ARIZONA
HEALTH CARE COST
CONTAINMENT SYSTEM

ALTCS E/PD #YH27-0001
Request For Proposal Pre Proposal Conference

August 11, 2026

Opening Remarks

Roberta Harrison

Interim Director, AHCCCS

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Welcome & Introductions

Alisa Randall
Chief Programs Officer/ Mental Health Commissioner

Meggan LaPorte
Chief Procurement Officer

Christina Quast
Assistant Director, Division of Managed Care

Andrew Cohen
Pacific Health Policy Group

Helen Rasho
Program Administrator, Division of Managed Care

Erica Johnson
Chief Actuary

Agenda

Topic	Presenter(s)
Welcome: Introductions & Expectations	Alisa Randall & Meggan LaPorte
Key Dates & Proposal Submission	Meggan LaPorte
Evaluation Overview	Andrew Cohen
Major Decisions	Alisa Randall & Christina Quast
Break	
Case Management Caseload Ratios	Helen Rasho
Price Submission & Evaluation Overview	Erica Johnson
Possible Future Considerations	Alisa Randall
Wrap up	

Key Dates & Proposal Submission

Meggan LaPorte

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Expectations

Reminder that remarks made here today are not binding, RFP prevails

The purpose of today's conference is to guide Offerors on how to submit their proposals and what to expect during the procurement process

Though we will try our best to answer questions asked today, for more technical or complicated questions we will ask that they be submitted in writing on the Q and A form

Please refrain from asking questions around intent or justification of a decision

Please refrain from approaching AHCCCS staff after the conference

Recording of today's meeting is not permitted

Key Dates

August 17, 2026 3PM	Round #1 Questions Due
August 27, 2026	Round #1 Answers Posted
September 1, 2026	Intent to Bid Due, Disclosure of Information Due
September 3, 2026 3PM	Round #2 Questions Due
September 11, 2026	Round #2 Answers Posted
September 24, 2026 3PM	Proposal Due Date
October 26-November 10, 2026	Oral Presentations
January 2027	Award of Contract
October 1, 2027	Contract Start Date

Key Locations

RFP INBOX

RFPYH270001@azahcccs.gov

- Q and A Forms
- Intent to Bid Forms
- Disclosure Forms
- Confirmation of Submission of Proposals

BIDDERS LIBRARY

https://www.azahcccs.gov/PlansProviders/HealthPlans/YH27-0001.html

AHCCCS Secure File Share

Instructions to Offerors Key Reminders:

- The Intent to Bid form does not obligate an entity to submit a proposal
- ASFS Account access will be granted to up to 2 persons in your organization
- You must submit evidence of intent to be bound with your proposal (signature on Offer and Acceptance)
- Any solicitation amendments that are issued shall be signed by the Offeror

Instructions to Offerors (Cont.)

At 3:01 on proposal due date, your ASFS access will be changed to READ ONLY

After submission of proposals, the names of offerors will be posted publicly on the bidders library

AHCCCS will confirm that your proposal was submitted to the system however this response will not be an indication of responsiveness or conformity to the requirements

