

**REQUEST FOR PROPOSALS ISSUED BY THE
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE**

Fiscal Analysis of the Health Security Act Plan

**State of New Mexico Legislative Finance Committee
325 Don Gaspar, Suite 101
Santa Fe, New Mexico 87501**

RFP No. 20 112 0000 0001

**ISSUE DATE: September 16, 2019
DUE DATE: October 15, 2019**

TABLE OF CONTENTS

- I. Introduction
 - A. Purpose of This Request for Proposals 3
 - B. Summary Scope of Work..... 3
 - C. Scope of Procurement..... 4
 - D. Offeror Qualification — Conflict of Interest..... 4
 - E. Procurement and Contract Managers 5
 - F. Definition of Terminology 6
 - G. Notice to Offeror..... 7
 - H. Document Validity..... 7
 - I. Background Information..... 7
 - J. Procurement Library 15

- II. Conditions Governing the Procurement
 - A. Procurement Schedule 16
 - B. Explanation of Events..... 16
 - C. Amendments to RFP..... 19
 - D. General Requirements 19

- III. Response Format and Organization
 - A. Number of Responses 25
 - B. Number of Copies..... 25
 - C. Proposal Format..... 25

- IV. Specifications
 - A. Information 26
 - B. Mandatory Specifications 27

- V. Evaluation
 - A. Evaluation Process..... 29
 - B. Evaluation Point Table Summary of Factors 30
 - C. Evaluation Factors 30

- VI. Scope of Work
 - A. Requirements 31
 - B. Time Frame 35

- VII. Appendix A: Acknowledgment of Receipt 36

- VIII. Appendix B: Certification Regarding Debarment, Suspension and Other Responsibility Matters ...37

- IX. Appendix C: Cost Report Form 39

- X. Appendix D: Campaign Contribution Disclosure Form..... 40

SECTION I: INTRODUCTION

A. PURPOSE OF THIS REQUEST FOR PROPOSALS

The State of New Mexico's Legislative Finance Committee (LFC) is requesting proposals for the provision of extensive quantitative and comparative analysis of various scenarios for extending health care coverage in New Mexico pursuant to the Health Security Act as introduced during the 2019 New Mexico legislative session as House Bill 295 (HB 295) and Senate Bill 279 (SB 279).

The purpose of this Request for Proposals (RFP) is to select through a competitive procurement process a qualified offeror(s) that has the experience and expertise to perform the consultation services as described in the Scope of Work, Section VI of this request for proposals (RFP). Offerors shall be required to provide the services identified in the Scope of Work under the direction of the LFC contract manager.

An offeror must meet the following conditions to be an eligible candidate for contract award:

- (1) experience and expertise in more than one jurisdiction in health coverage modeling and costs, including analysis and evaluation of different types of health coverage and statistical analyses of health care coverage models and their associated costs to public and private payers, providers, practitioners and consumers, including economic costs to transition to these models and costs in future years after full implementation of various models;
- (2) demonstrated scholarship in modeling and analyzing costs and implications, e.g., impacts on access and health outcomes of various health coverage models and specifically the Health Security Act plan; and
- (3) demonstrated knowledge of New Mexico's unique cultural and rural characteristics, its economic and demographic profile, and its current health care system, or methods of obtaining that knowledge.

B. SUMMARY SCOPE OF WORK

The LFC is soliciting proposals for a contractor(s) that can produce an extensive quantitative and comparative analysis of various scenarios and economic impact for extending health care coverage in New Mexico under the Health Security Act Plan as introduced during the 2019 New Mexico legislative session as House Bill 295 (HB 295) and Senate Bill 279 (SB 279). A final contractor will be selected to present the modeling of options, to provide a written report, and to present testimony on the project before LFC and the Legislative Health and Human Services Committee (LHHS), and other potentially interested public bodies, in the spring and summer of 2020.

Costs of scenarios will be analyzed by the successful offeror using a micro-simulation model or other types of analyses. Contractor(s) will coordinate with the Project Manager to provide technical assistance to them as necessary to ensure understanding of all the necessary details to be modeled and analyzed. The contractor(s) will generate key point estimates of desired outcomes for the options

under analysis. Desired outcomes include, but are not limited to, the number of insured, costs, sources of financing, economic substitution effects, market impacts, and impacts on major stakeholders.

The fiscal analysis shall include the following:

- (1) cost estimate of the Health Security Act;
- (2) cost saving or cost growth potential under the Health Security Act;
- (3) financing of the Health Security Act; and
- (4) economic impact on New Mexico families and businesses.

Additionally, the fiscal analysis may consider, when relevant to the Health Security Act, financial analysis of insurance market reforms, tax credits for employers and individuals, employer and individual mandates and subsidies, public program expansions, refinancing or single payer models and others, or a combination of approaches or components. Refer to the full Scope of Work, section VI, for more details.

Available funding for the project will be determined based upon offers submitted and upon negotiation. The deadline for receipt of the proposals is October 16, 2019.

