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## INTRODUCTION

This Competitive Contract Expansion (CCE) solicits participation by AHCCCS Complete Care (ACC) Contractors to expand the ACC Contract #YH19-0001 to include services which are the responsibility of the Regional Behavioral Health Authorities (RBHAs) currently under Title XIX/XXI Contract #YH17-0001 and Non-Title XIX/XXI #YH17-0003. This includes the following:

1. Physical health and behavioral health services for members determined to have a Serious Mental Illness (SMI),
2. Crisis services,
3. Services utilizing Non-Title XIX/XXI funding, including but not limited to State General Fund monies, County and Local funds, Substance Abuse Block Grant (SABG) (excluding Prevention services), Mental Health Block Grant (MHBG), and discretionary grants, and
4. Court Ordered Evaluation (COE) related services if the Successful Offeror is responsible for COE services on behalf of the County.

This Solicitation is an amendment to ACC #YH19-0001; the terms delineated in Contract #YH19-0001 apply in addition to those delineated in this CCE #YH20-0002.

## POLICIES

The Contract incorporates requirements specified in the CCE. To the extent possible, draft AHCCCS policies have been developed to reflect new or amended provisions and are posted to the CCE Library. Refer to Paragraph 17, Competitive Contract Expansion Library in this Section. For those policies that have not been amended at the time this CCE is issued, Successful Offerors shall adhere to the following:

1. AHCCCS policies which apply to 'ACC Contractors' shall apply to Successful Offerors for all populations served, and
2. AHCCCS policies which apply to 'RBHA Contractors' shall apply to Successful Offerors with regard to the expansion of services and as described in this CCE.

With implementation of this CCE and the effective date of the Contract (anticipated to be October 1, 2022), the term 'RBHA' will, in most circumstances, be replaced with 'ACC-RBHA'. Reference to the term RBHA means ACC-RBHA.

Additionally, AHCCCS policies that apply to 'ACC Contractors' will continue to apply to all ACC Contractors under Contract #YH19-0001 including ACC-RBHA Contractors.

**DEFINITIONS**

**AHCCCS Complete Care Contractor:** A contracted Managed Care Organization (also known as a health plan) that is responsible for the provision of specific physical and behavioral health services to certain Title XIX/XXI populations as specified in Contract No. YH19-0001 and which does not have the expanded contractual responsibilities of an ACC-RBHA under CCE No. YH20-0002.

**AHCCCS Complete Care-Regional Behavioral Health Authority Contractor (ACC-RBHA):** A Successful Offeror that is awarded an expanded Contract under this CCE will be referred to as an ACC Contractor with a Regional Behavioral Health Agreement (ACC-RBHA Contractor).

**Award:** AHCCCS approval of amendment to AHCCCS Complete Care Contract #YH19-0001 that adds responsibility for services of the Regional Behavioral Health Authorities (RBHAs) under Title XIX/XXI Contract #YH17-0001 and Non-Title XIX/XXI #YH17-0003 as outlined in this Solicitation.

**Best and Final Offer:** A revision to an Offer submitted that contains the Offeror's most favorable terms for price, service, and products to be delivered. Sometimes referred to as a Final Proposal Revision or Written Final Proposal Revisions.

**Competitive Contract Expansion (CCE):** All documents, whether attached or incorporated by references that are used by the Administration for soliciting this proposal (CCE # YH20-0002).

**Day:** A calendar day, unless otherwise specified. If a due date falls on a Saturday, Sunday, or legal holiday, then the due date is considered the next business day. A business day means a Monday, Tuesday, Wednesday, Thursday, or Friday unless a legal holiday falls on Monday, Tuesday, Wednesday, Thursday, or Friday. Computation of time begins the day after the event that triggers the period and includes all calendar days and the final day of the period. If the final day of the period is a weekend or legal holiday, the period is extended until the end of the next business day.

**Offeror:** An ACC Contractor under Contract #YH19-0001, or its parent organization, that submits a Proposal to AHCCCS in response to this CCE.

**RBHA Contractor:** A contracted Managed Care Organization (also known as a health plan) responsible for the provision of comprehensive physical health services and behavioral health services to individuals with a Serious Mental Illness (SMI) designation and other populations as specified in Contracts #YH17-0001 and #YH17-0003.

**Successful Incumbent Contractor:** An ACC Contractor that is awarded an ACC-RBHA Contract under this CCE and which has an affiliated Regional Behavioral Health Authority (RBHA) Contractor.

**Successful Offeror:** An Offeror that is awarded an expanded Contract under this CCE.

**Unsuccessful Offeror:** An Offeror that is not awarded an expanded Contract under this CCE.

**CCE LAYOUT****CCE LAYOUT**

The CCE document consists of requirements found in Sections A through I.

