

# **Request for Applications (RFA) #07-19**

**Managed Care Organizations to Provide  
Physical Health Services in the  
Commonwealth of Pennsylvania in the Five HealthChoices  
Zones**

**Pre-Application Conference**

**November 5, 2019**

- **Scott Matlock – Bureau of Managed Care Operations, Program Officer**
- **Lisa Sanford – Director, DGS Bureau of Diversity, Inclusion and Small Business Opportunities**
- **Laura Schlagnhauser – DHS Contractor Partnership Program, Office of Income Maintenance**
- **Mara Perez – Director, OMAP Bureau of Fiscal Management**
- **George Rhyne – Director, OMAP Division of HealthChoices Rates**
- **Curtis Ertel – Director, OMAP Division of Financial Analysis & Reporting**
- **John Miller – Director, OMAP Division of Budgets and Contracts**
  
- **Attendees**

# Agenda



**pennsylvania**  
DEPARTMENT OF HUMAN SERVICES

- Introductions
- Ground Rules
- Pre-Application Conference Purpose
- Project Background and Objectives
- Project Overview
- Critical Points and Focus Areas
- Small Diverse Business Overview
- Contractor Partnership Program
- Timeline
- Break / Question Submittal
- Questions
- Adjourn

# Ground Rules



- Sign in sheets
- Questions may be submitted in writing on the forms provided by the end of this conference.
- The Commonwealth team will determine which questions may be preliminarily answered.
- Any answers provided are not final until formally issued in writing.
- Any changes to the RFA will be issued as a formal written Addendum.
- All communication must be made through the RFA Issuing Officer.

- To minimize delays in Application evaluation and to avoid rejection of your Application, read the RFA carefully and submit a complete Application, including signature. Follow the Application format as detailed in Part I of the RFA. Include the appropriate heading descriptions, respond to all requirements and provide any other relevant information as an appendix.
- The Department may request an oral presentation of the application from each Applicant.
- The Department may also seek clarifications of applications.
- Each Application must have three separately sealed submittals; Technical, Small Diverse Business, and Contractor Partnership Program. (Please pay close attention to the number of hardcopy and electronic submittals required.)

# Critical Points (cont.)



- Applications must be received by 12:00 PM on December 17, 2019.
- The resulting agreements will be for a term of five (5) years with the option to extend for an additional three (3) years.

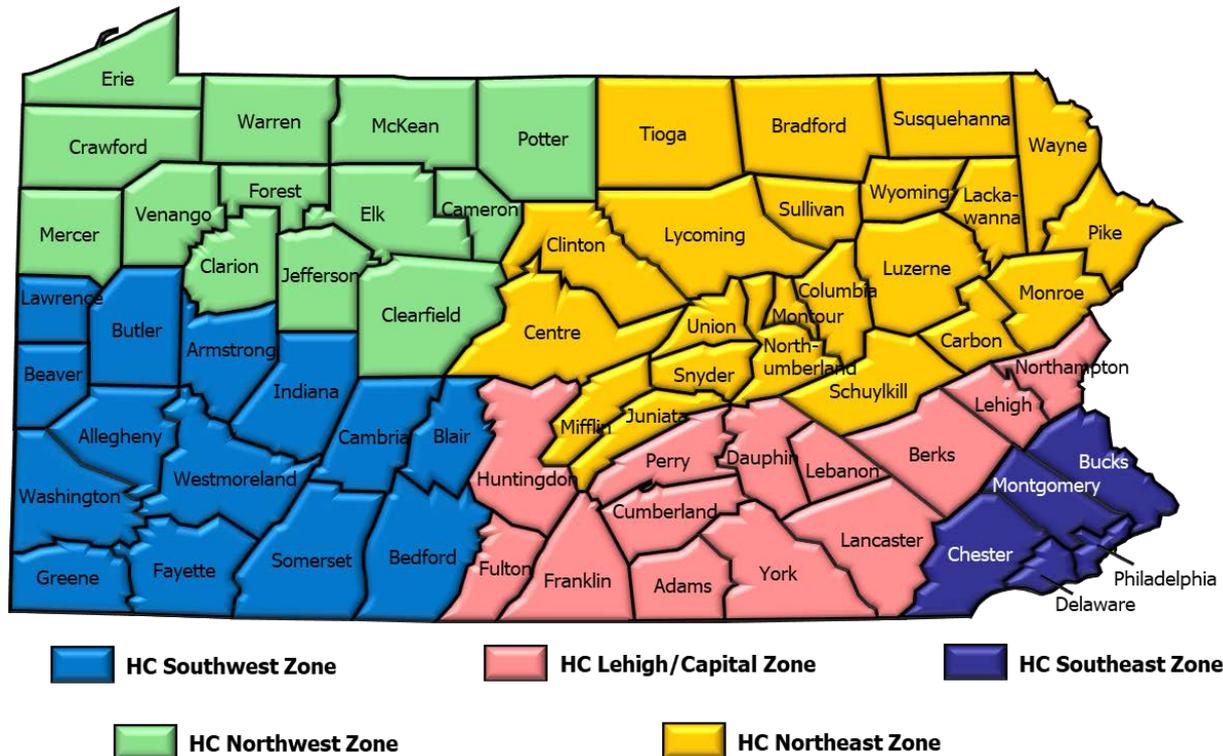
# Critical Points (cont.)



