



May 8, 2014

SUBJECT: RFA 04-14 Healthy Pennsylvania Program, Physical & Behavioral Health Services Statewide

Dear Prospective Offeror:

You are invited to submit an application for the above subject RFA for the Commonwealth of Pennsylvania, Department of Public Welfare in accordance with the attached Request for Application (RFA) 04-14.

All applications must be submitted as follows: two (2) paper copies. Applicants must also submit a complete and exact copy of the entire submittal on seven (7) separate CDs or Flash drives. All electronic documents must be submitted in Microsoft Office or Microsoft Office compatible format and sent to the Pennsylvania Department of Public Welfare, Division of Procurement, Room 402, Health and Welfare Building, 625 Forster Street, Harrisburg, PA 17120. **Applications must be received at the above address no later than twelve o'clock P.M. (12:00 P.M.) on June 10, 2014. Late Applications will not be considered regardless of the reason.**

All questions should be directed to Barry Bowman, Project Officer, Department of Public Welfare, Office of Medical Assistance Programs via e-mail babowman@pa.gov **no later than 5:00 p.m. on May 13, 2014.** Offerors will be provided with answers to questions asked by any one offeror.

In addition, a Pre-Proposal Conference will be held from 10:00 a.m. to 2:00 p.m. Thursday May 15, 2014 at The Pennsylvania Child Welfare Resource Center, University of Pittsburgh, School of Social Work, 403 East Winding Hill Road, Mechanicsburg, PA 17055; Meeting Room – Susquehanna A&C combined.

Applications **must** be signed by an official authorized to bind the vendor to its provisions. Also, please include your Federal Identification Number, SAP Vendor Number and the Point of Contact's email address on the cover sheet of your application. Evaluation of applications and selection of vendors will be completed as quickly as possible after receipt of application.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel R. Boyd". The signature is written in a cursive style.

Daniel R. Boyd
Director of Procurement

Attachments



pennsylvania

DEPARTMENT OF PUBLIC WELFARE

REQUEST FOR APPLICATION

HEALTHY PENNSYLVANIA PROGRAM

PHYSICAL & BEHAVIORAL HEALTH SERVICES STATEWIDE.

ISSUING OFFICE

**Commonwealth of Pennsylvania
Department of Public Welfare
Bureau of Financial Operations
Division of Procurement,
Room 402
Health and Welfare Building
625 Forster Street
Harrisburg, PA 17120**

RFA # 04-14

DATE OF ISSUANCE

May 8, 2014

REQUEST FOR APPLICATION

RFA #04-14

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CALENDAR OF EVENTS

The Commonwealth will make every effort to adhere to the following schedule:

Activity	Responsibility	Date
Deadline to submit Questions via email to babowman@pa.gov	Potential Applicants	5/13/14 @ 5:00pm
<p>Potential Applicants' Question & Answer Conference— The Pennsylvania Child Welfare Resource Center University of Pittsburgh, School of Social Work 403 East Winding Hill Road Mechanicsburg, PA 17055 Meeting Rooms Susquehanna A&C combined.</p> <p>!-Interested entities must limit the number of staff members in attendance at the Q&A Conference to <u>four</u> (4).</p>	Issuing Office/Potential Applicants	5/15/14 10:00am-2:00pm
Answers to potential applicant questions posted to the DGS & linked from the DPW Web sites no later than this date.	Issuing Office	5/28/14
Monitor website for all communications regarding the RFA.	Potential Applicants	N/A
<p>Sealed application must be received by the Issuing Office at:</p> <p style="padding-left: 40px;">Department of Public Welfare Office of Administration Bureau of Financial Operations Division of Procurement Room 402 Health and Welfare Building 625 Forster Street Harrisburg, PA 17120</p>	Applicants	6/10/14 By 12:00 pm

PART I

GENERAL INFORMATION

I-1. Purpose.

This Request for Application (“RFA”) provides to those interested in submitting applications for the subject RFA (“Applicants”) sufficient information to enable them to prepare and submit applications for the Department of Public Welfare’s (“Department”) consideration on behalf of the Commonwealth of Pennsylvania (“Commonwealth”) to satisfy a need for private market health plans to provide for Physical and Behavioral Health Services under the *Healthy Pennsylvania Program*.

I-2. Issuing Office.