C. SCOPE OF PROCUREMENT

The Scope of Procurement includes the operation and support services required to accomplish those tasks defined in the Summary Scope of Work and Scope of Work. The contract is scheduled to begin on November 12, 2019 and terminate on June 30, 2020. The offeror's initial analysis and preliminary report will be submitted to the LFC by April 15, 2020, and presented to legislative interim committees between May and June, 2020. The final report will be submitted to the LFC by June 30, 2020. Additional presentations of the offeror's final report may be required after June 30, 2020 and will be provided by the offeror at no additional cost. Any additional analytical work requested after June 30, 2020, will be negotiated separately with the budget and costs for such work negotiated in conjunction with the agreement about additional work to be performed.

D. OFFEROR QUALIFICATIONS — CONFLICT OF INTEREST

This RFP is open to any offeror capable of performing the work described in Section VI, Scope of Work, subject to the following stipulations:

- (1) An offeror shall not contract with the LFC for any consultation services that would conflict with the requirements of this procurement.
- (2) Pursuant to the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978, an offeror shall

have no direct or indirect interest that conflicts with the performance of services covered under this agreement.

(3) Pursuant to Sections 13-1-191, 30-24-2 and 30-41-1 through 30-41-3 NMSA 1978, an offeror may not provide or offer bribes, gratuities or kickbacks to applicable state personnel.

(4) An offeror shall ensure that no elected or appointed officer or other employee of the State of New Mexico shall benefit financially or materially from the successful award of the contract to the offeror and that no individual employed by the State of New Mexico shall be admitted to any share or part of the contract or to any benefit that may arise therefrom.

(5) The burden is on the offeror to present sufficient assurance to the LFC that the award of the contract to the offeror shall not create a conflict of interest.

E. PROCUREMENT AND CONTRACT MANAGERS

The LFC has designated a procurement manager who is responsible for the conduct of this procurement, and a contract manager who will oversee the work described herein; contact information for these individuals is listed below.

Jeannae Leger, Procurement Manager
Legislative Finance Committee
325 Don Gaspar, Suite 101
Santa Fe, NM 87501
jeannae.leger@nmlegis.gov
Telephone: (505) 986-4543

Jenny Felmley, Contract Manager
Legislative Finance Committee
325 Don Gaspar, Suite 101
Santa Fe, NM 87501
jenny.felmley@nmlegis.gov
Telephone: (505) 986-4557

Any inquiries or requests regarding this procurement shall be submitted, in writing, and only to the procurement manager. Questions shall be clearly labeled and shall cite the specific RFP section that forms the basis of the question. Offerors may contact only the procurement manager regarding the procurement during the course of this procurement. Any attempt to contact others may result in disqualification of the offeror. Other state employees do not have the authority to respond on behalf of the LFC. The LFC shall not assume responsibility for any answers or clarifications received from other LFC staff, or from any other state staff unless authorized in writing by the procurement manager to respond on the LFC's behalf.

F. DEFINITION OF TERMINOLOGY

This paragraph contains definitions that are meaningful to the administration of health coverage in New Mexico, many of which are used throughout this procurement document and related documents, including appropriate abbreviations.

(1) "**Contract**" means an agreement for the procurement of items of tangible personal property or services.

(2) "**Contract Administrator**" means the individual selected by the LFC to monitor all aspects of the contract resulting from this RFP.

(3) "**Contractor**" means successful offeror.

(4) "**Determination**" means the written documentation of a decision of a procurement manager, including findings of fact required to support a decision. A determination becomes part of the procurement file to which it pertains.

(5) "**Desirable**" means that the terms "may", "can", "preferably" or "prefers" identify a desirable or discretionary item or factor.

(6) "**DFA**" means the Department of Finance and Administration of the State of New Mexico.

(7) "**Evaluation Committee**" means a body appointed to perform the assessment of offeror proposals.

(8) "**Evaluation Committee Report**" means a report prepared by the procurement manager and the Evaluation Committee for submission to the director of the LFC for contract award that contains all written decisions resulting from the conduct of a procurement requiring the evaluation of competitive sealed proposals.

(9) "**Finalist**" means an offeror who meets all the mandatory specifications of the RFP and whose score on evaluation factors is sufficiently high to qualify that offeror for further consideration by the Evaluation Committee.

(10) "**FY**" means fiscal year of the State of New Mexico and "**FFY**" means the federal fiscal year of the U.S. Government. The New Mexico state fiscal year is July 1 through June 30. The federal fiscal year is October 1 through September 30.

(11) "**Human Services Department (HSD)**" means the executive department in New Mexico responsible for the administration of Title XIX (Medicaid). The term HSD may also indicate the department's designee, as applicable.

(12) "**Legislative Finance Committee (LFC)**" means the nonpartisan legislative agency created

pursuant to Section 2-5-1 NMSA 1978, which is responsible for the issuance of this RFP.

(13) "**Mandatory**" means that the terms "must", "will", "shall", "is required" or "are required" identify a mandatory item or factor.

(14) "**Offeror**" is any person, corporation or partnership that chooses to submit a proposal.

(15) "**Procurement Manager**" means the person or designee authorized by the LFC to manage or administer a procurement requiring the evaluation of competitive sealed proposals.

(16) "**Request for Proposals (RFP)**" means all documents, including those attached or incorporated by reference, used for soliciting proposals.