- The RFA will be evaluated based on the following criteria:
  - Technical – 100%
  - Domestic Workforce Utilization – Up to 3% bonus points
  
- The technical evaluation will be based upon the following criteria:
  - Soundness of Approach (85%);
  - Personnel Qualifications and Staffing (5%); and
  - Prior Experience and Performance (10%).
  
- The Department will separately evaluate and score the technical submittals for each HealthChoices Zone.

# Project Overview:

- **As detailed in RFA #07-19, the Department is seeking Commonwealth licensed HMOs to operate as Managed Care Organizations in the HealthChoices Physical Health program in five HealthChoices Zones**



# Project Overview: (cont.)



## Population – July 2019 Member Months\*

Zone	TANF/MAGI	SSI/BCC	Newly Eligible	Grand Total
Southwest	233,707	80,557	148,780	463,044
Southeast	430,722	116,222	269,523	816,467
Lehigh/Capital	276,089	73,420	143,236	492,744
Northeast	169,614	46,432	100,704	316,750
Northwest	82,348	27,499	47,495	157,342
<b>Grand Total</b>	<b>1,192,480</b>	<b>344,130</b>	<b>709,738</b>	<b>2,246,348</b>

*\*Some totals do not sum due to rounding*

**TANF/MAGI = Temporary Assistance Needy Families/  
Modified Adjusted Gross Income (includes all <age 1)**

**SSI/BCC = Supplemental Security Income/Breast & Cervical Cancer**

**Newly Eligible = Adults ages 19-64 newly eligible due to Medicaid expansion**

\*Population projections can be uncertain, affected by changes in the economy, law and regulations, and policies. DHS publishes monthly and historical enrollment reports capturing many specific geographic and statistical elements. These reports can be reviewed at <http://www.dhs.pa.gov/provider/healthcaremedicalassistance/managedcareinformation/index.htm> .



### **DHS anticipates awarding agreements to:**

**4-5 MCOs in Southeast Zone**

**3-5 MCOs in Southwest Zone**

**3-5 MCOs in Lehigh/Capital Zone**

**3-4 MCOs in Northwest Zone**

**3-4 MCOs in Northeast Zone**

Applicants are not required to submit an application for all Zones and may apply for one, several or all zones.