The **Bureau of Financial Operations, Division of Procurement** (“Issuing Office”) has issued this RFA on behalf of the Commonwealth. The sole point of contact in the Commonwealth for this RFA shall be **Barry Bowman** the Project Officer for this RFA. Please refer all inquiries to the Project Officer.

Barry Bowman, Director
Division of Program Initiatives, Contract Management and Communications
Department of Public Welfare
Bureau of Managed Care Operations
P.O. Box 2675
Cherrywood Bldg. #33, 2nd Floor/DGS Annex Complex
Harrisburg, PA 17105.
E-Mail: babowman@pa.gov

I-3. Scope.

This RFA contains instructions governing the requested applications, including the requirements for the information and material to be included; a description of the services to be provided; requirements which Applicants must meet to be eligible for consideration; general selection criteria; and other requirements specific to this RFA.

I-4. Problem Statement.

The Healthy Pennsylvania Program (“HPP”) is a new Program designed to provide physical and behavioral health coverage to the approximately 500,000 plus citizens that have income that falls below 133% of the Federal Poverty Level (“FPL”) under the Patient Protection and Affordable Care Act (“ACA”). The HPP will meet the Healthy Pennsylvania core priorities of improving access to care, ensuring quality and providing

affordability. The HPP is scheduled to commence operations on January 1, 2015¹ Commonwealth-wide.

This RFA has been issued to procure the services of Pennsylvania-licensed health insurance entities to provide coverage under the HPP in the nine ACA Rating Areas (“Regions”) throughout the Commonwealth. Participation in the HPP will be limited to Commonwealth of Pennsylvania-licensed health insurance entities that have certified to the Pennsylvania Insurance Department (“PID”) that each plan through which coverage will be provided meets all applicable federal and state laws pertaining to health insurance coverage offered in the individual market. Selected Applicants that receive Agreements to operate a plan in the HPP will be known as *Private Coverage Organizations* (“PCO”).

The Primary Goals of the HPP are:

- Increase health care access for more than 500,000 Pennsylvanians.
- Promote healthy behaviors, improve health outcomes and increase personal responsibility.
- Provide essential health care benefits in accordance with federal and state laws and regulations.

The actual implementation and administration of the HPP will be dependent on Federal approval of the Commonwealth’s Healthy Pennsylvania Section 1115 Demonstration Waiver Application as well as other factors. Accordingly, the requirements of this RFA and resulting agreements may need to be changed based upon Federal approval and other requirements.

Each Pennsylvania County is included in one of nine ACA Rating Areas (“Regions”). See Part II-1 for a list of these Regions. The Department is seeking PCOs to operate in all regions. An Applicant must indicate the Regions in which it requests to operate its plan.

A selected PCO must make its plan available to HPP eligible Pennsylvania beneficiaries in all counties within a selected Region.

The Department reserves the right to solicit additional Applicants in future years.

I-5. Type of Agreement.

If the Department enters into agreements with PCOs as a result of this RFA, they will be full-risk, capitated agreements containing the Agreement Terms and Conditions as shown in Attachment A. The Department will enter into agreement negotiations with all

¹ All dates stated within this RFA are subject to change based upon Federal approval and other requirements.

Applicants determined to be qualified; and in the numbers determined by the Department necessary to meet the requirements of the Program.

The Department will pay each PCO using a schedule of per member per month (PMPM) capitation rates.

The following information is included in Attachment B, [FINANCIAL TERMS]

- Draft capitation rates for calendar year 2015.
- Methodology statement for development of the draft capitation rates for calendar year 2015.
- Supporting documentation on development of the initial draft capitation rates for calendar year 2015.

The Department will provide selected Applicants with an opportunity to ask questions about the development of the proposed capitation rates and to discuss and negotiate financial rates. Applicants should be aware that implementation of the HPP initiative will require the Department to establish an end date for each negotiation. Failure to agree to terms by this date will mean that there will be no HPP Agreement with the Applicant.

The Department will timely provide proposed capitation rates and supporting documentation for each program year subsequent to calendar year 2015.

I-6. Rejection of Applications.

The Department, in its sole and complete discretion, may reject any application received as a result of this RFA.

I-7. Incurring Costs.

The Department is not liable for any costs Applicant incurs in preparation and submission of its application, in participating in the RFA and Readiness Review process or in anticipation of award of an Agreement.