Do not request any part of your proposal to be held confidential or proprietary

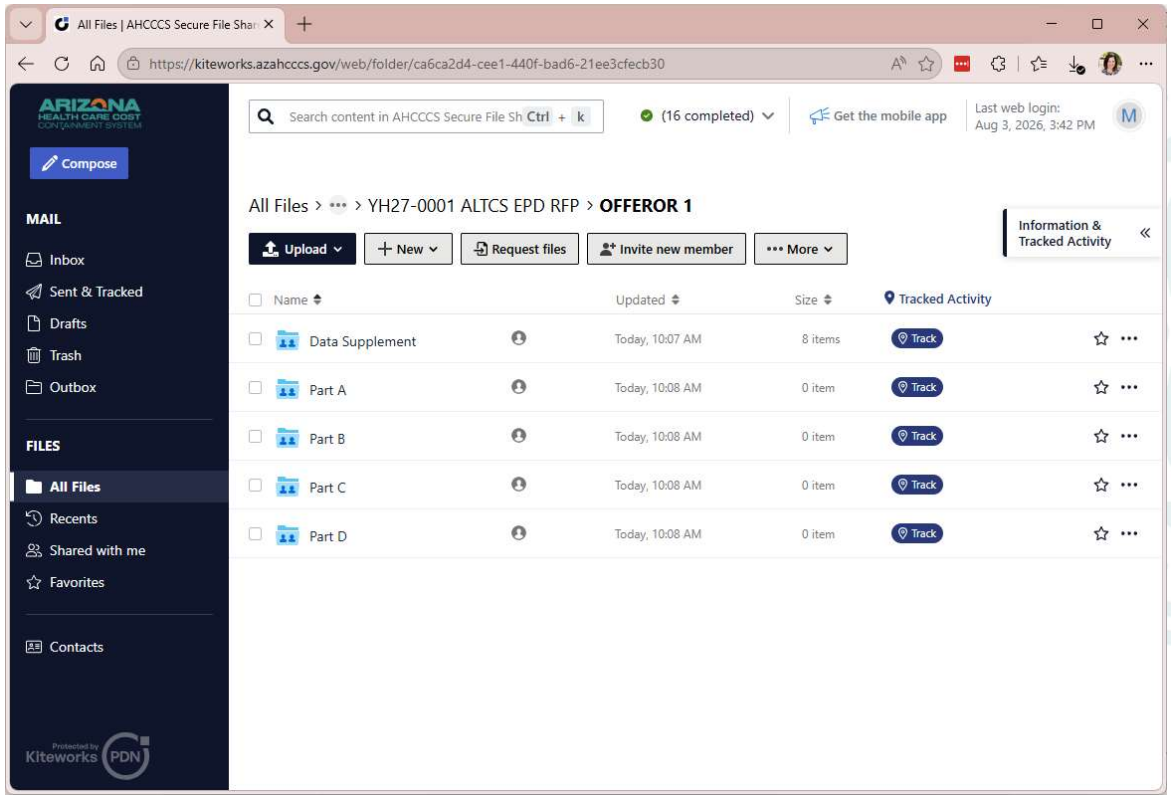
Do not exceed page limits

No guarantee of a BAFO so submit most competitive offer

AHCCCS Secure File Share (ASFS)

- After intent to bid forms are submitted you will be granted login access to the ASFS
- Confidential Bidders Library documents accessed in ASFS
- Proposals will be submitted to the ASFS
- Reminder to log in no less than every 30 days, to retain your access
- ASFS Access should allow you to view the confidential information contained in the Data Supplement, as well as create folders, upload, download, delete and replace documents

ASFS


All Files | AHCCCS Secure File Shar
https://kiteworks.azahcccs.gov/web/folder/ca6ca2d4-cee1-440f-bad6-21ee3cfecb30
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Search content in AHCCCS Secure File Sh Ctrl + k
(16 completed)
Get the mobile app
Last web login: Aug 3, 2026, 3:42 PM
Compose
MAIL
Inbox
Sent & Tracked
Drafts
Trash
Outbox
FILES
All Files
Recents
Shared with me
Favorites
Contacts
Protected by Kiteworks PDN
All Files > ••• > YH27-0001 ALTCS EPD RFP > OFFEROR 1
Upload
New
Request files
Invite new member
••• More
Information & Tracked Activity
Name
Updated
Size
Tracked Activity
Data Supplement
Today, 10:07 AM
8 items
Track
Part A
Today, 10:08 AM
0 item
Track
Part B
Today, 10:08 AM
0 item
Track
Part C
Today, 10:08 AM
0 item
Track
Part D
Today, 10:08 AM
0 item
Track

Oral Presentations

Offerors will receive TWO NOTICES

1. Notification of Offeror's Date/ Time Slot (computer generated randomized assignment)
2. Exactly 7 Calendar Days prior to Presentation Date – one of the three Presentation Questions

Oral Presentation Date and Time assignments are final

Day of Oral Presentations

- Bring Water or light snacks
- White Board and/or Flip Charts and markers will be supplied
- First Presentation - Offerors will have 15 minutes to prepare
- Must Provide your own Internet Connection

Andrew Cohen

Evaluation Overview

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Evaluation Factors

A maximum of 1,000 points will be awarded in the evaluation.