## DHS Objectives:

- **Triple Aim** (better health, better care, lower costs);
- High **quality** healthcare services to MA beneficiaries;
- Improve **physical health and behavioral health care coordination**;
- Expand **value-based purchasing** of healthcare services;
- Expand team-based care delivery (such as **patient centered medical homes**);
- **Promote community-based public health** initiatives;
- Increase **consumer access** to needed services, especially in **rural and underserved** areas of the Commonwealth;
- Increase consumer access to needed services, including services to mitigate **social determinants of health**;
- Improve program **efficiency**, and;
- Improve the **provider experience**

### ➤ Work Statement Questionnaire (Part III-6)

- Planned Approach/Work Plan
- Member Management
- Utilization Management
- Care Management
- Special Needs
- Coordination of Care
- Quality and Performance Management
- Provider Network Composition and Network Management
- Value Based Purchasing
- Pharmacy/Outpatient Drug
- Management Information Systems

✓ *This is a broad list of tasks. Detailed information in Part III-6 of the RFA.*

All selected Applicants will be required to:

- Have Certificate of Authority to operate as an HMO in PA, and PA Department of Health operating authority in each county in each Zone for which they are selected, no later than three (3) months prior to the date the selected Applicant begins to provide services to program beneficiaries. (Part I-III)
  
- Demonstrate Financial Capability (Part III-5)
  - “Pass/Fail”: ***Not scored as part of Technical Evaluation***
    - **Applicants who do not meet requirement to demonstrate financial capability will NOT be selected to submit a Best and Final Offer, will NOT be selected for negotiations, and will NOT be awarded agreements.**

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# Health Choices Pre-Application Conference

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**pennsylvania**  
BUREAU OF DIVERSITY, INCLUSION  
AND SMALL BUSINESS OPPORTUNITIES

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**November 5, 2019**

# What's the Point?



# Solicitation Specific Goals

## APPENDIX J



**Goal applies to Administrative Costs of PMPM**

**SDB = 9%    VBE = 0%**

**For each HealthChoices Zone**

**Primes are welcome to exceed the goal!**

# Goal Analysis

- Available subcontracting opportunities across the entire state for the administrative services,
- Availability of DGS-verified SDBs to perform commercially useful functions, and
- SDB utilization on the past nine years worth of HealthChoices Physical Health Services agreements.

# Goal Analysis

- DGS and DHS determined that 9% is an appropriate and achievable SDB participation goal
- Anticipating \$800M dollars in SDB participation

# Note to Subcontractors

## **Part IV-3.C.2.b.**

*The fixed percentage commitment, that each SDB will receive based on the total amount paid for administrative costs as part of the PMPM payment.*

*PMPM (%) = Admin cost (SDB commitment goal) = SDB\$\$*

## **Part IV-3.C.2.e.**

Subcontractors to submit MONTHLY Utilization Reports to DGS's Bureau of Diversity, Inclusion and Small Business Opportunities.

# Note to Primes

- Over 900 SDBs available
- Compliance will be closely monitored and enforced

The screenshot shows the 'Supplier Search' page of the Pennsylvania Department of General Services. The page includes a navigation bar with 'Home', 'PA eMarketplace -', and 'Search Contracts -'. A note explains that searches will include suppliers qualified for ITQ contracts and those registered with the Bureau of Diversity, Inclusion and Small Business Opportunities (BDISBO). There are two search sections: 'Quick Search' with a text input for 'Supplier Name or SAP Number', a 'Search' button, and a 'Reset' button; and 'Advanced Search'. At the bottom, there is a table with columns for 'Supplier (click on name to display full record)', 'Contact', 'Address', 'SB Exp Date', 'SDB', and 'COSTARS'. The table is currently empty. There are also options to 'Show 10 entries', 'Export to Excel', and 'Reset Search Criteria'.

<http://www.dgs.internet.state.pa.us/suppliersearch>

# Late Fee

## Part IV-3.D.

### D. Utilization Reports.

For each Zone for which the Agreement becomes effective, the PH-MCO must submit a Monthly Utilization Report to BDISBO and the Department's HealthChoices Operations Chief in the format required by BDISBO within ten (10) Business Days at the end of each month of the Agreement term and any extensions. For each Monthly Utilization Report submitted, the PH-MCO must list payments made to each SDB subcontractor and any unpaid invoices over 30 calendar days old received from an SDB subcontractor, and the reason payment has not been made. This information will be used to track and confirm the actual dollar amount paid to SDB subcontractors and suppliers and will serve as a record of fulfillment of the PH-MCO's commitment(s). If no activity occurred, the PH-MCO must complete the form, by stating "No activity". The Department may assess a late fee of up to \$100.00 per day for each required Utilization Report not submitted in accordance with the schedule above.