(17) "**Responsive Offer**" or "**Responsive Proposal**" means an offer or proposal that conforms in all material respects to the requirements set forth in the RFP. The term "material respects" includes, but is not limited to, the price, quality, quantity or delivery requirements of the relevant product or service.

(18) "**Subcontractor**" means a third party who contracts with the contractor or parties the contractor has in turn contracted with for the provision of services that the contractor has contracted with the LFC to perform.

The offeror should note that the use of a singular number includes the plural and the use of a plural number includes the singular, i.e., "offeror" includes "offerors".

G. NOTICE TO OFFEROR

This procurement is governed by the Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978, and applicable rules. The code imposes civil and criminal penalties for its violation. In addition, New Mexico criminal statutes impose felony penalties for bribes, gratuities or kickbacks.

H. DOCUMENT VALIDITY

The RFP consists of this document, Sections I through VI and appendices. The offeror's proposal will consist of those documents similarly labeled as such and submitted by the offeror in the manner and time frame described in this RFP.

I. BACKGROUND INFORMATION

This section provides the fiscal impact report completed by the LFC on the Health Security Act Plan as introduced during the 2019 New Mexico legislative session as House Bill 295 (HB 295) and Senate Bill 279 (SB 279).

Synopsis of HSEIC Amendment

The House State Government, Elections & Indian Affairs Committee amendment to House Bill 295 has two effects:

- 1) It removes deadlines set in the original bill with the single exception of the date (now changed to) April 8, 2021 for changes in the Tort Claims Act, and
- 2) The appropriation in the bill is removed.

Synopsis of Original Bill

House Bill 295 enacts the Health Security Act to provide for a study of a comprehensive statewide health care, the development of a health security plan, and the creation of a commission to study the consequences that would occur from adoption of the framework put forward from the delayed creation of a Health Security Act. The Tort Claims Act is amended.

The bill proposes to enact the Health Security Act to create a program that ensures health care coverage to virtually all New Mexicans through a combination of public and private financing, control escalating health care costs, and improve the health care of New Mexicans, to begin in December 2021. However, the Plan would require that the 2021 Legislature approve the implementation of the Plan; if it did not the act, except for the Tort Claims Act changes, would be repealed. Exceptions to universal coverage would be made for citizens with federal retirement health coverage, covered by ERISA-covered health insurance plans that did not choose to join the overall system, active and retired military service members, and by Indian tribes and pueblos that did not contract with the system, although individual tribal members could join. Other insurance entities, including Medicaid and Medicare, would be subsumed into the new plan, with the exception that supplemental insurance products would be permitted to cover expenses that would otherwise be borne by the consumer.

Definitions are specified for twenty-two key terms as used in the Health Security Act. Of note, Section 3, Subsection M defines “health security plan” as the program that is created and administered by the health care commission for provision of health care pursuant to the act.

An extensive section, Section 5, sets up a ten-member nominating committee, to be appointed by leadership of both houses of the Legislature. This nominating committee would then create a slate of knowledgeable New Mexicans to be considered for the eventual governing body of the Health Security Plan by the governor. It would also nominate additional persons when needed to fill vacancies on the commission.

The commission itself would be comprised of fifteen members; the nomination procedures, appointment formulas, conflicts-of-interests, code of conduct, and member removal are detailed. Members would be geographically dispersed through the public education commission districts, and would include five persons representing health care providers or health facilities, four members representing employer interests, and six persons representing consumer interests.

Eight state laws are specified as applicable to the commission and regional councils. The extensive

general duties of the commission's members are enumerated in Section 11 and Section 12 establishes the authority to carry out the powers and duties of the act. The commission would be authorized to adopt, amend or repeal rules necessary to carry out their duties and the provisions of the act. The commission would then select a chief executive officer. The law specifies that as much as possible, work on all aspects of the Health Security Plan would be done in New Mexico, though the commission would have the authority to enter into agreements with entities outside New Mexico for "the performance of common administrative functions."

Section 10 addresses the selection and subsequent authority and responsibilities of the chief executive officer and the chief executive officer's staff in implementing the Health Security Act. If the chief executive officer determines staffing or state agency resources or expertise are inadequate to perform a necessary task, contract personnel could be employed. Further expertise and knowledge assistance to the commission would be available through designated advisory boards, including a long-term care committee, a mental and behavioral health services committee, Native American advisory board, and a health care practice advisory committee and others found to be necessary by the commission. The commission would also be authorized to enter into appropriate agreements with the human services department, another state agency or a federal agency to further the goals of the act.

In addition to the advisory committees mentioned above, a long-term care committee and a mental and behavioral health services committee would be established shortly after implementation of the plan.

The commission would be charged with creating a code of conduct and procedures for assuming there would be no conflicts of interest among its members.

The commission establishes health care delivery regions in the state, overseen by regional councils, based on geography and health care resources. These regional councils receive public information and comments regarding regional health care needs. The regional councils would recommend to the commission fee schedules, budgets, capital expenditure allocations and other features tailored to the region to encourage health care provision, recognizing that there might be differences among regions in order to provide incentives for service provision in currently underserved areas.

The commission is charged with designing the health security plan to provide comprehensive, cost-effective and necessary and appropriate health care services, to include primary health care and specialty services, as well as emergency and intensive care. It would be required to maintain adequate reserves to cover unforeseen circumstances. The content areas of the health security plan are specified, including the amount, scope and duration of health care services, control mechanisms for health care costs, and the eligibility for beneficiaries.