Evaluation Factor	Awardable Points
Written Technical Proposal – Programmatic Submission Requirements	600
Oral Presentation	240
Non-Benefit Costs Bid	100
Contract Citations and Past Performance Submission Requirements	60

Evaluation

Stakeholder Recommendations

The evaluation methodology incorporates stakeholder recommendations provided during the RFP process improvement process, including but not limited to:

1. Greater transparency, e.g., disclosure of factor weights and scheduling of pre-proposal conference
2. Evaluation team comprised of senior AHCCCS personnel and other AHCCCS Subject Leads,
3. Robust evaluator training,
4. Inclusion of member case studies,
5. Re-designed past performance data reporting, and
6. Information regarding oral presentation topics

Evaluation – Performance Considerations

- Stakeholders also recommended that information on AHCCCS evaluation priorities be included in the RFP.
- The RFP identifies “performance considerations of importance”, including (not in order of importance):
    1. Prioritization of service planning, provision and programming,
    2. Effective use of data,
    3. Application of technology,
    4. Use of targeted investments and partnerships,
    5. Commitment to supporting Network Providers,
    6. Citing of relevant past performance, and
    7. Proposal of innovative approaches.

(See RFP for full description of each priority.)

Proposal Submission & Evaluation Overview

Q & A

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Major Decisions

Alisa Randall

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Major Decision Summary

AHCCCS has published eight Major Decisions to maximize transparency and ensure bidders had advance notice on key updates during the procurement development process.

1. High-Cost Behavioral Health Reinsurance Program
2. Key Staffing Requirements
3. Transition Requirements
4. Accreditation Requirements
5. Equity Per Member
6. Price Evaluation
7. D-SNP
8. GSA

https://www.azahcccs.gov/PlansProviders/HealthPlans/YH27-0001.html

Break

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Case Management Caseload Ratios

Helen Rasho

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Caseload Ratio Structure Changes

- Stakeholders recommended AHCCCS consider revising the caseload ratio structure to better enable case managers to meet the needs of members in different geographic areas and with varied levels of complexity.
- As a result AHCCCS is changing the caseload weighting structure based on two major factors:
  - Geographic area of caseload
  - Complex needs of members

What's NOT Changing

The base weighting of each member is defined as follows:

- For members in an institutional setting, a base weighted value of **1.0** is assigned.
- For members in an HCBS (own home) setting, a base weighted value of **2.2** is assigned.
- For members in an Alternative HCBS setting, a base weighted value of **1.8** is assigned.
- For members in Acute Care Only (ACO) status, a base weighted value of **1.0** is assigned.

What IS Changing

- AHCCCS recognizes the complex coordination requirements of managing a caseload in rural geographies. To allow case managers operating in these areas to have additional time to coordinate care and services for members residing in these areas, weight adjustments will be implemented.
- These adjustments are based on the “zone(s)” in which the case manager operates.
- Zone definitions/information can be found in the **AHCCCS CONTRACTOR CASE MANAGEMENT CASELOAD RATIO GEOGRAPHIES GUIDE** located in the RFP YH27-0001 ALTCS E/PD Bidders’ Library: https://www.azahcccs.gov/PlansProviders/HealthPlans/YH27-0001.html

What IS Changing (cont'd)

The following adjustments apply to Contractor Case Managers operating in Zone 2 and Zone 3 geographies

- If at least 30% of assigned members reside in Zone 2 geographies, a base weight of 4.0 will be added in addition to the total weight of members assigned to the caseload, OR
- If at least 30% of assigned members reside in Zone 3 geographies, a base weight of 8.0 shall be added in addition to the total weight of members assigned to the caseload, OR
- If a Contractor Case Manager is operating in both Zone 2 and Zone 3 geographies for a combined total of 30% of assigned members, the Zone 2 adjustment of 4.0 shall be added in addition to the total weight of members assigned to the caseload.

What IS Changing (cont'd)

Weight adjustments have been created and will apply to members with complex/specialized needs. Only ONE specialty adjustment shall be applied to a member. If a member falls into multiple specialty categories, the Contractor shall choose the highest adjustment value:

- Pediatric/transition aged members, under the age of 21
- Members with a designation of SMI (this adjustment is unchanged)
- Members experiencing frequent transitions
- Members requiring intensive/specialized services
- Members residing independently in the community without a support system

Additional information regarding specific weights and definitions can be found in the RFP document.