# Solicitation-Specific Goals

## IV-2. SDB Participation Goal.

The Department and BDISBO have set a statewide SDB Participation Goal for this RFA, which is listed on **Appendix J, Small Diverse Business (SDB) Participation Summary Sheet** and that must be met for each Zone for which an application is being submitted. The SDB Participation Goal was calculated based upon the market availability of SDBs for work scopes identified for this solicitation and an assessment of past performance under the prior Health Choices PH agreements.

This approach represents a significant programmatic change from the SDB and SB Participation program contained in prior solicitations issued by the Commonwealth. Applicants now must meet the SDB Participation Goal in full or demonstrate they have made Good Faith Efforts to meet the Goal.

Although the SDB Participation Goal is statewide, an Applicant must either meet the SDB Participation Goal or establish to the satisfaction of the Department and BDISBO that it has made a Good Faith Effort to meet the SDB Participation Goal for each Zone for which an application has been submitted. If an Applicant is submitting applications for multiple Zones, it must submit a separate SDB Participation Submittal and required documentation for each Zone. Applicants must clearly identify the Zone for which each Submittal applies.

Currently, the Department and DGS BDISBO have not set a participation goal for Veteran Business Enterprises (“VBE”) (which include Veteran Small Business Enterprises and Service-Disabled Veteran Small Business Enterprises). As the VBE program matures, the Department and BDISBO may establish a VBE participation goal for subsequent Agreement years.

**NOTE: Equal employment opportunity and contract compliance statements referring to company equal employment opportunity policies or past contract compliance practices do not constitute proof of SDB Status or entitle an Applicant to receive credit towards the SDB or VBE participation goals.**



**Possible VBE goal  
in the future**

**SDB = DGS Certified**

# New Forms and Processes

- SDB Instructions – *SDB-1 Read*
- SDB Participation Submittal – *SDB-2*
- SDB Utilization Schedule – *SDB-3*
- Letter of Commitment – *SDB 4*
- Guidance for Good Faith Effort (GFE) Waiver – *SDB-5 Read*
- GFE Waiver – *SDB-6*

## APPENDIX K

# SDB Submittal Instructions – SDB-1

## **SDB-1 INSTRUCTIONS FOR COMPLETING THE SMALL DIVERSE BUSINESS (SDB) PARTICIPATION SUBMITTAL AND SDB UTILIZATION SCHEDULE**

*PLEASE READ BEFORE COMPLETING THESE DOCUMENTS*

The following instructions include details for completing the SDB Participation Submittal, which Applicants must submit in order to be considered responsive.

This form also includes instructions for completing the SDB Utilization Schedule, which Applicants must submit for any portion of the SDB participation goal the Applicant commits to meeting.

**An Applicant's failure to meet the SDB participation goal in full or receive an approved Good Faith Efforts waiver for any unmet portion of the SDB participation goal will result in the rejection of the application as nonresponsive.**

- I. **SDB Participation Goal:** The SDB participation goal is set forth in the **SDB Participation Summary Sheet (Appendix J to the RFA)**. The SDB participation goal applies only to the administrative portion of the PMPM rate. The Applicant is encouraged to use a diverse group of subcontractors and suppliers from the SDB classifications to meet the SDB participation goal.