I-8. Pre-Application Conference

The Department will hold a Pre-Application Conference as specified in the Calendar of Events. The purpose of this conference is to provide an opportunity for clarification of the RFA. Applicants should forward all questions to the RFA Project Officer in accordance with **Section I-9** to ensure adequate time for analysis before the Department provides an answer. Applicants may also ask questions at the conference. The pre-application conference is for information only. Any answers furnished during the conference will not be official until they have been verified, in writing, by the Department. All questions and written answers will be posted on the Department of

General Services (DGS) Web site as an addendum to, and shall become part of, this RFA. Attendance at the Pre-Application Conference is optional.

I-9. Questions and Answers.

If an Applicant has any questions regarding the RFA, the Applicant must submit the questions by E-mail (**with the subject line RFA # 04-14 Question**) to the Project Officer named in **Part I, Section I-2** of the RFA. If an Applicant has questions, they must be submitted **no later than** the date indicated on the Calendar of Events. The Applicant shall not attempt to contact the Project Officer by any other means. The Department will post the answers to the questions on the DGS Web site and linked from the Department's Web site by the date stated on the Calendar of Events.

The Department shall not be bound by any verbal information; nor shall it be bound by any written information that is not either contained within the RFA or formally issued as an addendum by the Department.

I-10. Addenda to the RFA.

If the Department deems it necessary to revise any part of this RFA before the application response date, the Department will post an addendum to the DGS Web site and linked from the Department's Web site at <http://www.dgsweb.state.pa.us/RTA/Search.aspx> & www.dpw.state.pa.us. Applicants are responsible for periodically checking the websites for any new information or addenda to the RFA. Answers to the questions asked during the Questions & Answers period also will be posted to the DGS Web site and linked from the DPW Web site as an addendum to the RFA.

I-11. Response Date.

To be considered for selection, applications must arrive at the Issuing Office on or before the time and date specified in the RFA Calendar of Events. The Department will **not** accept applications via email or facsimile transmission. Applicants who send applications by mail or other delivery service should allow sufficient delivery time to ensure timely receipt of their applications. If, due to inclement weather, natural disaster, or any other cause, the Commonwealth office location to which applications are to be returned is closed on the application response date, the deadline for submission will be automatically extended until the next Commonwealth business day on which the office is open, unless the Department otherwise notifies Applicants. The hour for submission of applications shall remain the same. The Department will reject unopened, any late applications.

I-12. Applications.

To be considered, Applicants should submit a complete response to this RFA to the Issuing Office, using the format provided in **Part II**, providing two (2) **paper copies of the application**. In addition, Applicants shall submit seven (7) **complete and exact** copies of the entire Application with all requested documents on CD-ROM or Flash drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the paper copy and any spreadsheets must be in Microsoft Excel. The Applicants may not lock or protect any cells or tabs. The CD or Flash drive should clearly identify the Applicant and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted. The Applicant shall make no other distribution of its application to any other Applicant or Commonwealth official or Commonwealth consultant. Each application page should be numbered for ease of reference. An official authorized to bind the Applicant to its provisions must sign the Application. If the official signs the Application Cover Sheet (Attachment C to this RFA) and the Application Cover Sheet is attached to the Applicant's application, the requirement will be met. For this RFA, the application must remain valid for 120 days or until an agreement is fully executed. If the Department selects the Applicant's application for award, the contents of the selected Applicant's application will become, except to the extent the contents are changed through negotiations, obligations under the Agreements.

Each Applicant submitting an application specifically waives any right to withdraw or modify it, except that the Applicant may withdraw its application by written notice received at the Issuing Office's address for application delivery prior to the exact hour and date specified for application receipt. An Applicant or its authorized representative may withdraw its application in person prior to the exact hour and date set for application receipt, provided the withdrawing person provides appropriate identification and signs a receipt for the application. An Applicant may modify its submitted application prior to the exact hour and date set for application receipt only by submitting a new sealed application or sealed modification which complies with the RFA requirements.

I-13. Economy of Preparation.

Applicants should prepare applications simply and economically, providing a straightforward, concise description of the Applicant's ability to meet the requirements of the RFA.

I-14. Discussions for Clarification. Applicants may be required to make an oral or written clarification of their applications to the Issuing Office to ensure thorough mutual understanding and Applicant responsiveness to the RFA requirements. The Project Officer will initiate requests for clarification.

I.15. Private Coverage Organization Responsibilities. The Applicant is responsible for all services offered in its agreement whether it produces them itself or by subcontract. The Department will consider the selected Applicant to be the sole point of contact with regard to matters under the agreement.