What IS Changing (cont'd)

- For members requiring intensive/specialized services (defined as a member with complex physical and/or behavioral needs that require ongoing intervention from multiple specialists and/or service providers, AND coordination of these interventions requires additional case management support due to limitations in the member/representative's ability to coordinate independently), an additional weight of 0.4 shall be added to the base weighted value assigned above, OR
- For members residing independently in the community without a support system (defined as member residing independently in the community without access to family, friends, or community relations who are able to assist with tasks including but not limited to household planning, decision making, appointment management, transportation, AND where this lack of supports places the member at risk due to physical and/or cognitive limitations), an additional weight of 0.4 shall be added to the base weighted value assigned above.

Mixed Caseloads

If a mixed caseload is assigned, the total for all assigned members can be no more than a weighted value of 96.

The slide below contains an example of a mixed caseload. This is for reference purposes only:

Mixed Caseloads (cont'd)

- Case Manager operates in Zone 2: Apply a weight adjustment of 4
- 21 members residing in HCBS settings with no specialty adjustment: 21x2.2 = 46.2
- 3 members residing in HCBS settings who are pediatric (2.2 base weight plus specialty adjustment of .3 = 2.5: 3x2.5 = 7.5
- 12 members residing in alternative HCBS settings with no specialty adjustment: 1.8x12 = 21.6
- 4 members residing in alternative HCBS settings with intensive/specialized services (1.8 base weight plus specialty adjustment of .4 =2.2) 4x2.2 = 8.8
- 5 members residing in institutional settings with no specialty adjustment: 5x1 = 5
- Total caseload weight = 93.1

Non-Benefit Cost Bid Submission & Evaluation Overview

Erica Johnson

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Welcome and Purpose

- Intentions:
  - Support clear, complete, comparable bidding process
  - Focus on non-benefit cost components
    - Underwriting margin
    - Administrative costs excluding case management compensation
    - Case manager compensation
    - Actuarial certification supporting the non-benefit cost bid components

Session Guardrails

- The RFP describes submission expectations, definitions, and documentation requirements.
- No disclosure of evaluation scoring formulas, evaluator deliberation criteria, preferred underwriting margin levels, or competitive ranges for any of the non-benefit cost components.
- Questions that seek interpretation should be submitted through the formal Q&A process outlined in the RFP.

Reason for Bidding Components Separately

- Separating the components improves comparability across Offerors and helps distinguish between general admin operations, staffing specific case management costs, risk margin and cost of capital.
- Each component should be independently supportable, and should not duplicate costs reflected in another component.
- Bids should demonstrate that the proposed non-benefit costs are reasonable, attainable, and appropriate, and aligned with program requirements.

Underwriting Margin

- Bid should reflect the Offeror's proposed allowance for cost of capital and a margin for risk or contingency. The underwriting margin provision provides compensation for the risks assumed by the MCO associated with accepting the program obligations.
- The bid tool requires the margin be expressed as a percentage of capitation (before premium tax; underwriting margin is not paid on premium tax).
- The actuarial certification should explain the rationale for the proposed margin and identify the risks, assumptions, and financial considerations reflected in the bid.

Administrative Costs Excluding Case Management Compensation

- This component should include general administrative expenses necessary to operate the program, excluding direct case manager compensation that is submitted separately.
- The tool and instructions provide definitions for a comprehensive list of categories of administrative expenses.
- The actuarial certification should describe allocation methods, fixed versus variable cost assumptions, inflation or trend assumptions, staffing assumptions where relevant, and any economies of scale reflected in the proposal.

Case Manager Compensation

- This component should capture direct and indirect compensation for case managers and case manager supervisors, including salaries, wages, and benefits.
- In the actuarial certification, Offerors should describe the compensation assumptions, vacancy or turnover assumptions, supervisor to case manager ratios, and any geographic or experience-based adjustments.

Avoiding Duplication and Gaps

- Each dollar should be assigned to one component only.
- The actuarial certification should identify any exclusions, offsets, pass-through assumptions, shared services, management fees, corporate allocations, or costs assumed to be covered elsewhere.