# SDB Submittal – SDB-2

**CRITICAL**

✓ Check One, and Only One, Box

## SDB-2 SDB PARTICIPATION SUBMITTAL

Applicant: \_\_\_\_\_  
HealthChoices Zone: \_\_\_\_\_

**CHECK ONE, AND ONLY ONE, BOX. FAILURE TO SUBMIT A COMPLETED SDB PARTICIPATION SUBMITTAL WILL RESULT IN REJECTION OF YOUR APPLICATION.**

**I agree to meet the SDB participation goal in full.**

I have completed and am submitting with my application an **SDB Utilization Schedule (SDB-3)** and required

**I am requesting a partial waiver of the SDB participation goal.**

After making good faith outreach efforts as more fully described in the **Guidance for Documenting Good Faith Efforts to Meet the SDB Participation Goal (Form SDB-5)**, I am unable to achieve the total SDB participation goal for this solicitation and am requesting a partial waiver of the

**I am requesting a full waiver of the SDB participation goal**

After making good faith outreach efforts as more fully described in the **Guidance for Documenting Good Faith Efforts to Meet the SDB Participation Goal (Form SDB-5)**, I am unable to achieve any part of the SDB



# SDB Utilization Schedule – SDB-3

## SDB-3 SDB UTILIZATION SCHEDULE

List in the chart below SDBs (including where applicable a prime Applicant self-performing a portion of the work) that will be used to meet the SDB participation goal (add additional pages if necessary). Please see first line for an example of the required information. In the first Agreement year, each SDB participation commitment listed below, and the total percentage of the SDB participation commitment, will become obligations of the selected Applicant's Agreement. In the second and subsequent years of the Agreement, the total percentage of the SDB participation commitment will become an obligation of the selected Applicant's Agreement and the selected Applicant will be required to utilize the SDBs listed below; however, the selected Applicant will be permitted to add additional SDBs to meet their total percentage of SDB participation commitment.

Prime may add new SDBs  
after the first year

Submit a Letter of Commitment for each SDB subcontractor.

<b>SDB Name</b> <b>SAP Vendor Number</b> <b>(6-digit number provided by SDB)</b> <b>SDB Verification Number</b> <b>(located on DGS SDB verification)</b>	<b>Type of SDB</b> <b>(check all that apply)</b>	<b>Description of Work to be Performed</b> <b>(Statement of Work/Specification reference)</b>	<b>% Commitment for the first Agreement year</b> <b>(or % of work to be self-performed by SDB Applicant)</b>
<b>Name:</b> <u>ABC IT Solutions</u> <b>SAP Vendor Number:</b> <u>123456</u> <b>SDB Verification Number:</b> <u>123456-2016-09-SB-M</u>	MBE	IT staffing resources	X%
<b>Name:</b> <b>SAP Vendor Number:</b> <b>SDB Verification Number:</b>	<input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> LGTBTE <input type="checkbox"/> DOBE		

# SDB Letter of Commitment SDB-4

## SDB-4 LETTER OF COMMITMENT

This Letter of Commitment serves as confirmation of the commitment by the Applicant to utilize the Small Diverse Businesses (SDB) on the below-referenced Project.

Solicitation Number: \_\_\_\_\_  
Solicitation Name: \_\_\_\_\_  
HealthChoices Zone: \_\_\_\_\_

	Applicant Information	SDB Information
Name		
Address		
Point of Contact		
Telephone number		
Email address		

**SDB to  
expect a  
letter and  
SIGN it!**

Services and Time Frame. If Applicant is the selected PH-MCO, the SDB shall perform or provide the following administrative services during the initial term of the Agreement and during any extensions, as more specifically set forth below:

Services the SDB will provide: \_\_\_\_\_

Specific Time Frame the SDB will provide the services or supplies: \_\_\_\_\_

Percentage Commitment. These services or supplies represent \_\_\_\_\_ % of the Administrative PMPM for \_\_\_\_\_

# Good Faith Efforts Packet SDB-6

## Good Faith Efforts (GFE) Partial or Full Waiver

- Identified Items of Work Applicant Made Available to SDBs (Part 1)
- Identified SDBs and Record of Solicitations (Part 2)
- SDB Outreach Compliance Statement (Part 3)
- Additional Information Regarding Rejected SDB Quotes (Part 4)
- SDB Subcontractor Unavailability Certificate (Part 5)