I-16. Application Contents.

- A. Confidential Information.** The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of an Applicants' submissions submitted in response to this RFA. Accordingly, except as provided herein, Applicants should not label their applications as confidential or proprietary or trade secret protected. Any Applicant who determines that it must divulge such information as part of its RFA must submit a signed written statement described in subsection C. below and must additionally provide a redacted version of its application, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.
- B. Commonwealth Use.** All material submitted with the application shall be considered the property of the Commonwealth of Pennsylvania and may be returned only at the Department's option. The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any application regardless of whether the application becomes part of an agreement. Notwithstanding any Applicant copyright designations contained on applications, the Commonwealth shall have the right to make copies and distribute applications internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.
- C. Public Disclosure.** After the award of the agreements pursuant to this RFA, all application submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If an application contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the application in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Financial capability information submitted in response to Part II, Section II-7 is exempt from public records disclosure under 65 P.S. § 67.708(b) (26).

I-17. News Releases.

Applicants shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this RFA without prior written approval of the Department, and then only in coordination with the Department.

I-18. Restriction of Contact.

From the issue date of this RFA until Applications are selected for award, the Project Officer is the sole point of contact concerning this RFA. If the Department later discovers that an Applicant has engaged in any violation of this condition by sharing information contained in its application with other Commonwealth personnel or competing Applicants, the Department may reject the offending Applicant's application or rescind its agreement award.

I-19. Issuing Office Participation.

Applicants shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this **Section**.

The Department will be responsible for monitoring PCOs. The Department will designate staff to coordinate the project, provide or arrange technical assistance, and monitor for Readiness Review and compliance with Agreement requirements, as well as the approved waiver and program policies and procedures. At its discretion, the Department may commence monitoring before the effective and/or operational dates of the Agreement, and before the formal Readiness Review period.

I-20. Term of Agreement.

Subject to Federal approval and other considerations, the term of the Agreement is anticipated to begin on January 1, 2015 and will end in three (3) years with two optional one-year extensions. The selected Applicant will be required to demonstrate an ability to perform services required within the scope of this application during a readiness review period. The Department anticipates starting a readiness review period on or about August 4, 2014.

I-21. Applicant's Representations and Authorizations.

By submitting its application, each Applicant understands, represents, and acknowledges that:

- A. All of the Applicant's information and representations in the application are material and important, and the Department may rely upon the contents of the application in awarding the agreement(s).

- B.** The Applicant has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting an application.
- C.** The Applicant makes its application in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive application.
- D.** To the best knowledge of the person signing the application for the Applicant, the Applicant, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last **four** years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Applicant has disclosed in its application.
- E.** The Applicant is not currently under suspension or debarment and has not been precluded from participation in any federally funded health care program by the Commonwealth, any other state or the federal government, and if the Applicant cannot so certify, then it shall submit along with its application a written explanation of why it cannot make such certification.
- F.** The Applicant has not made, under separate contract or agreement with the Department, any recommendations concerning the need for the services described in its application or the specifications for the services described in the application.
- G.** Each Applicant, by submitting its application, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Applicant's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.
- H.** Until the selected Applicants receive fully executed and approved written agreements from the Department, there is no legal and valid agreement, in law or in equity, and the Applicant shall not begin to perform.

I-22. Notification of Selection.

The Department will notify the selected Applicants in writing of their selection for negotiation after the Department has determined, taking into consideration all selection factors, those Applicants that qualify for participation as a PCO.

I-23. Information Technology

This RFA is subject to the Information Technology Bulletins (ITBs) issued by the Office of Administration, Office for Information Technology (OA-OIT). ITB's may be found at <http://www.portal.state.pa.us/portal/server.pt?open=512&objID=416&PageID=210791&mode=2> and the Management Information System and System Performance Review Standards for MIS and Systems Performance Review (SPR) Standards provided by the Department on the Department's Intranet.

All applications must be submitted on the basis that all ITBs are applicable to this procurement. It is the responsibility of the Applicant to read and be familiar with the ITBs. Notwithstanding the foregoing, if the Applicant believes that any ITB is not applicable to this procurement, it must list all such ITBs in its application, and explain why it believes the ITB is not applicable. The Department may, in its sole discretion, accept or reject any request that an ITB not be considered to be applicable to the procurement. The Applicant's failure to list an ITB will result in its waiving its right to do so later, unless the Department, in its sole discretion, determines that it would be in the best interest of the Commonwealth to waive the pertinent ITB.