**Section A: Solicitation and Offer Page****Section B: Capitation Rates****Section C: Definitions****Section D: Program Requirements****Section E: Contract Terms and Conditions****Section F: Attachments**

Attachment F1: Member Grievance and Appeal System Standards

Attachment F2: Provider claim Dispute Standards

Attachment F3: Contractor Chart of Deliverables

**Section G: Non-Title XIX/XXI ACC-RBHA Contract****Section H: Instructions to Offerors****Section I: Exhibits**

Exhibit A: Offeror Checklist

Exhibit B: Offeror Submission Form

Exhibit C: Narrative Submission Requirements

Exhibit D: Transition Requirements

Exhibit E: Questions and Responses Template

Exhibit F: SFTP Instructions

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**INSTRUCTIONS****1. PROSPECTIVE OFFERORS' INQUIRIES**

Any inquiries related to this CCE Solicitation shall be directed to the AHCCCS Procurement Officer listed in CCE Section A, Solicitation and Offer Page and as delineated in Paragraph 7, Amendments to CCE in this Section. Offerors shall not contact or ask questions of AHCCCS staff related to the CCE unless authorized by the AHCCCS Chief Procurement Officer.

Questions pertaining to the CCE shall be submitted in accordance with the schedule included in Paragraph 16, Anticipated Procurement Timeline in this Section or as otherwise specified in the CCE Library. Questions shall be e-mailed to the AHCCCS Procurement Officer listed in CCE Section A, Solicitation and Offer Page utilizing CCE Section I, Exhibit E. Offerors shall not modify the format of the Template. AHCCCS will respond in writing to all questions submitted through this process via a formal amendment to the CCE. Refer to Paragraph 7, Amendments to CCE in this Section.

**2. NO RIGHT TO RELY ON VERBAL RESPONSES**

Any inquiry that results in changes to the Solicitation shall be answered solely through a written Solicitation Amendment. An Offeror may not rely on verbal responses to its inquiries.

**3. PERSONS WITH DISABILITIES**

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the AHCCCS Procurement Officer listed in CCE Section A, Solicitation and Offer Page. Requests shall be made as early as possible to allow time to arrange the accommodation.

**4. PROPOSAL OPENING**

After the deadline for submitting Proposals, AHCCCS may open Proposals publicly and announce and record the names of the Offerors, or alternatively open proposals and post the names of the Offerors on the AHCCCS public website. Proposals will not be available for public inspection until after contract award.

**5. LATE PROPOSALS**

Late Proposals received after 3:00 p.m. Arizona Time on October 4, 2021, will not be considered.

**6. WITHDRAWAL OF PROPOSAL**

At any time prior to the Proposal due date and time, the Offeror may withdraw any previously submitted Proposal. Withdrawals shall be provided in writing and submitted to the AHCCCS Procurement Officer listed in CCE Section A, Solicitation and Offer Page. Proposals cannot be withdrawn after the published due date and time.

## 7. AMENDMENTS TO CCE

AHCCCS may issue amendments to the CCE subsequent to the issue date of this Solicitation on its own initiative. AHCCCS will respond in writing to questions submitted through the process described in Paragraph 1, Prospective Offerors' Inquiries in this Section via a formal amendment to the CCE in accordance with the schedule of Anticipated Procurement Timeline.

The Offeror shall acknowledge all amendments to the CCE by signing the signature page of each amendment and by submitting to AHCCCS all signed signature pages with the Offeror's Proposal.

## 8. EVALUATION FACTORS AND SELECTION PROCESS

The items which are designated for scoring in this CCE shall be evaluated and scored using only the information submitted to AHCCCS by the Offeror. AHCCCS has established a scoring methodology to evaluate an Offeror's ability to provide cost-effective, high-quality contract services in a managed care setting in accordance with the AHCCCS mission and goals. It is the responsibility of the Offeror to clearly and comprehensively respond to each requested item and to ensure that there are no omissions or ambiguities. Failure of the Offeror to provide a clear, thorough, and detailed response may affect scoring.

It is critical that the Offeror recognize the importance of all contractual provisions and their value to the AHCCCS Program. The CCE Submission Requirements address limited subject matter areas; however, the importance of topics not addressed in the Submission Requirements are not to be minimized. Regardless of whether or not a particular topic is presented in the Submission Requirements, a Successful Offeror is required to comply with all contractual provisions as acknowledged by the Offeror's submittal of a signed Proposal.

The final decision regarding the particular Offerors awarded Contracts will be made by AHCCCS. The decision will be guided, but not bound, by the scores awarded by the evaluators. AHCCCS will ultimately make its decision based on a determination of which Proposals are deemed to be most advantageous to the State and in accordance with Paragraph 11, Award of Contract, in this Section.

If AHCCCS deems that there is a negligible difference in scores between two or more competing Proposals for a particular Geographic Service Area (GSA), in the best interest of the State, AHCCCS may consider additional factors in awarding the Contract including, but not limited to:

- Potential disruption to members, and/or
- An Offeror who has performed in a satisfactory manner (in the interest of continuity of care), and/or
- An Offeror who participates satisfactorily in other lines of AHCCCS business, and/or
- An Offeror's past performance with AHCCCS, and/or
- An Offeror's past Medicare performance, and/or
- The nature, frequency, and significance of any compliance actions, and/or
- Any convictions or civil judgments entered against the Offeror's organization, and/or
- Administrative burden to the Agency.