# SDB GFE Documentation – SDB-6

## SDB-6

### GOOD FAITH EFFORTS DOCUMENTATION TO SUPPORT WAIVER REQUEST OF SDB PARTICIPATION GOAL

<b>Project Description:</b>	
<b>Commonwealth Agency Name:</b>	
<b>Solicitation #:</b>	
<b>HealthChoices Zone:</b>	
<b>Solicitation Due Date and Time:</b>	
<b>Applicant Company Name:</b>	
<b>Applicant Contact Name:</b>	
<b>Applicant Contact Email:</b>	
<b>Applicant Contact Phone Number:</b>	

Complete all five parts

#### Part 1 – Identified Items of Work Applicant Made Available to SDBs

Identify those items of administrative work that the Applicant made available to SDBs. This includes, where appropriate, those items the Applicant identified and subdivided into economically feasible units to facilitate the SDB participation. For each item listed, show the anticipated percentage of the administrative PMPM rate. It is the Applicant’s responsibility to demonstrate that enough work to meet the SDB participation goal was made available to SDBs, and the total percentage of the items of work identified for SDB participation met or exceeded the SDB participation goal set for the procurement.

Identified Items of Work	Was this work listed in the solicitation?	Does Applicant normally self-perform this work?	Was this work made available to SDB Firms? If not, explain why.
	<input type="checkbox"/> yes <input type="checkbox"/> no	<input type="checkbox"/> yes <input type="checkbox"/> no	<input type="checkbox"/> yes <input type="checkbox"/> no

# BDISBO Contact Info

## **Bureau of Diversity, Inclusion and Small Business Opportunities**

North Office Building  
401 North Street, Room 611  
Harrisburg, PA 17120-0500  
717.783.3119

[GS-BDISBO@pa.gov](mailto:GS-BDISBO@pa.gov)



# Contractor Partnership Program

Bureau of Employment Programs  
Tanoa Fagan, Bureau Director

## What is the Contractor Partnership Program (CPP)?

- CPP was created by the Department of Human Services (DHS) to address workforce needs by connecting beneficiaries of Temporary Assistance for Needy Families (TANF) to jobs while simultaneously helping to fill the hiring needs of employers.
- CPP requires entities who are awarded a contract or agreement with the DHS to establish a hiring target that supports TANF beneficiaries in obtaining employment with the contractor, grantee, or their subcontractors.
- DHS staff provide support to required entities through connections to Employment and Training Providers throughout the state who can assist in finding qualified job candidates. DHS staff also provide technical assistance.

## What are the benefits for Contractors and Grantees?

- Fulfills workforce needs by connecting entities to a pool of job candidates.
- Connects entities to PA's Employment & Training network who can assist in developing workforce training, hiring and retention at no cost.
- Entities may be eligible for tax credits for hiring individuals receiving TANF such as Work Opportunity Tax Credit and Federal Bonding.

[WOTC](#)

[Federal Bonding Program](#)

- Establishes entities as part of a collective solution to lifting people out of poverty.

## RFA Requirements

- The RFA contains an overview of CPP in Part V.
- Applicants should submit a plan for hiring TANF beneficiaries with the objective of meeting the hiring target.
- This submittal will not be part of the scoring criteria, but it must be completed.

## Implementing a Hiring Plan

- As part of its CPP submittal, each Applicant will be asked to submit a hiring target.
- Applicants should review the positions they currently offer and anticipate needing not only as a result of being awarded an agreement but generally throughout the organization for:
  - Both degree and non-degree positions
  - Subcontractor positions should be considered

## How is the hiring target determined?

As part of their CPP submittal, applicants will report their number of Pennsylvania hires annually for the past three years and calculate their average number of hires per year; the target will be 10% of the average.

