automatically calculated as each PMPM amount is developed. The net capitation rate is calculated after the user inputs values for Third Party Recoveries, Administration Charges, and Risk and Contingencies. Press the "recalculate" button to refresh all the computations. The page now reflects the data that will be seen by AHCCCS. Next, press the "submit bid" button and you will be taken back to the capitation page where the cell you just bid should now be labeled "Initial Bid."

2. **Which cells require an input value?**
The "Annualized Units per 1000" and "Cost per Unit" cells are required to calculate a PMPM. The "Third Party Recoveries," "Administration Charges," and "Risk and Contingencies" cells are not required to calculate a net capitation rate in a strictly functional perspective. However, it is encouraged that these cells are populated with values so that AHCCCS can better evaluate the bids.

3. **Which cells are pre-populated?**
The Co-pay and Reinsurance fields will be pre-populated in the web application.

4. **Which cells are automatically calculated?**
The "Cost PMPM," "GROSS Capitation Rate," "Total Adjustments," and "Net Capitation Rate" cells need no input from the user, they are automatically calculated. These cells have a gray background to identify them.

5. **Will the web application time-out after a period of inactivity?**
Yes, the web application will time-out after 15 minutes of inactivity. The time-out period will be reset to a new 15-minute period each time you hit either the "recalculate" or "submit bid" button. This means that you have 15 minutes to complete each rate sheet before the site will log you out. Therefore, if you are on any given rate sheet for an extended period of time, be sure to submit the bid to avoid losing data. You can then come back to that rate sheet in order to complete the bid.

6. **Is it possible to update my initial bid at any time?**
You can update your initial bid at any time up until the initial bid deadline, which is 3:00 p.m., March 31, 2003.

7. **Should the bid reflect all covered services even if the health plan subcontracts them out?**
Yes, the capitation rate needs to reflect all the covered services within that risk group.

8. **Why does the SOBRA Family Planning input screen have fewer service categories than the other CRCS screens?**
The SOBRA Family Planning (SFP) risk group has fewer service categories than the TANF and SSI rate cells because not all service categories apply to SFP.

SECTION 4 - DELIVERY CRCS INPUT SCREENS

1. **Should I input utilization per 1000 or units in the delivery rate input screen?**
It is necessary to input units when calculating the delivery capitation rate, not utilization per 1000 members.

2. **Are all values automatically calculated in the "Per Birth" column?**
No, there are three specialty service category rows that require an overall "Per Birth" amount inputted by you. These service categories are "OB/GYN," "Specialist/Anesthesia," and "Other."

3. **How are the vaginal and cesarean delivery capitation rates weighted together?**
When you arrive at the row titled "% of Each Type of Delivery" you will have the opportunity to enter an amount that will weight the two deliveries into one composite rate. The two cells must total 100, not 1.

4. **What capitation rate should I input in the "Capitation Offset" field?**
For each GSA that is being bid, it is necessary to complete the TANF 14–44 F CRCS before you can complete the delivery rate sheet. Simply populate the cell "Multiplied by Cap" with the capitation rate developed in the TANF 14–44F CRCS.

SECTION 5 - INITIAL BID PERIOD

1. **How long does the initial bid period last?**
The initial bid period deadline is 3:00 p.m., March 31, 2003.

2. **Is it possible to change initial bids after they have been submitted?**
You can modify your initial bids only within the initial bid period. Once the initial bid period passes, you can view your bids, but not change them.

3. **What happens to the data once the initial bid period is over?**
The data submitted via the web application will be verified with the hard copy CRCS sheets submitted pursuant to Section B of the RFP. The data will then be used in the scoring process.

4. **How can I retain a copy of my initial bids?**
There is no functionality to allow you to electronically save the data you input into the web application. You should keep a hard copy of each CRCS that you submit using the web application.

SECTION 6 - FINAL BIDS

1. **Are there any format changes between the initial and final bid periods?**
Once the initial bid period is over, and if a final bid period is necessary, you will log into the web application as you did in the initial bid period. During the final bid period, you will see four, instead of two, tables. The first set of two tables is your initial bids, and is no longer available for manipulation. The last set of two tables are for the final bids and function in precisely the same way as in the initial bid period. The final bid tables will be initially populated with the bids submitted at the close of the initial bid period and can be adjusted accordingly.