If awarded a Contract, the Offeror shall meet all AHCCCS requirements, irrespective of what is requested and evaluated through this Solicitation. The Proposal submitted by the Offeror will become part of the Contract with AHCCCS and the Offeror shall comply with all commitments and statements included in its CCE submission.

**Past Performance:** AHCCCS anticipates utilizing the Offerors' past performance when evaluating the Offeror's Proposal. Past performance evaluation items may include the following:

- Network adequacy,
- Administrative (Compliance) Actions (Notice to Cure, Corrective Action Plan, Non-Encounter Sanctions, Pended Encounter Sanctions, Encounter Data Validation Sanctions),
- AHCCCS Provider Survey results,
- Claims performance,
- Member grievances, and
- CAHPS Survey results.

**Capitation Agreement/Administrative Cost Bid and Programmatic Requirements:** Capitation Agreement/Administrative Cost Bids and Programmatic Requirements (narrative submission requirements and past performance) will be evaluated and weighted.

- **Narrative Submissions:** With the exception of Narrative submissions noted as a non-scored item and Narratives that are noted as GSA-specific, Narratives will be scored for each ACC Contractor and the score for that ACC Contractor will be applied to all GSAs bid.
- **ACC Past Performance:** With the exception of Network Adequacy which will be scored by GSA, each Past Performance evaluation item, if utilized, will be scored for each ACC Contractor and the score for that ACC Contractor will be applied to all GSAs bid.
- **RBHA Past Performance:** Each RBHA Contractor Past Performance evaluation item, if utilized, will be scored for each RBHA Contractor. The score for a RBHA Contractor will be applied to all GSAs bid by an ACC Contractor with the same parent organization as the RBHA Contractor. Network Adequacy and Provider Survey Past Performance will not be scored for the RBHA Contractors.
- **Capitation Agreement/Administrative Cost Bid** will be scored by GSA for each ACC Contractor.

## 9. CLARIFICATION OF OFFERS

AHCCCS may request clarification of an offer any time after receipt. Clarifications may be requested orally or in writing. If clarifications are requested orally, the Offeror shall confirm the request in writing. A request for clarifications shall not be considered a determination that the Offeror is susceptible for award.

## 10. READINESS REVIEW

AHCCCS will conduct readiness reviews to evaluate the Successful Offerors' ability to implement the terms of the Contract. Readiness reviews, which will begin after award, assess Successful Offerors' ability to provide covered services to members at the start of the program and medical service implementation date. Refer to Paragraph 16, Anticipated Procurement Timeline in this Section.

In the event AHCCCS determines that a Successful Offeror fails to meet readiness requirements, AHCCCS reserves the right to:

1. Impose Administrative Action(s), and/or
2. Negotiate with Contractors under the RBHA Contract #YH17-0001 and #YH17-0003 to extend service provision until a time specified by AHCCCS.

AHCCCS may incorporate an Information Technology Demonstration (IT Demo) in May or June 2022, as part of the readiness review, where Successful Offerors will be required to participate in the IT demonstration utilizing mock data running through PMMIS. The IT demonstration will encompass up to a 30-day cycle in order to incorporate a full month of PMMIS activity.

Successful Offerors may be subject to onsite review(s) as part of readiness reviews to determine the adequacy of Successful Offerors' infrastructure to support the provision of services to the population for the awarded GSA(s).

The Successful Offeror shall ensure it has a comprehensive network that complies with all network sufficiency standards as outlined in Contract #YH19-0001, CCE Solicitation #YH20-0002, and ACOM Policy 436, no later than August 1, 2022 [42 CFR 438.207(b)-(c)]. **Provider contracts supporting network sufficiency shall be finalized, executed, and loaded with contracted fee schedules prior to the start of this Contract.** Regular reporting will be required throughout the readiness process.

Successful Offerors will be required to provide transition updates telephonically and/or through ad-hoc deliverables as well as attend meetings after the October 1, 2022, transition date. These meetings will be scheduled approximately every six weeks. However, the meetings may be held more frequently. Agenda items discussed at these meetings will include, but not be limited to, updates on the transition, key transition indicators, grievance, appeal, and complaint information, and updates on items promised in the CCE submission.

***Crisis Services/Crisis Phone Line Vendor:*** Successful Offerors are responsible to select a single statewide crisis phone vendor using a collaborative approach to begin services October 1, 2022. The crisis phone line vendor shall be responsible for operating a single, statewide, toll-free, easy-to-use 24/7/365 behavioral health crisis phone line and response system capable of meeting the service demands and performance measures required by AHCCCS. The selected vendor will be responsible for initiating mobile team dispatch and tracking, and reporting disposition and outcome information, as appropriate.

The selection of a crisis phone vendor shall be based upon the vendor's ability to provide services in alignment with the expectations specified in Contract, Policy, and below. Successful Offerors shall provide AHCCCS regular updates regarding the vendor selection process with final approval from AHCCCS required prior to award. AHCCCS approval may be contingent upon implementation of specific safeguards among any related parties and competitive cost structure.