As noted, all New Mexicans, resident in the state for at least one year and intending to remain in New Mexico would be eligible for the plan, as would their dependents. Excluded would be the following groups covered with other programs:

- 1) Federal retirees,

- 2) Active duty and retired military persons and their dependents and others covered by military medical coverage, and
- 3) Native Americans, unless their tribes or pueblos made an agreement with the plan or individual tribal members chose to join.

Students at New Mexico educational institutions but coming from outside New Mexico could be covered by their policies from other states, or by coverage purchased from the Health Security Plan by their institution.

The commission would be charged with overseeing capital and annual operating budgets for health facilities and giving or denying prior approval for major health facility capital expenditures. It would recommend premium rates to the superintendent of insurance. Also in the interest of cost efficiency, the commission would be required to collect data that would help to assure good health care at an effective cost, as well as data to assess the adequacy of the state's health care workforce. Also to that end, administrative expenses would be capped, and the commission would be charged with negotiating prices with health facilities and with pharmaceutical companies. Additionally, the commission is charged with looking at the effect of medical malpractice costs on health security plan expenditures and recommending remedies to the legislature. Annual increases in provider payments would be constrained to the national rate of rise of the consumer price index, unless unusual circumstances were documented.

Except as provided in the Workers' Compensation Act, beneficiaries would have the right to choose a primary care provider who is responsible for providing health care provider services, the commission would determine referral requirements for specialty care, including direct access to specialists in emergency situations. If it were to be found that co-payments were an effective means of controlling costs, they could be assessed of patients for services, other than preventive care, through the commission's action. However, providers with negotiated contracts with the Health Security Plan would be prohibited from "balance" or "surprise billing." An extensive section of the bill, Section 27, specifies claim and benefit determination procedures. The Superintendent of Insurance would be required to establish an external review process to deal with grievances of consumers.

The commission would be required to provide beneficiaries with prompt and fair grievance procedures for resolving patient complaints and concerns relating to any aspect of the health security plan. The commission shall provide beneficiaries with full disclosure of the health security plan's covered services, conditions of eligibility, and beneficiary rights. Procedures would also be set in place to address grievances of health care providers and facilities.

The commission is charged with establishing a quality improvement program that monitors the health care provided by the health security plan, but would not supplant providers' and facilities' quality improvement activities. The commission would set standards, adopt professional practice guidelines as it deemed necessary to promote the quality and cost-effectiveness of health care provided through the health security plan. Task forces or subcommittees would be appointed to address practice issues of a health care provider or health facility and to indicate corrective measures or penalties.

An annual health security plan budget would be developed by the commission, and annual reports would be provided to the legislature and the governor. The commission would also provide for annual independent fiscal and actuarial reviews of the health security plan and any funds of the commission or the plan. The Legislative Finance Committee would be required to undertake a fiscal analysis relating to the first five years of the establishment and operation of the proposed health security plan. The fiscal analysis would include a projection of plan costs and a review of financing options for the proposed health security plan over subsequent years. The Legislative Finance Committee would seek partnerships among state agencies and private nonprofit persons to obtain grant funding and other in-kind and financial resources for the health security plan. The commission would be charged with obtaining necessary waivers from the federal government and with seeking payment to the health security plan from Medicaid, Medicare or any other relevant federal program to maximize federal contributions and payments, avoiding their diminution due to achieved health care efficiencies and improvements achieved by the Plan.

As soon as allowed under federal law, the secretary of the Human Services Department would seek any waivers needed to allow the state to suspend operation of any health benefits exchange or health insurance exchange and to allow the commission to administer the federal premium tax credits, cost-sharing subsidies and small business tax credits available under federal law. Any personal property used in the operation of a state health insurance exchange would be transferred to the commission's use in implementing the provisions of the Health Security Act.

The Legislative Finance Committee would be charged with obtaining a fiscal analysis of the first five years of the Plan, possibly from an outside agency. It is envisioned that this plan be reviewed by the Legislative Health and Human Services Committee and possibly other interim committees in time for action to be taken (or repeal of the Act) by the 2021 Legislature.

The staff and members of the health care commission would be added to those covered by the Tort Claims Act.

FISCAL IMPACT

The Health Security Act as embodied in the original HB 295 made an appropriation of \$375 thousand to LFC to "fund the legislative finance committee's performance of the fiscal analysis." It is unclear whether this amount would be sufficient; eight years ago, when a similar mandate to LFC was made in 2011 Senate Bill 5, the FIR indicated that

The bill requires the LFC to develop financing recommendations for the plan and provide such to the legislature for approval or modification. The LFC is to be guided by benefit packages and cost of health care coverage provided to state employees and options may set beneficiary income-based premium payments, sliding scale premium payments, and Medicare credits and employer contributions. LFC will be required to seek partnerships among state agencies and private nonprofit persons to identify and apply for available grant funding and other in-kind and financial resources for its study of financing options. There is an appropriation of \$375 thousand in the bill directed to the LFC for this effort; however, there may be more time and resources needed to complete this great task.