Actuarial Certification Requirement

- Each bid must be accompanied by an actuarial certification signed by a qualified actuary.
- The certification must describe the data, assumptions, methodologies, and calculations used to develop the bid for each non-benefit cost component.
- The certification should be sufficiently detailed for another actuary to reasonably validate the Offeror's bid and understand the judgement applied.
- The certification must provide enough detail to support the State's actuarial certification of the reasonableness and appropriateness of the non-benefit costs included in the capitation rate certification.

Certification Content Checklist

- Data sources, time periods, completeness considerations, and any reliance on internal, affiliate, market, salary survey, or vendor data.
- Methodology for each component, including formulas, allocation bases, trend assumptions, fixed and variable cost treatment, and normalization adjustments.
- Assumption support, sensitivity considerations, limitations, and reconciliation to the submitted bid tool.
- Statement of actuarial qualifications, applicable actuarial standards of practice, reliance disclosures, and certification language required by the RFP.

Submission Quality Expectations

- Use the required bid tool and naming conventions exactly as instructed in the RFP.
- Ensure numbers tie across the bid tool, supporting exhibits, actuarial certification, and narrative explanations.
- Clearly label assumptions, units, time periods, populations, and included or excluded costs.
- Avoid unsupported assertions such as "industry standard", "management estimate", or "consistent with experience" unless accompanied by supporting explanation.

Q & A

Non-Benefit Cost Submission & Evaluation Overview

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Possible Future Considerations

Alisa Randall

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Arizona Section 1115 Waiver Demonstration

- As part of the Agency's initiatives to improve and modernize the Medicaid program, AHCCCS continues to work with CMS on various pending waiver requests.
- Waiver approvals may necessitate amendments to Contract terms.
- See AHCCCS website: Arizona Section 1115 Demonstration Pending Waivers for pending Waiver proposals and amendments.

Caseload Tiered Structure

- This contract includes refinements to the Caseload staffing ratio structure, and AHCCCS is also evaluating the possibility of moving toward a tiered caseload ratio structure in the future.

CMS Managed Care Regulations

- As CMS implements changes with new regulations, AHCCCS will work collaboratively with contractors.
- This includes recent proposed and final rules that include significant changes to numerous areas including access to care, transparency, and oversight of provider payments, engagement of members, quality measurement, and program accountability.
- The Contractor shall participate with AHCCCS in implementation strategies for the final Rules. The Contractor shall comply with the applicable sections of the Rules and any modifications thereafter.

Enabling and Assistive Technology

- AHCCCS is researching and exploring opportunities to consider innovations in service delivery that integrate the use of technology in a person-centered and person-directed manner. This may include:
  - Customized devices
  - Remote supports
  - Other technologies that increase the member's independence and self-sufficiency in their home, community, or workplace.

Mental Health Parity

- AHCCCS intends to pursue contracting with a third-party to assess Contractor compliance with Mental Health Parity, and
- AHCCCS is considering implementation of a requirement for Contractors to obtain a third-party subcontractor to perform annual compliance reviews of the Contractor's compliance with mental health parity and report results to AHCCCS.

Uniform Assessment Tool (UAT)

- The UAT is a standardized assessment tool developed by AHCCCS to determine a member's functional needs and level of care (acuity). The tool is intended to aid Contractor Case Managers in determining service needs, and shall be used alongside PCSP development, including the HCBS Needs Tool.
- AHCCCS is currently reviewing the UAT to determine whether there are opportunities to better align with level of care determination processes within nursing facilities as well as alternative home and community-based settings.
- Pending the results of this review, changes could be proposed to AMPM Exhibit 1620-3.

Alternative Payment Model Arrangements for HCBS Providers

- AHCCCS intends to require the Contractor to incorporate Value Based Payment Alternative Payment Model (VBP-APM) arrangements with HCBS providers equivalent to an AHCCCS determined percentage of the Contractor's total Title XIX payments to providers beginning October 1, 2027 for incorporation into the January 1, 2028 provider VBP-APM contracts. This would be updated in ACO Policy 307 through the normal update and review process.
- Contractors would be required to develop home-grown performance measures that are targeted to HCBS providers and appropriate for the HCBS population. AHCCCS may require submission of the performance measures developed prior to implementation.

Possible Future Considerations

Q & A

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Conclusion

Reminders:

- First round of questions are due August 17
- Intent to Bid and Disclosures due September 1

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