Successful Offerors shall require the crisis phone line vendor to adhere to the following minimum requirements:

1. Compliance with all contractual requirements and the AHCCCS Crisis Services Policy,
2. The crisis phone line vendor shall be located in Arizona and staff shall have regional and local knowledge of the communities they serve,
3. Implementation of policies, procedures, and practices to ensure all individuals performing services for the vendor, whether employed or under contract, have and maintain necessary skills, training, education, experience, orientation, and appropriate licenses and certifications, as applicable to perform assigned job duties,
4. The crisis phone line vendor shall be licensed by the Arizona Department of Health Services (ADHS) and registered with AHCCCS,



5. Continuation of all existing statewide crisis telephone numbers for a transition period of one year from implementation,
6. Continuation, at current service levels, for existing peer-run warmlines and other phone-support services provided by the RBHA-funded behavioral health system,
7. The ACC-RBHA Contractors may select their chosen statewide crisis call vendor at their discretion; however, the ACC-RBHA Contractors shall require the statewide crisis vendor to obtain NSPL accreditation prior to program implementation. The crisis phone line vendor shall obtain accreditation within 60 days of initiation of the contract and/or maintain its accreditation for the crisis phone line by the American Association of Suicidology (AAS) and National Suicide Prevention Lifeline (NSPL). This requirement shall be included in the ACC-RBHA Contractors' subcontract with the vendor. The crisis phone line vendor shall employ technology systems that allow information and data to be shared throughout the continuum of crisis services in real time and that facilitate communication between crisis providers and a member's Contractor of enrollment,
8. The crisis phone line vendor shall interface with, and utilize the Health Information Exchange (HIE),
9. Data collection, analysis and evaluation of crisis services information and data, including, tracking, and trending to improve service provision and adherence to data reporting requirements,
10. Implementation of policies, and procedures and practices to effectively review, evaluate, and resolve quality and service issues and concerns raised by individuals, stakeholders, and AHCCCS, and,
11. Adherence to the AHCCCS Minimum Subcontract Provisions (MSPs).

The Tribal Regional Behavioral Health Authorities (TRBHAs) will continue to maintain their individual crisis response systems, as specified in their Intergovernmental Agreements (IGAs) with AHCCCS.

AHCCCS intends to only fund reasonable, appropriate, and attainable costs for crisis services.

#### **11. AWARD OF CONTRACT**

AHCCCS shall award a Contract or Contracts to the responsible and responsive Offeror(s) whose Proposal is determined most advantageous to the State.

Notwithstanding any other provision of this Solicitation, AHCCCS expressly reserves the right to:

1. Waive any immaterial mistake or informality,
2. Reject any or all Proposals, or portions thereof, and/or
3. Reissue the CCE Solicitation.

A Proposal submitted in response to this CCE is an offer to contract with AHCCCS based upon the terms, conditions, scope of work (Program Requirements), and specifications of the CCE. The Proposal submitted by the Offeror will become part of the Contract with AHCCCS. A Contract is formed when the AHCCCS Procurement Officer signs the award page and provides written notice of the award(s) to the Successful Offeror(s), and the Offeror accepts any special provisions to the Contract and the final rates awarded. All Offerors will be promptly notified of Contract award.

AHCCCS will award Contracts in each GSA to Successful Offerors in the best interest of the State.

No capped enrollment contracts will be awarded to any RBHA Contractors.

ACC Contractors currently serving a GSA are only eligible to compete for the provision of expanded services in that particular GSA. For the South GSA, only those ACC Contractors serving all counties in the South GSA will be eligible to compete for the expanded services.

AHCCCS anticipates awarding one ACC Contractor in each GSA for provision of expanded services. GSAs are specified below:

GEOGRAPHIC SERVICES AREAS
<u>North GSA</u> Mohave/Coconino/Apache/Navajo/Yavapai
<u>South GSA</u> Cochise/Graham/Greenlee/ La Paz/Pima/Santa Cruz/Yuma (Including zip codes 85542, 85192, and 85550)
<u>Central GSA</u> Maricopa/Gila/Pinal (Excluding zip codes 85542, 85192, and 85550)

An ACC Contractor or its parent organization will not be awarded an ACC-RBHA contract in more than two of the three GSAs in the state.

ACC Contractors owned by the same parent organization shall not submit separate Proposals in response to the CCE Solicitation; only one Proposal is permitted on behalf of all ACC Contractors owned by the same parent organization. The single CCE Proposal shall specify any and all GSAs to be bid by each ACC Contractor owned by the same parent organization.

In the event a protest or unforeseen circumstance delays the October 1, 2022, implementation in one or more GSAs, RBHA Contractor(s) and ACC Contractors shall be required to continue provision of services according to the terms of their existing Contract, until such time as determined by AHCCCS and in the best interest of the State.