Other agencies' participation in this large project were and are not funded by the current bill, as amended.

In addition, per diem and daily payments to a nominating committee and then the Health Care Commission would be required, as would a salary for the chief executive officer and his/her staff and funds found to pay for these would be needed. Eventually, the many streams of funding for the Health Care Commission would pay these costs, but the up-front costs, before those streams would be forthcoming, would have to be absorbed in the interim between formation of the commission and the beginning of functioning of the Health Security Act.

Once the Health Security Act was in operation, costs would be covered by a combination of federal funds (Medicaid and Medicare and others), employer contributions, and enrollee premiums. At that point, it is anticipated that the Health Security Plan would pay for itself and have no further impact on the state budget. However, funding would be required from the general fund, to be reimbursed by the commission once the plan was operational, until other funding options are decided by the Legislature.

SIGNIFICANT ISSUES

OSI indicates that "The exclusion of coverage for cosmetic surgery may be broadly applied in a discriminatory manner against transgender individuals seeking gender confirmation care. The proscription against orthodontics [coverage] may violate current ACA coverage requirements for minors." Further, OSI states that "The legislation does not appear to prevent balance billing of individuals covered by health security act coverage for out-of-network services," although "balance billing" is addressed in other bills before the Legislature, including Senate Bill 346 and House Bill 207/Senate Bill 279.

BON comments on the bill's discussion of compliance of providers with best practices:

The bill provides for the commission to refer or report matters to licensing boards such as the NM BON. The matters reported relate to a health care provider's compliance with practice guidelines established by the commission. Generally, the failure of an advanced practice registered nurse to comport their practice to meet guidelines established by an insurer or payor does not mean they are subject to discipline by the board unless public safety or fraud are implicated.

Section 28 of the act is designed to implement measures to ensure that effective, high-quality, cost-efficient and appropriate health care is provided under the health security plan. This section creates a health care practice advisory committee that will "provide to the commission recommended standards and guidelines to be followed in making determinations on practice trends." The commission will establish a system of peer education for health care providers that do not meet the guidelines established by the commission. It may refer to a licensing board a matter where the commission determines peer education has failed.

Section 28 also allows the commission to suspend or revoke a health care provider's authorization

to be paid from the plan if they engage in a pattern of practice which does not meet the practice guidelines.

It is unclear if the intent of these provisions are to require licensing board to take disciplinary action against health care providers who do not follow the commission's practice guidelines.

RHCA comments that "The New Mexico Retiree Health Care Authority (NMRHCA) provides comprehensive core group health insurance to more than 63,000 retirees of certain public employment in the state. NMRHCA collaborates with the State of New Mexico, the New Mexico Public Schools Insurance Authority and Albuquerque Public Schools to form the Interagency Benefits Advisory Committee (IBAC). The IBAC uses its collective bargaining power to negotiate health insurance plans with the richest benefits at the lowest cost possible.

"NMRHCA constantly seeks out ways to control health care costs for its members and would serve as an available source of information for the Health Security Commission. However, it is not clear whether the purpose seek to replace or add to the duties already assigned under the Retiree Health Care Act."

DOH speaks to some of the financial implications of the Health Security Act:

According to the Health Security for New Mexicans Campaign, there is currently a segmented system of hundreds of insurance plans that create a costly and complex administrative system. The HSP combines the young, old, healthy, and not so healthy in one large insurance pool. The risk is shared, while administrative costs are reduced. A [1994 New Mexico study](#) by the independent think tank The Lewin Group estimated that \$4.6 billion could have been saved by 2004 had all New Mexicans been under one plan by 1997. While not all New Mexicans would be covered by the HSP, even if half that amount is saved, that is significant. [Mathematica Policy Research, Inc.](#), concluded in 2007 that the Health Security Act was the only proposal that would significantly reduce health care costs, even in its first year of operation. Other state studies have also shown that covering all or most state residents through one insurance plan controls rising health care costs...

Almost 1 in 5 New Mexicans have no health insurance (Health Equity in New Mexico, January 2018). Individuals without health care coverage are much less likely than those with coverage to receive recommended clinical preventive services, are less likely to have access to regular care by a personal physician, and are less able to obtain needed medication or health care services. Consequently, the uninsured are more likely to develop preventable illnesses, more likely to suffer complications from those illnesses, and more likely to die prematurely. (NMDOH Indicator Based Information System).

ADMINISTRATIVE IMPLICATIONS

There would be major administrative implications for many agencies, including, but not restricted to DOH, HSD, IAD, RLD, and OSI. As no funding is included in this bill for those agencies, the agencies would have to determine how to provide personnel hours to meet these requirements. OSI, for example, estimates its additional costs as follows:

OSI currently does not have sufficient staff to meet the required duties under the Health Security Act. OSI would need the following staff to meet these needs.

- Actuarial services to review premium rates and coverages – 1 FTE accredited actuary and 1FTE actuarial assistant - \$275,000 = salary plus benefits
- Data collection staff to assist in commission reporting – 1 FTE - \$80,000 salary plus benefits
- Actuarial services and analyst to identify impacts on premiums on worker’s compensation rates and automobile insurance rates = 1 FTE actuary - \$140,000
- Staff to handle external appeal processes – 8 FTE at \$70,000 each = \$560,000
- Legal staff to handle rulemaking on premium rates and employer contribution rates – 1 FTE attorney and 1 FTE paralegal - \$180,000 salary + benefits.