Applicants can obtain temporary access to the Department's Intranet system to review IT Systems Performance Standards by directing an email request for access to the following address: contractmonitoringunit@pa.gov.

The Department's general IT and Business standards can be reviewed at the following location: <http://www.dpw.state.pa.us/provider/doingbusinesswithdpw/busandtechstandards/appii/index.htm>

Part II

APPLICATION REQUIREMENTS

Applicants must submit their application in the format, including heading descriptions, outlined below. To be considered, the application must respond to all requirements in this part of the RFA.

The Department may request additional information which, in the Department's opinion, is necessary to assure that the Applicant is qualified according to the RFA.

The Department may make investigations as deemed necessary to determine an Applicant's qualifications. The Applicant shall furnish to the Department all requested information and data. The Department may reject any application if the evidence submitted by, or investigation of, such Applicant fails to satisfy the Department that the Applicant is qualified to perform as provided in the RFA.

The Applicant must identify the PCO contact name, address and phone number of the authorized official who will participate in financial term discussions with the Department.

II-1. Regions of Operation.

Indicate the Region or Regions of operation for which the Applicant wishes to be considered as a PCO.

The Regions are based on the ACA Rating Areas located within the Commonwealth of Pennsylvania. These Regions are:

- A. *Region 1:*** Clarion, Crawford, Erie, Forest, McKean, Mercer, Venango & Warren Counties.
- B. *Region 2:*** Cameron, Elk & Potter Counties
- C. *Region 3:*** Bradford, Carbon, Clinton, Lackawanna, Luzerne, Lycoming, Monroe, Pike, Sullivan, Susquehanna, Tioga, Wayne & Wyoming Counties.
- D. *Region 4:*** Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington & Westmoreland Counties.
- E. *Region 5:*** Bedford, Blair, Cambria, Clearfield, Huntingdon, Jefferson & Somerset Counties.
- F. *Region 6:*** Centre, Columbia, Lehigh, Mifflin, Montour, Northampton, Northumberland, Schuylkill, Snyder & Union Counties.
- G. *Region 7:*** Adams, Berks, Lancaster & York Counties
- H. *Region 8:*** Bucks, Chester, Delaware, Montgomery & Philadelphia Counties.

- I. *Region 9: Cumberland, Dauphin, Franklin, Fulton, Juniata, Lebanon & Perry Counties.*

II-2. Proposed Behavioral Health Services Coverage Model

Applicant must indicate how it intends to provide Behavioral Health Services by illustrating whether:

- The behavioral health network of providers will be included in the Applicant's own provider network; or
- The behavioral health network of providers will be part of a subcontract, and if so, the name of the behavioral health subcontractor. Applicants should provide a description of the payment process and indicate whether it includes any risk or incentive arrangements; or
- Other model—please describe and provide sufficient information regarding how the other model will be incorporated into the Applicant's service provision processes. Please also include a description of the payment process and indicate whether it includes any risk or incentive arrangements, if applicable.

II-3. Current Valid Pennsylvania HMO Certificate of Authority

Provide documentation of valid joint Department of Health ("DOH")/Pennsylvania Insurance Department ("PID") Certificate of Authority as an HMO. Applicant must be continuously certified as an HMO throughout the term of the Agreement.

II-4. County Operational Authority—DOH

Applicants for the HPP operational Regions must provide documentation of DOH Operating Authority in each county in the Region(s) for which they apply. If an Applicant does not have this authority for each county at time of application, the Applicant must provide a statement regarding its plan to have operating authority for each county in place by August 1, 2014 or such later date as may be specified by the Department. Failure to produce the appropriate documentation by the deadline will result in the Applicant's application being rejected and any offer to negotiate an Agreement rescinded. The selected Applicants must provide the Department a copy of the correspondence granting this authority from the DOH no later than August 1, 2014 or such later date as may be specified by the Department.

If an Applicant does not have current DOH Operating Authority for a Region or county areas within a Region, they must submit a Service Area Expansion ("SAE") request to DOH Bureau of Managed Care (BMC) no later than July 11, 2014. This will allow the DOH BMC adequate time to assess SAE requests and for any follow-up that must be conducted between the BMC and the Applicant.