## **12. REJECTION OF A PROPOSAL - RESPONSIBILITY, RESPONSIVENESS, SUSCEPTIBILITY, AND BEST INTEREST**

In accordance with applicable procurement regulations and best practices, at any time during the evaluation, AHCCCS may reject an Offer based upon a determination that Offeror is not responsible, or that the proposal is not responsive or not susceptible for award. AHCCCS may reject the Offer if doing so is in the best interest of the State. When rejecting a proposal, AHCCCS may consider any of the following:

1. Whether the Offeror has had a contract within the last five years that was terminated for cause due to breach or similar failure to comply with the terms of the contract,
2. Whether the Offeror has had a Contract that was terminated by AHCCCS for any reason,
3. Whether the Offeror's record of performance includes factual evidence of failure to satisfy the terms of the Offeror's agreements with any party to a contract. Factual evidence may consist of documented vendor performance reports, customer complaints, and/or negative references,
4. Whether the Offeror is legally qualified to contract with the State and the Offeror's financial, business, personnel, or other resources, including subcontractors. Legally qualified includes if the

- vendor or if key personnel have been debarred, suspended, or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to being disapproved as a subcontractor of any public procurement unit or other governmental body,
5. Whether the Offeror promptly supplied all requested information concerning its responsibility,
  6. Whether the Offer was sufficient to permit evaluation by the State, in accordance with the evaluation criteria identified in this Solicitation or other necessary offer components. Necessary offer components include: attachments, documents or forms to be submitted with the offer, an indication of the intent to be bound, reasonable or acceptable approach to perform the Scope of Work (Program Requirements), acknowledged Solicitation Amendments, references to include experience verification, adequacy of financial/business/personal or other resources to include a performance bond and stability including subcontractors, and any other data specifically requested in the Solicitation,
  7. Whether the Offer was in conformance with the requirements contained in the Scope of Work, Terms and Conditions, and Instructions for the Solicitation including its Amendments and all documents incorporated by reference,
  8. Whether the Offer limits the rights of the State,
  9. Whether the Offer includes, or is subject to, unreasonable conditions, to include conditions upon the State necessary for successful Contract performance. The State shall be the sole determiner as to the reasonableness of a condition,
  10. Whether the Offer materially changes the contents set forth in the Solicitation, which includes the Scope of Work (Program Requirements), Terms and Conditions, or Instructions,
  11. Whether the Offeror provides misleading or inaccurate information,
  12. Whether the Offer fails to meet the minimum mandatory requirements of the CCE,
  13. Whether the Offer satisfies the requirements of the CCE in a cost effective manner, as determined by AHCCCS,
  14. Whether the Offeror's pricing is unrealistic, or unreasonably or unsubstantiatedly high, or
  15. Any other criteria deemed appropriate by AHCCCS to determine if the Offer is in the best interest of the State, and
  16. AHCCCS may reject a Proposal from the Offeror before the date of *Contracts Awarded/Transition Services Begin* if the Offeror is materially out of compliance with a Managed Care Contract with any governmental entity.

### 13. PROTESTS

Protests shall comply with the requirements set forth in A.A.C R9-22-601 et seq. and in particular A.A.C. R9-22-604. References to "RFP" in the rule are replaced with "CCE Solicitation." All protests shall be filed to the AHCCCS Procurement Officer in writing by email.

### 14. ENROLLMENT AND MEMBER TRANSITION AFTER CONTRACT AWARD

During the transition period prior to October 1, 2022, AHCCCS intends to notify members of changes to assigned ACC-RBHA Contractors.

Successful Incumbent Contractors in each GSA will retain members enrolled in their affiliated RBHA as of September 30, 2022, in the counties applicable to the new ACC-RBHA Contractor's GSA(s) as shown in Paragraph 12, Rejection of a Proposal – Responsibility, Responsiveness, Susceptibility, and Best Interest in this Section.

If during the readiness review, AHCCCS determines the Successful Offeror is unprepared to receive membership, no members will be enrolled with the Contractor effective October 1, 2022.

**Member Transition:** A Successful Offeror shall provide a smooth transition for members that minimizes disruption and inconvenience. Successful Offerors are responsible for the continuation of member use of service providers and the provision of services as described in CCE Section I, Exhibit D, Transition Requirements. Additionally, a Successful Offeror shall ensure members receive education and information regarding the transition and what to expect.

AHCCCS will provide new Contractors with historical encounter data for members enrolled with the Contractor. Additional information regarding this data provision will be provided post-award. Contractors shall utilize this data for medical management purposes.

Successful Offerors shall designate a key staff person with appropriate training and experience to act as the Transition Coordinator as outlined in CCE Section D, Paragraph 8, Transition Activities. The Transition Coordinator shall be available 24 hours a day, seven days a week to work on the post-award transition including urgent issue resolutions.

#### 15. FEDERAL DEADLINE FOR SIGNING CONTRACT

The Centers for Medicare and Medicaid Services (CMS) has imposed strict deadlines for finalization of Contracts in order to qualify for Federal Financial Participation (FFP). This Contract, and all subsequent amendments, shall be timely, completed, and signed by both AHCCCS and the Successful Offeror. The Successful Offeror shall ensure this Contract and all subsequent amendments are submitted to AHCCCS sufficiently in advance for submission to CMS prior to the effective date of the initial Contract and/or Contract amendments. AHCCCS will specify the date that signed Contracts and amendments are due. All public entity Offerors shall ensure that the approval of this Contract is placed on appropriate agendas sufficiently in advance of the deadline to ensure compliance with this requirement. In the event CMS denies or withholds Federal Financial Participation (FFP) due to the Successful Offeror's failure to execute this Contract or a subsequent contract amendment within the timeframe prescribed by AHCCCS, in addition to any other remedies and/or sanctions, AHCCCS may deny or withhold payments to the Contractor until such time as CMS authorizes expenditure of FFP.