RELATION to Senate Bill 346 and House Bill 207/Senate Bill 279, which address “balance billing” and “surprise billing,” respectively.
Duplicates Senate Bill 279, prior to the amendment.

TECHNICAL ISSUES

It appears as if most of those charged with implementation of the Act would receive little or no pay (e.g., members of the nominating committee, regional councils, and to a lesser extent, the commission). That would necessarily limit the ability of many New Mexicans to take part and might increase the likelihood of special interest influence.

IAD recommends that the term “off-reservation” be replaced with “urban areas” in Section 13, paragraph 3a of subsection A.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Payments for medical care in New Mexico would continue to be made by private insurance companies, federal insurance programs (principally Medicaid and Medicare) and by individuals without insurance, estimated in 2015 to be 10.9 percent of New Mexico’s population, or approximately 227,000 New Mexicans. Between 2010 and 2015, the percentage of New Mexico residents without insurance declined from 19.6 percent to 10.9 percent (from 46th among the states to 39th among the states), with an estimated 178,000 New Mexicans gaining coverage; New Mexico had the fifth highest percentage increase in coverage.

LAC/sb/gb

J. PROCUREMENT LIBRARY

The procurement manager has established a procurement library on line at https://www.nmlegis.gov/entity/lfc/health_security_act_procurement_library. Offerors are encouraged to review the material contained in the procurement library.

SECTION II: CONDITIONS GOVERNING THE PROCUREMENT

A. PROCUREMENT SCHEDULE

The following schedule will be followed as closely as possible in the procurement of the services described in this RFP. The LFC reserves the right to revise this schedule without the need for formal amendment. Offerors will be notified, in advance, in the event a schedule revision is required:

(1) Issuance of RFP	September 16, 2019
(2) Deadline for Receipt of Acknowledgment	September 24, 2019
(3) Deadline for Receipt of Written Questions	September 27, 2019
(4) Pre-Proposal Conference	September 27, 2019
(5) Response to Written Questions/RFP Amendments	October 1, 2019
(6) Deadline for Submission of Proposals	October 15, 2019
(7) Proposal Evaluation	October 16 - 18, 2019
(8) Selection of Finalists	October 21, 2019
(9) Oral Presentations by Finalists	October 25, 2019
(10) Best and Final Offers from Finalists	November 1, 2019
(11) Notice of Contractor Selection	November 4, 2019
(12) Contract Negotiations	November 5 - 8, 2019
(13) Contract Effective Date	November 12, 2019 - June 30, 2020
(14) Protest Deadline	November 26, 2019

B. EXPLANATION OF EVENTS

The following paragraphs describe the activities listed in the sequence of events shown in Section II, Paragraph A.

(1) Issuance of RFP

This RFP is being issued by the LFC on September 16, 2019.

(2) Acknowledgment of Receipt Forms Due

Potential offerors should hand-deliver or return by registered or certified mail the "Acknowledgment of Receipt of Request for Proposals Form" that accompanies this document (See Appendix A) to have their organization placed on the procurement distribution list. The form should be signed by an authorized representative of the organization, dated and returned by close of business on September 24, 2019.

The procurement distribution list will be used for the distribution of written responses to questions and any RFP amendments.

Failure to return this form shall constitute a presumption of receipt and rejection of the RFP, and the potential offeror's organization name shall not appear on the distribution list.

(3) Deadline to Submit Written Questions

Potential offerors may submit additional written questions as to the intent or clarity of this RFP through 3 pm on September 27, 2019. All written questions must be addressed to the procurement manager (See Section I, Paragraph E).

(4) Pre-Proposal Conference

A pre-proposal conference will be held on September 27, 2019 from 10:00 a.m. to 11:00am at the Legislative Finance Committee conference room, 325 Don Gaspar, Suite 101, Santa Fe, NM 87501. Potential offerors are encouraged to submit written questions in advance of the conference to the procurement manager (see Section I, Paragraph E). The identity of the organization submitting the question(s) will not be revealed. Additional written questions may be submitted at the conference. A public log will be kept of the names of potential offerors that attended the pre-proposal conference.

Attendance at the pre-proposal conference is not a prerequisite for submission of a proposal.

(5) Response to Written Questions/RFP Amendments

Written responses to written questions and any RFP amendments will be distributed on October 1, 2019, to all potential offerors whose organization name appears on the procurement distribution list. An Acknowledgment of Receipt Form will accompany the distribution package. The form should be signed by the offeror's representative, dated and hand-delivered or returned by registered or certified mail by the date indicated thereon. Failure to return this form shall constitute a presumption of receipt and withdrawal from the procurement process. Therefore, the offeror's organization name will be deleted from the procurement distribution list.

Additional written requests for clarification of distributed answers or amendments must be received by the procurement manager no later than three (3) business days after the answers and/or amendments were issued.

