

# SOURCE JUSTIFICATION FORM

## Bureau of Procurement

The objective of this form is to capture all relevant documentation an Agency may have to assist the Department of General Services ("DGS"), Bureau of Procurement, in expediting the source justification review process. This form must be completed electronically, signed, and submitted with all relevant documentation to DGS. If a question is neither mandatory nor applicable, please indicate "N/A". Please use standard terminology and define acronyms.

## SECTION A

<b>1. Agency Name:</b>	Department of Human Services "prior DPW"		
<b>2. Procurement Description:</b> This description will appear on the eMarketplace website for public viewing	Rate Setting, Financial Management and Consulting Services for Medical Assistance (MA)		
<b>Materials Description:</b>			
<b>Services Description:</b>	<p>The selected Offeror will provide actuarial services including rate setting and support for the Office of Medical Assistance Programs (OMAP) Physical Health (PH), the Office of Mental Health &amp; Substance Abuse Services (OMHSAS) Behavioral Health (BH), the Office of Developmental Programs (ODP), and the Office of Long Term Living (OLTL) Programs for the Commonwealth of Pennsylvania. The selected Offeror will perform complex risk adjustment of HealthChoices (HC) contract rates, support the Commonwealth's planning and development of the Medicaid managed care programs, and develop federal waivers for HC, ODP and OLTL programs. The selected Offeror will perform research, analysis, data development, management support and actuarial work to support the Department of Human Services initiatives.</p>		
<b>3. Materials Shopping Cart # or Services SPR#</b>	N/A	<b>Estimated Cost:</b>	\$5M +
		<b>Initial Contract Term:</b>	04/01/2022 - 09/30/2022
		<b>Renewals:</b>	2 3-month renewal optio
<b>4. Supplier - Name:</b>	Mercer Health and Benefits LLC		
Full Address:	2325 E. Camelback Rd., Suite 600 Phoenix, AZ 85016		
Contact Name:	Misti Beckman		
Telephone:	612-642-8827	<b>FAX:</b>	763-442-4799
E-mail:	Misti.Beckman@mercer.com		
SRM Supplier #:	208903		
<b>5. Delivery or service location:</b>	Harrisburg, PA		

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## SECTION B

- ☒ **1. Sole Source:** Only known source - Not available from another supplier.
- ☐ **2. Material/Repair/Maintenance:** Material or service MUST be compatible with existing equipment. Documentation must be provided from the manufacturer.
- ☐ **3. Used Equipment:** Value set by 2 independent 3rd party appraisals.
- ☒ **4. Professional Expert:** Describe in detail in Section C.
- ☐ **5. Exempt (Law):** A federal or state statute or regulation exempts the procurement from the competitive procedure. Any applicable information precluding the procurement from competitive procedures must be attached.
- ☐ **6. Feasibility:** Clearly not feasible to award the contract on a competitive basis.

## SECTION C

**1. Describe the unique features of this procurement that prohibit a competitive environment. If applicable, attach a Statement of Work ("SOW").**

We need these services to continue with the present actuarial firm, until the RFP process is completed and a new contract is awarded. In addition there was new federal legislation introduced that required the Department to execute EP ID# 26089 to satisfy this new requirement for services rendered through March 31, 2022. The new statement of work addressing the new legislation is attached. DHS needs the current vendor to remain in place while RFP 11-19 is being developed in order to maintain compliance with its required activities or federal funds could be in jeopardy.

**2. Document and attach the research that has been conducted to date to verify the supplier is the only known source.**

The RFP process for RFP 11-19 is taking longer than expected. The goal is to post within the month of January 2022. The management of PA Medicaid is constructed around the federal compliance of having an independent Actuary for rate setting, financial, and consulting activities available at all times. The integrity of PA Medicaid is dependent upon this. The current vendor must stay on contract until the RFP 11-19 is completed to secure a new contract for an independent Actuary.

**3. Does the supplier utilize distributors, dealers, resellers, etc.? If "Yes," please identify.**

No

**4. Are there compatibility requirements or compliance requirements with a warranty or service agreement? If "Yes," please explain.**

No

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5. How has the material or service been procured in the past? Please provide previous source justifications, contracts, & PO's for this material or service.