#### 16. ANTICIPATED PROCUREMENT TIMELINE

The following is the anticipated schedule of events regarding the Solicitation process.

ANTICIPATED PROCUREMENT TIMELINE CCE #YH20-0002	
DATE	ACTIVITY
August 4, 2021	Issue CCE
August 11, 2021	Prospective Offerors' First Set of Technical Assistance and CCE Questions Due by 5:00 p.m. Arizona Time
August 26, 2021	First CCE Amendment Including Responses to CCE Questions
September 2, 2021	Prospective Offerors' Second Set of Technical Assistance and CCE Questions Due by 5:00 p.m. Arizona Time
September 14, 2021	Second CCE Amendment Including Responses to CCE Questions
September 17, 2021	Deadline to request access to the SFTP server

ANTICIPATED PROCUREMENT TIMELINE CCE #YH20-0002	
DATE	ACTIVITY
October 4, 2021	Proposals Due by 3:00 p.m. Arizona Time
On or Before November 15, 2021	Contracts Awarded/Transition Services Begin
October 1, 2022	Program and Medical Service Implementation
<i>Note: Dates and activities are subject to change.</i>	

#### 17. COMPETITIVE CONTRACT EXPANSION LIBRARY

The CCE Library contains critical reference material, including but not limited to, AHCCCS policies, Offeror's Checklist, Offeror' CCE Submission Form, utilization and cost data, member data, and performance requirements to assist the Offeror to prepare a Proposal to this Solicitation. References are made throughout this Solicitation to materials in the CCE Library, and Offerors are responsible for reviewing the contents of the CCE Library materials as if the materials were printed in full herein. AHCCCS may continue to update the CCE Library after this Solicitation is issued; the Offeror is responsible for monitoring updates to the CCE Library. The CCE Library is located on the AHCCCS website at:

<https://azahcccs.gov/PlansProviders/HealthPlans/YH20-0002.html>

#### 18. MINIMUM CAPITALIZATION

The Successful Offeror is required to meet an ACC-RBHA minimum capitalization requirement, in addition to the ACC equity per member requirement specified in Contract, for each ACC-RBHA GSA awarded. The Successful Offeror shall submit within 30 days after notification of Contract award documentation substantiating that the ACC-RBHA minimum capitalization requirement per GSA has been met. Effective October 1, 2022, the ACC-RBHA minimum capitalization may be applied to the Successful Offeror's ACC-RBHA equity per member standard, which continues throughout the term of the Contract. Refer to CCE Section D, Paragraph 47, Financial Viability Standards.

**Minimum Capitalization Requirements:** Minimum capitalization requirements by GSA are as follows:

GSA	ACC-RBHA CAPITALIZATION REQUIREMENT
<u>North</u> Mohave/Coconino/Apache/Navajo/ Yavapai	\$5,500,000
<u>South</u> Cochise/Graham/Greenlee/ La Paz/Pima/Santa Cruz/Yuma	\$8,500,000
<u>Central</u> Maricopa/Gila/Pinal	\$24,500,000

**New Offerors (any Offeror that is not currently a RBHA Contractor with AHCCCS):** To be considered for an ACC-RBHA Contract award in a given GSA or group of GSAs, an Offeror shall meet the ACC-RBHA minimum capitalization requirements listed above.

**Successful Incumbent Contractors:** To be considered for an ACC-RBHA Contract award in a given GSA or group of GSAs, a Successful Incumbent Contractor shall meet the ACC-RBHA minimum capitalization requirements listed above. If a Successful Incumbent Contractor's unrestricted equity as defined and restricted for the equity per member ratio in ACOM Policy 305, per GSA, meets the minimum capitalization listed above for the ACC-RBHA GSA within 30 days of Contract award, the Contractor will

be considered to have met minimum capitalization. If a Successful Incumbent Contractor's unrestricted equity as defined and restricted for the equity per member ratio in ACOM Policy 305, per GSA, does not meet the ACC-RBHA minimum capitalization listed above for the ACC-RBHA GSA within 30 days of Contract award, the Successful Incumbent Contractor shall fund, through capital contribution, the necessary amount to meet the minimum capitalization. Successful Incumbent Contractors that are awarded an ACC-RBHA GSA in which they do not hold a current Contract shall provide the ACC-RBHA minimum capitalization requirement listed above for each new ACC-RBHA GSA, within 30 days of contract award. Any excess equity in an awarded GSA may be used to meet the minimum capitalization in another GSA.

This requirement is in addition to the Performance Bond requirements specified in CCE Section D, Paragraphs 43, Performance Bond or Bond Substitute, and CCE Section D, Paragraph 44, Amount of Performance Bond, and shall be met with cash with no encumbrances, such as a loan subject to repayment or other restrictions on equity defined in ACOM Policy 305.

## 19. CONTENTS OF OFFEROR'S PROPOSAL

If AHCCCS determines a Proposal to be non-responsive, AHCCCS may reject the proposal.