II-5. Compliance with Insurance Requirements

An Applicant must provide documentation that each plan through which coverage will be provided meets all applicable federal and state laws regulating health insurance coverage offered in the individual market. It may do so by submitting a copy of the certification submitted to PID with the plan form filing. For information on the certification to PID, please see <http://www.pabulletin.com/secure/data/vol44/44-12/615.html>. If an Applicant has not made a final certification at time of application, the Applicant must provide a statement describing its plan to have the certification in place by August 4, 2014 or such later date as may be specified by the Department. Failure to produce the appropriate documentation by the deadline, or subsequent disapproval or withdrawal of a plan such that the plan may not be sold in the individual market will result in the Applicant's application to use that plan being rejected and any offer to negotiate an Agreement using that plan to be rescinded.

II-6. National Committee for Quality Assurance (NCQA) Health Plan Accreditation.

Provide documentation of the Applicant's most recent NCQA health plan accreditation level or of New Health Plan Accreditation by NCQA's New Health Plan Accreditation Program.

II-7. Financial Condition.

The Applicant must submit information about the financial condition of the company in this section. If any information requested is not applicable or not available, provide an explanation. Applicants must submit appropriate documentation to support information provided.

The Applicant must provide the following information:

- A.** The identity of each entity that owns at least five percent (5%) of the Applicant.
- B.** For the Applicant and for each entity that owns at least five percent (5%) of the Applicant:
 - 1. Audited financial statements for the two (2) most recent fiscal years for which statements are available. The statements must include a balance sheet, statement of revenue and expense, and a statement of cash flow. Statements must include the auditor's opinion and the notes to the financial statements submitted by the auditor to the Applicant. If audited financial statements are not available, explain why and submit unaudited financial statements.

2. Unaudited financial statements for the period between the last date covered by the audited statements through the quarter before the submission of the application.
 3. Documentation about available lines of credit, including maximum credit amount and amount available thirty (30) business days prior to the submission of the application.
 4. The most recent sets of quarterly and annual financial statements filed with the Insurance Department.
 5. State of incorporation.
 6. Type of incorporation, as profit or non-profit.
 7. Bond rating.
 8. A.M. Best rating for life/health.
 9. Standard and Poor rating.
 10. Weiss rating.
 11. Confirm RBC level exceeds 200% of the authorized control level as defined in 40 P.S. §221.2-(B).
- C.** Explain how your response provides proof of fiscal soundness.
- D.** If the Applicant plans to enter into a subcontract at a cost of at least eighty percent of anticipated Agreement revenues received from the Department, and if the subcontract provides for financial risk on the part of the subcontractor, provide items listed in Section II-7.b above, as they relate to the proposed subcontractor.
- E.** Identify any proposed subcontractor in which the Applicant has five percent (5%) or more ownership interest.
- F.** The Applicant must have net worth as of December 31, 2013, or a subsequent date not later than July 31, 2014, equal to or greater than \$10 million.
- G.** The Applicant shall explain how it will fund development and start-up costs (including readiness review), including the source of funds. Provide information and documentation to enable the Department to conclude whether sources have and are committed to providing the expected funds.

- H. List any financial interest in proposed subcontractors. Copies of proposed subcontract arrangements are to be included as an appendix. The Department may approve all subcontracts used by selected Applicants.
- I. The Applicant will state whether it has changed its independent actuary or independent auditor in the last two years. If it has, it must provide the date and explain the reasons for the change.

II-8 Emergency Preparedness

To support continuity of operations during an emergency, including a pandemic, the Commonwealth needs a strategy for maintaining operations for an extended period of time. One part of this strategy is to ensure that essential agreements that provide critical business services to the Commonwealth have planned for such an emergency and put contingencies in place to provide needed goods and services.

- A. Describe how you anticipate such a crisis will impact your operations.
- B. Describe your emergency response continuity of operations plan. Please attach a copy of your plan, or at a minimum, summarize how your plan addresses the following aspects of pandemic preparedness:
 - employee training (describe your organization's training plan, and how frequently your plan will be shared with employees)
 - identified essential business functions and key employees (within your organization) necessary to carry them out
 - contingency plans for:
 - How your organization will handle staffing issues when a portion of key employees are incapacitated due to illness.
 - How employees in your organization will carry out the essential functions if contagion control measures prevent them from coming to the primary workplace.
 - How your organization will communicate with staff and suppliers when primary communications systems are overloaded or otherwise fail, including key contacts, chain of communications (including suppliers), etc.
 - How and when your emergency plan will be tested, and if the plan will be tested by a third party.