(6) Deadline for Receipt of Proposal

ALL OFFEROR PROPOSALS MUST BE RECEIVED BY THE PROCUREMENT MANAGER OR HER DESIGNEE NO LATER THAN 3:00 PM MOUNTAIN STANDARD TIME ON OCTOBER 15, 2019. Proposals received after this deadline will not be accepted. The date and time will be recorded on each proposal. Proposals must be addressed and delivered to the procurement manager at the address listed in Section I, Paragraph E. Proposals must be sealed and labeled on the outside of the package to clearly indicate that they are in response to the FISCAL ANALYSIS OF THE HEALTH SECURITY ACT PLAN Request for Proposals. Proposals submitted by facsimile will not be accepted.

A public log will be kept of the names of all offeror organizations that submitted proposals. Pursuant to Section 13-1-116 NMSA 1978, the contents of any proposal shall not be disclosed to competing offerors or to the public prior to contract award. The negotiation process is deemed to be in effect until the contract is awarded pursuant to this RFP.

(7) Proposal Evaluation

The evaluation of proposals will be performed by the evaluation committee. This process will take place between October 16 - 18, 2019. During this time, the procurement manager may initiate discussions with offerors who submit responsive or potentially responsive proposals for the purpose of clarifying aspects of the proposals, but proposals may be accepted and evaluated without such discussion. Discussions SHALL NOT be initiated by the offerors.

(8) Selection of Finalists

The evaluation committee will select and the procurement manager will notify the finalists on October 21, 2019. Only finalists will be invited to participate in the subsequent steps of the procurement.

(9) Oral Presentation by Finalists

Finalists will present their proposals to the LFC on October 25, 2019. The procurement manager will schedule the time for each offeror presentation. All offeror presentations will be held in the State Capitol Building Annex, 325 Don Gaspar, Santa Fe, New Mexico.

(10) Best and Final Offers from Finalists

Offers may be clarified and amended at the finalist's oral presentation to the LFC (if necessary). Finalists may be asked to submit revisions to their proposals for the purpose of obtaining best and final offers by November 1, 2019.

(11) Notice of Contractor Selection

The procurement manager shall send a notice of intent to award to the selected offeror on November 4, 2019. However, the procurement manager reserves the right to delay the contract award until after that date if such a delay is in the best interest of the State. The contract will be awarded to the offeror whose proposal is most advantageous to the State, taking into consideration the evaluation factors set forth in this RFP. The most advantageous proposal may or may not have received the most points or have the lowest cost.

(12) Contract Negotiations

Contract negotiations will be conducted with the selected offeror on November 5 - 8, 2019. LFC staff will participate in these contract negotiations. In the event that mutually agreeable terms cannot

be reached within the time specified, the procurement manager reserves the right to finalize a contract with the next most advantageous offeror without undertaking a new procurement process.

(13) Contract Effective Date

The anticipated contract start date is November 12, 2019. As stated in Paragraph (13) above, the contract is subject to the appropriate state approvals. No work may be performed by the offeror until the contract is fully executed. The LFC assumes no liability for any work performed by the selected offeror in anticipation of a binding contract.

(14) Protest Deadline

Any protest by an offeror must be timely and in conformance with Section 13-1-172 NMSA 1978 and applicable procurement regulations. The fifteen (15)-day protest period for responsive offerors shall begin on the day following the contract award. Protests must be written and must include the name and address of the protestor and the RFP number. It must also contain a statement of grounds for protest, including appropriate supporting exhibits, and it must specify the ruling requested from the LFC. The protest must be delivered in hard copy format to:

Health Security Act RFP Protest Manager
Legislative Finance Committee
325 Don Gaspar, Suite 101
Santa Fe, New Mexico 87501

C. AMENDMENTS TO RFP

Any amendments to this RFP will be issued to all offerors. The offerors will be required to acknowledge receipt of the amendments in writing.

D. GENERAL REQUIREMENTS

This procurement shall be conducted in accordance with the Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978, and applicable rules.

(1) Acceptance of Conditions Governing the Procurement

Offerors shall indicate their acceptance of the "Conditions Governing the Procurement" section of the RFP in the letter of transmittal. Submission of a proposal constitutes acceptance of the Evaluation Factors contained in Section V of this RFP.

(2) Incurring Cost

Any cost incurred by the offeror in preparation, transmittal and presentation of any proposal or material submitted in response to this RFP shall be borne solely by the offeror.

(3) Prime Contractor Responsibility

Any contract that may result from this RFP shall specify that the prime contractor is solely responsible for fulfillment of the contract with the LFC. The LFC shall make contract payments to only the prime contractor and shall consider the selected offeror to be the sole point of contact with regard to any final contract.

(4) Subcontractors

Use of subcontractors shall be clearly explained in the proposal. Major subcontractors shall be identified by name. The prime contractor shall be wholly responsible for the entire performance. Offerors are encouraged, but not required, to work with New Mexico academic institutions or other New Mexico-based entities to assure adequate knowledge and understanding of New Mexico's economy, unique demographics and needs.

(5) Amended Proposals

An offeror may submit an amended proposal before the deadline for receipt of proposals. Such amended proposals shall be a complete replacement for a previously submitted proposal and shall be clearly identified as such in the transmittal letter. LFC personnel shall not merge, collate or assemble proposal materials.