**The Offeror's Proposal shall be organized with strict adherence to CCE Section I, Exhibit A, Offeror's Checklist and submitted using the forms and specifications provided in this CCE.**

The Offeror shall submit its Offer via the Secured File Transfer Protocol (SFTP) to the appropriate *Health Plans* folder. Instructions for access to the SFTP are included in CCE Section I, Exhibit F, SFTP Instructions. The number of individuals permitted to sign up for the SFTP per Offeror is limited to **two**. The Offeror shall upload the Proposal to the secured location on the SFTP server. **The deadline to request access to the SFTP is September 17, 2021.**

The SFTP is organized as shown below:

- Main Folder: CCE YH20-0002
  - Sub-Folder: Data Supplemental Files
    - Sub-Folder: Title XIX XXI Data Supplement for Capitation Rate Setting
  - Sub-Folder: Health Plans

The Offeror shall submit the following electronically to AHCCCS by 3:00 p.m. Arizona Time on October 4, 2021, via the SFTP server in the corresponding Health Plan Folder:

1. Capitation Agreement/Administrative Cost Bid Submission: (1) Agreement accepting capitation rates [pdf] (2) Administrative Cost Bid Submission Workbook [Excel] (3) Actuarial Certification(s) [pdf], and
2. Proposal: One PDF version of the Offeror's Proposal.

Files names (including the URL path) for electronic files uploaded to the SFTP cannot exceed 255 characters.

Upon upload of the Offeror's Proposal to the SFTP, the Offeror shall email notification to the AHCCCS Procurement Officer listed in CCE Section A, Solicitation and Offer Page. AHCCCS will provide email notification to the Offeror upon receipt of a document to the SFTP folders noted above when received within normal business hours (8 a.m. to 5 p.m. Arizona Time). When received outside of normal business hours, email notification will be provided to the Offeror the next business day. Notification of

receipt will be provided only to the contact person provided on the Offeror's Proposal, Section A, Solicitation and Offer Page, regardless of the individual who sent, or individuals cc'd on, the email. The notification shall serve *only* as confirmation that a document from the Offeror was received to the SFTP. The email notification from AHCCCS does not confirm whether or not the document conforms to the material elements of the submission requirement(s) or whether or not the Offeror's Proposal qualifies as responsive.

**Rejection of CONFIDENTIAL/PROPRIETARY Requests:** AHCCCS will post all Proposals including Capitation Agreement/Administrative Cost bids to the AHCCCS website once the Contract awards have been made. **The Offeror shall not designate any information to be proprietary in nature.** All pages will be disclosed regardless of their designation.

All Proposals shall be in Calibri 11-point font or larger with borders no less than 1/2". Unless otherwise specified, responses to each submission requirement shall be limited to the page limit specified for each submission requirement and be provided on 8 1/2" x 11" one sided, single spaced, type written pages. Erasures, interlineations, or other manual modifications in the Proposal are prohibited. All pages of the Offeror's Proposal shall be numbered sequentially. Numbering of pages shall continue in sequence through each separate section. Each section of the Proposal shall be clearly labeled and contain all information requested in this Solicitation. When converting the Proposal to a PDF document, the PDF page numbering and the document page numbering shall align.

The Offeror has the discretion to include or exclude the narrative submission requirement text as a part of the Offeror's response; however, the required page limit applies regardless of whether or not the text is included. AHCCCS will only consider the information provided within the allotted page limit and permitted attachments, if any, in response to a specific submission requirement when evaluating the Offeror's Proposal. At no time will AHCCCS consider information outside the allotted page limit and permitted attachments, or any other information provided elsewhere in the Proposal when reviewing a specific response to an individual submission requirement.

Except in the case of a negligible difference in scores between two or more competing Proposals for a particular GSA, as referenced in Paragraph 8, Evaluation Factors and Selection Process in this Section, only information expressly provided by the Offeror will be considered. No inferences or assumptions will be made by the evaluation team when scoring in order to evaluate information submitted by the Offeror which is not clear, explicit, or thoroughly presented.

Use of contingent language such as 'exploring' or 'taking under consideration' will not be given any weight during the scoring evaluation process. A policy, brochure, or reference to a policy or manual does not constitute an adequate response and will not be given any weight during the scoring evaluation process.

It is the responsibility of the Offeror to examine the entire CCE, timely seek clarification of any requirement that may not be clear and review all responses for accuracy before submitting its Proposal. The Proposal becomes a part of the Contract. Therefore, whatever information is stated in the Proposal may be evaluated either during the Proposal evaluation process or subsequently during other reviews.

All Proposals will become the property of AHCCCS. AHCCCS will not reimburse the Offeror for the cost of Proposal preparation.

Proposals that are not submitted in conformance with the requirements described herein may not be considered. References in Section H, Instructions to Offerors to certain sections of the CCE document are intended only to provide general assistance to Offerors and are not necessarily intended to represent all requirements. Other possible resources may be found in the CCE Library. It is the obligation of the Offeror to identify all relevant information.