Part III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements

To be eligible for consideration, an application must be:

- A.** Timely received from an Applicant.
- B.** Properly signed by the Applicant.

III-2. Selection.

The Department will notify in writing Applicants who are deemed to be qualified in accordance with this RFA of selection for negotiations.

III-3. Criteria for Selection.

In order for an application to be considered for selection for negotiations, the Applicant must have the following items:

- A.** Applicant, or related party, must possess current and valid Pennsylvania HMO Certificate of Authority; or a detailed explanation of its Plan and Timeline to obtain such.
- B.** Applicant must provide documentation that each plan through which coverage will be provided meets all applicable federal and state laws regulating health insurance coverage offered in the individual market. The Checklist may be found on-line at <http://www.pabulletin.com/secure/data/vol44/44-12/615.html>. If the Applicant does not possess documentation at the time of application, the Department may provisionally qualify the Applicant conditioned upon its acquiring the necessary documentation by August 4, 2014 or such later dates as may be specified by the Department.
- C.** Applicant must possess valid Pennsylvania DOH Operational Authority for all counties in the Regions for which the Applicant makes application. If the Applicant does not possess either the Certificate of Authority or Operational Authority for all counties in which it seeks to operate at the time of application, the Department may provisionally qualify the Applicant conditioned upon its acquiring the necessary Certificate of Authority and Operational Authority by August 4, 2014 or such later date as may be specified by the Department.

- D.** Applicants must have a recent NCQA health plan accreditation of COMMENDABLE or EXCELLENT.
1. The Department may consider Applicants with the NCQA Accreditation of ACCREDITED if their inclusion is in the best interest of the Commonwealth.
 2. New Health Plan Accreditation through NCQA's New Health Plan (NHP) Accreditation will also be considered by the Department.
- E.** Applicants must possess the financial stability and economic capacity to perform as a PCO as required by this RFA and any resulting Agreement.
- F.** Acceptable Emergency Preparedness Statement as indicated in Part II-8 of this RFA.
- G.** A statement of net worth must be supported by a copy of a filing with the PID or a balance sheet that is attested to by an independent public accounting firm. The Department will not permit a selected Applicant to implement a PCO plan if it does not comply with this requirement. [Reference RFA II-7.f]

PART IV

WORK STATEMENT

IV-1. Objectives.

This RFA has been issued to obtain the services of health insurance entities to provide coverage through private health plans to implement the HPP on a statewide basis.

IV-2. Nature and Scope

In preparation for commencement of the HPP, the Commonwealth submitted a Section 1115 Demonstration waiver application to the U.S. Department of Health and Human Services on February 19, 2014. Applicants should review the waiver application and Healthy Pennsylvania Program information found on the Department's website at www.dpw.state.pa.us/healthypa.

The actual implementation and administration of the Healthy Pennsylvania Program will be dependent on Federal approval of the Commonwealth's Healthy Pennsylvania Section 1115 Demonstration Waiver Application as well as other factors. Accordingly, the requirements of this RFA and resulting agreements may need to be changed based upon Federal approval and other requirements.

The Primary Goals of the Healthy Pennsylvania Program are:

- Increase health care access for more than 500,000 Pennsylvanians.
- Promote healthy behaviors, improve health outcomes and increase personal responsibility.
- Provide essential health care benefits in accordance with federal and state laws and regulations

The coverage population is newly-eligible adults ages 21-64 that are not medically frail. This population has not otherwise been determined to meet current Medicaid eligibility requirements.

IV-3. Requirements.

- A. A full description of the requirements for the provision of Physical and Behavioral Health services for the PCO Program in all Zones of operation is set forth in the draft Agreement (**Attachment A**).

- B.** Certification of Authority—joint Pennsylvania Department of Health (“DOH”) and Pennsylvania Insurance Department (“PID”)—must be maintained for the life of the agreements.
- C.** County Operational Authority—Pennsylvania Department of Health (“DOH”)—must be maintained for the life of the agreements.

If the Applicant does not have current DOH Operating Authority for the selected Regions and requires submission of a Service Area Expansion (“SAE”) request for DOH review and approval, that SAE must be submitted to DOH’s Bureau of Managed Care no later than July 11, 2014.

- D.** Certification that each plan through which coverage will be provided meets all federal and state laws regulating health insurance coverage offered in the individual market. It may do so by submitting a copy of the certification submitted to PID with the plan form filing.