*\*Exemptions can be discussed as appropriate*

## *Hiring Target Example:*

*Company X hired **25** people in 2018, **22** in 2017 and **35** in 2016 in Pennsylvania.*

*$(25 + 22 + 35)/3 = 27$  hires on average per year*

*10% of 27 = 2.7*

*3 CPP hires are the target for each year of the agreement*

## Program Requirements

- Implement the hiring plan as established in your CPP submittal: If awarded an agreement, DHS and the Bureau of Employment Programs can work with the entity to implement the hiring plan.
  - Establish a Business Folder in the Commonwealth Workforce Development System (CWDS)
    - Folders are agreement specific
    - Folders must be kept updated for accurate contact information
  - Complete the Routing Slip and return via email to the CPP resource account within ten business days of receiving the form
    - The Routing Slip is used by the entity to submit its negotiated hiring target and business folder name
  - Submit quarterly employment reports via CWDS as follows:
    - Q1-October 15
    - Q2-January 15
    - Q3-April 15
    - Q4-July 15
- \*Quarterly Reports are required even if no hires were made during the quarter\*

## How can DHS connect selected Applicants with TANF beneficiaries?

- Selected Applicants can post available positions via PA CareerLink® online: [pacareerlink.pa.gov](http://pacareerlink.pa.gov)
- DHS can connect entities with local employment and training programs including the Employment Advancement and Retention Network (EARN), Work Ready, and Keystone Education Yields Success (KEYS) providers who work directly with TANF beneficiaries.

## What type of positions are typically filled by CPP applicants?

### EARN PARTICIPANTS:

- SKILLED JOB SEEKERS
- VARIOUS SKILL LEVELS AND EXPERIENCE

### WORK READY PARTICIPANTS:

- ENTRY LEVEL SKILL SET

### KEYS PARTICIPANTS:

- INDUSTRY RECOGNIZED CREDENTIALS
- ASSOCIATE DEGREES

## What are the responsibilities of oversight staff?

The Bureau of Employment Programs (BEP) and Project Monitors will work together to:

- Provide support to selected Applicants
- Ensure that the selected Applicants designate and maintain a point of contact for CPP purposes
- Support selected Applicants in making connections to job candidates and provide technical assistance as needed
- Conduct outreach when selected Applicants fail to respond to program requests
- Review CPP targets during annual monitoring and targeted technical assistance visits
- Share quarterly updates, and hold further discussions, if needed



## Contact Information

Contractor Partnership Program

**Email:** [RA-BETPCPP@pa.gov](mailto:RA-BETPCPP@pa.gov)

PA CareerLink® online:

[pacareerlink.pa.gov](http://pacareerlink.pa.gov)

- The Project Timeline includes:
  - **October 15, 2019** – RFA #07-19 is Issued
  - **November 5, 2019** – Pre-Application Conference
  - **November 5, 2019 at 2 PM EST** – Deadline to submit questions
  - **November 19, 2019** – Answers to Potential Applicants' questions will be posted to the Department of General Services (DGS) website
  - **December 17, 2019 at 12 PM EST** – Due date for Applications



## Break & Question Submittal

Questions may be submitted in writing on the forms provided during this break or at the end of the conference.

# Questions



- To date, 69 written questions have been submitted by email.
- You may submit additional questions today on the forms provided.
- A preliminary response may be provided to any questions submitted.
- We will not answer any question not provided in writing.
- No answer is official until it is answered in writing and posted to the DGS website as an addendum to the RFA.

- This concludes the Pre-Application conference.
- Answers to all questions posed will be posted to the DGS website at <http://www.emarketplace.state.pa.us/Search.aspx> by November 19, 2019.
- No further questions will be entertained or answered.

Karen Kern  
Department of Human Services  
Bureau of Procurement & Contract Management  
Health & Welfare Bldg., Rm 824  
Harrisburg, PA 17120  
mailto: [RA-PWRFAQUESTIONS@PA.GOV](mailto:RA-PWRFAQUESTIONS@PA.GOV)

Any contact with the Department concerning this RFA must be through the RFA Issuing Officer, **via email to the resource account listed above.**