## **20. SUBMISSION REQUIREMENTS**

The Offeror shall ensure its Proposal is in compliance with, at a minimum, relevant statutes, rules, policies, the requirements specified in this CCE, and other referenced sources. The Offeror's Proposal shall contain the following and be organized as follows:

### **PART A**

#### **A1 - Offeror's Checklist (CCE Section I, Exhibit A)**

The Offeror shall complete and submit CCE Section I, Exhibit A, Offeror's Checklist. The Offeror shall submit all items delineated in CCE Section I, Exhibit A, Offeror's Checklist using the forms and specifications provided in this CCE. This document is provided separately on the CCE Library.

#### **A2 - Offeror's Completed, Signed Solicitation, and Offer Page (CCE Section A)**

The Offeror shall complete and submit CCE Section A, Solicitation and Offer Page. This document is provided separately on the CCE Library.

#### **A3 - Offeror's Completed Offeror Submission Form (CCE Section I, Exhibit B)**

The Offeror shall complete and submit CCE Section I, Exhibit B, Offeror CCE Submission Form. This document is provided separately on the CCE Library.

#### **A4 - Offeror's Signed Signature Page for each Solicitation Amendment**

The Solicitation Amendment Signature Page(s), if applicable, are provided separately on the CCE Library.

### **PART B – NARRATIVE SUBMISSION (CCE Section I, Exhibit C)**

The Offeror is required to respond to the Narrative Submission Requirements found in CCE Section I, Exhibit C, Narrative Submission Requirements utilizing the instructions specified in Paragraph 19, Contents of Offeror's Proposal in this Section.

### **PART C – CAPITATION AGREEMENT/ADMINISTRATIVE COST BID**

The AHCCCS actuaries will develop components of the capitation rates including the medical services component, reinsurance offset, underwriting gain, and premium tax. These components will not be bid by the Offeror. The capitation rates developed by the AHCCCS actuaries will be actuarially sound according to the applicable provisions of 42 CFR Part 438 and applicable Actuarial Standards of Practice and will follow generally accepted actuarial principles and practices.

The complete capitation rates will be published by AHCCCS prior to October 1, 2022. Refer to the Rate Development Documentation found in Section F, Rate Development Information of the Title XIX/XXI Data Supplement For Capitation Rate Setting in the CCE Library.



**C1** - The Offeror shall submit an agreement that the Offeror will accept the actuarially sound capitation rates computed prior to October 1, 2022. The agreement shall be signed by each of the ACC Contractor's Chief Executive Officer. This is a required submission.

AHCCCS intends to set the underwriting gain equal to one percent of the capitation rate for each risk group excluding premium tax.

Administrative expenses will be bid by the Offerors. AHCCCS may use these bids in developing capitation rates; however, AHCCCS reserves the right to adjust the capitation rates, including the administrative cost component, in order to maintain compliance with the Medicaid Managed Care Rules and Rate Setting Guidelines.

AHCCCS is providing Offerors with a Title XIX/XXI Data Supplement For Capitation Rate Setting located in the CCE Library for informational purposes. If the Offeror chooses to use this data source to develop its administrative cost bid, the Offeror shall not consider this the sole source of information in making decisions.

If any moral or religious objections were submitted as part of the ACC Request for Proposal (RFP), the Offeror shall not exclude from the administrative bid submission(s) any related administrative costs.

**C2** - The Offeror shall bid the administrative cost portion of the capitation rates. The Offeror shall include an administrative rate for each GSA and GSA combination for which the Offeror is submitting a bid. AHCCCS will include an Administrative Cost Bid Submission Workbook and instructions in the Title XIX/XXI Data Supplement For Capitation Rate Setting in the CCE Library. The Offeror shall submit a single Workbook in Excel to AHCCCS via the SFTP server in accordance with Paragraph 19, Contents of Offeror's Proposal in this Section. A separate worksheet shall be included for each GSA and GSA combination in which the Offeror submits a bid.

**C3** - The Offeror shall ensure that an actuary who is a member of the American Academy of Actuaries certifies that the Administrative Cost Bid Submission meets the requirements of 42 CFR 438.5(e) by submitting a signed actuarial certification of all rates submitted with the CCE submission. The Offeror may submit a separate certification for each GSA or a single certification that covers all GSAs bid. Further detail regarding requirements of the bids can be found in the Title XIX/XXI Data Supplement For Capitation Rate Setting in the CCE Library in the Non-Benefit Costs Bid Requirements document in Section F, Rate Development Information.

AHCCCS reserves the right to request supporting documentation for any component of the Administrative Cost Bid submission.

AHCCCS reserves the right to request Best and Final Offers. In the event AHCCCS exercises this right, Offerors that submitted a Proposal that is susceptible to award may be asked to provide a Best and Final Offer. Best and Final Offers will only be discussed for the Administrative Cost Bid portion of the CCE. Refer to Paragraph 20, Submission Requirements in this Section for information on how to submit the Administrative Cost Bid. The State reserves the right to award a Contract on the basis of initial Proposals received; therefore, the Offeror is encouraged to submit its most competitive bid.

## **21. PUBLIC RECORD**

All Offers submitted and opened are public records and must be retained by the State for a period of time in accordance with the law. Offers shall be open and available to public inspection after Contract award.

[END OF SECTION H: INSTRUCTIONS TO OFFERORS]