RFP procurement. The current contract is 440014980.

6. If procured through the IT ITQ process, please provide original \$ amount and contract period of order. Is this the final phase of the project?

N/A

7. If this is an upgrade, addition, alteration, etc., to an earlier procurement, please describe in detail.

This is an amendment to extend the contract 4400014980 until the RFP procurement process to establish a new actuarial services contractor is completed.

8. What are the consequences of not approving this procurement?

Actuarial activity will stop which will have a direct effect on the continuation of medical care for all recipients covered under MA programs. This will place further risk to the health and well being of Commonwealth of Pennsylvania citizens during a pandemic. This is a federally required activity and the Commonwealth of Pennsylvania will be out of compliance.

9. If timing is a factor, what is the time factor and why?

Yes. We are currently in the process of releasing RFP 11-19. The current contract will end on 3/31/22 and a new contract will not be in place. This request is needed so that services can continue until a new contract is awarded. This is required so that the Commonwealth of Pennsylvania remains in federal compliance. To be out of compliance places federal funds in jeopardy.

10. List any other information relevant to the acquisition of this procurement here or as an attachment.

See attachment.

11. For requests > \$100,000, has the supplier signed cost or pricing data certification and is the pricing breakdown attached?

Yes.

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## SECTION D

**IMPORTANT\*: The printed names on this form shall constitute the signatures of these individuals.** Agencies must insure that these individuals review the completed form and give their consent to apply their printed name on this form. No handwritten signatures shall be required in order for the form to be considered "signed" by those individuals whose names appear in the signature section of the form.

**Shopping Cart Contact Person (Person whom DGS will contact regarding the Shopping Cart):**

<b>Name:</b>	<input type="text" value="April Lebo"/>	<b>P-Group:</b>	<input type="text" value="n/a"/>	<b>Date:</b>	<input type="text" value="09-29-21"/>
<b>Title:</b>	<input type="text" value="Human Services Program Supl"/>	<b>Telephone:</b>	<input type="text"/>	<b>Fax:</b>	<input type="text"/>

**Agency Contact Person: Person in your agency that DGS can contact for additional information, etc.**

<b>Name:</b>	<input type="text" value="Mara Perez"/>	<b>Title:</b>	<input type="text" value="Bureau Director"/>	<b>Date:</b>	<input type="text" value="09-29-21"/>
<b>Telephone:</b>	<input type="text"/>	<b>Fax:</b>	<input type="text"/>	<b>Email:</b>	<input type="text" value="maraperez@pa.gov"/>

**Approving Authority (Agency Head or Deputy reviewing and approving this request):** Approving Authority connotes approval of the source justification and the cost or pricing data certification.

<b>Name:</b>	<input type="text" value="DeShawn Lewis"/>	<b>Title:</b>	<input type="text" value="Bureau Director"/>	<b>Date:</b>	<input type="text" value="01-12-22"/>
<b>Telephone:</b>	<input type="text"/>	<b>Fax:</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Additional Approvals (if required by Agency):**

<b>Name:</b>	<input type="text"/>	<b>Title:</b>	<input type="text"/>	<b>Date:</b>	<input type="text"/>
<b>Telephone:</b>	<input type="text"/>	<b>Fax:</b>	<input type="text"/>	<b>Email:</b>	<input type="text"/>
<b>Name:</b>	<input type="text"/>	<b>Title:</b>	<input type="text"/>	<b>Date:</b>	<input type="text"/>
<b>Telephone:</b>	<input type="text"/>	<b>Fax:</b>	<input type="text"/>	<b>Email:</b>	<input type="text"/>
<b>Name:</b>	<input type="text"/>	<b>Title:</b>	<input type="text"/>	<b>Date:</b>	<input type="text"/>
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<b>Telephone:</b>	<input type="text"/>	<b>Fax:</b>	<input type="text"/>	<b>Email:</b>	<input type="text"/>