(6) Offerors' Rights to Withdraw Proposal

Offerors shall be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. The offeror shall submit a written withdrawal request signed by the offeror's duly authorized representative addressed to the procurement manager.

The approval or denial of withdrawal requests received after the deadline for receipt of the proposals is governed by the applicable procurement statutes or rules.

(7) Proposal Offer Firm

Responses to the RFP, including proposal prices, will be considered firm for ninety (90) days after the due date for receipt of proposals or after receipt of the best and final offer, if one is submitted.

(8) Disclosure of Proposal Contents

All proposals shall be kept confidential until the contract is awarded. At that time, all proposals and documents pertaining to the proposals shall be open to the public, except for the material that is identified as proprietary or confidential. Proprietary or confidential data shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal. Confidential data are normally restricted to confidential financial information concerning the offeror's organization and data that qualifies as a trade secret in accordance with the

Uniform Trade Secrets Act, Sections 57-3A-1 to 57-3A-7 NMSA 1978. The price of products offered or the cost of services proposed shall not be designated as proprietary or confidential information.

If a request is received for disclosure of data for which an offeror has made a written request for confidentiality, the procurement manager shall examine the offeror's request and make a written determination that specifies which portions of the proposal should be disclosed. Unless the offeror takes legal action to prevent the disclosure, the proposal shall be so disclosed. The offeror shall notify the procurement manager ten (10) days in advance of instituting legal action intended to prohibit disclosure. The proposal shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data.

(9) Confidentiality

Any confidential information provided to, or developed by, the contractor in the performance of the contract resulting from this RFP shall be kept confidential and shall not be made available to any individual or organization by the contractor without the prior written approval of the LFC. The Contractor(s) agrees to protect the confidentiality of all confidential information and not to publish or disclose such information to any third party without the procuring Agency's written permission.

(10) No Obligation

This procurement in no manner obligates the State of New Mexico or any of its agencies to the eventual purchase of services offered until valid written contracts are fully executed and approved by all appropriate state and federal authorities.

(11) Termination

This RFP may be canceled at any time and any and all proposals may be rejected in whole or in part when the LFC determines such action to be in the best interest of the State of New Mexico.

(12) Sufficient Appropriation

Any contract awarded as a result of this RFP process may be terminated or modified if sufficient appropriations or authorizations do not exist. Such termination shall be effected by sending written notice to the contractor. The LFC's decision as to whether sufficient appropriations and authorizations are available shall be accepted by the contractor as final.

(13) Legal Review

The LFC requires that all offerors agree to be bound by the General Requirements contained in this RFP. Any offeror's concerns shall be promptly brought to the attention of the procurement manager.

(14) Governing Law

This procurement and any agreement with offerors that may result shall be governed by the laws of the State of New Mexico.

(15) Basis for Proposal

Only information supplied by the LFC in writing through the procurement manager or in this RFP should be used as the basis for the preparation of offeror proposals.

(16) Contract Terms and Conditions

The contract between the LFC and a contractor shall follow the format specified by the LFC. The LFC reserves the right to negotiate with a successful offeror provisions in addition to those contained in this RFP. The contents of this RFP, as revised and/or supplemented, and the successful offeror's proposal shall be incorporated into the contract.

Should an offeror object to any of the LFC's contract terms and conditions, the offeror must propose specific alternative language. General references by an offeror to the terms and conditions or attempts at complete substitutions are not acceptable to the LFC and shall result in disqualification of the offeror's proposal.

Offerors shall provide a brief discussion of the purpose and impact, if any, of each proposed change followed by the specific proposed alternate wording.

(17) Offeror's Terms and Conditions

Offerors shall submit with the proposal a complete set of any additional terms and conditions that they expect to have included in a contract negotiated with the LFC.

(18) Contract Deviations

Any additional terms and conditions, which may be the subject of negotiation, shall be discussed only between the LFC and the selected offeror, and shall not be deemed an opportunity to amend the offeror's proposal.

(19) Offeror Qualifications

The evaluation committee may make such investigations as necessary to determine the ability of the offeror to adhere to the requirements specified within this RFP. The procurement manager shall reject the proposal of any offeror who is not a responsible offeror or fails to submit a responsive offer as defined in Sections 13-1-83 and 13-1-85 NMSA 1978.

(20) Right to Waive Minor Irregularities

The evaluation committee and the LFC reserve the right to waive minor irregularities. The evaluation committee and the LFC also reserve the right to waive mandatory requirements provided that all of the otherwise responsive proposals failed to meet the mandatory requirements or doing so does not otherwise materially affect the procurement. This right is at the sole discretion of the evaluation committee and the LFC.

(21) Change in Contractor Representative

The LFC reserves the right to require a change in the contractor representative if the assigned representative is not, in the opinion of the LFC, meeting its needs adequately.

(22) Imposition of Penalties

The Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978, imposes civil and misdemeanor criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities or kickbacks.

(23) LFC Rights

The LFC reserves the right to accept all or a portion of an offeror's proposal, in agreement with the evaluation committee.

(24) Right to Publish

Throughout the duration of this procurement process and contract term, potential offerors, offerors and contractors shall secure from the LFC written approval prior to the release of any information that pertains to the potential work or activities covered by this procurement or the subsequent contract. Failure to adhere to this requirement may result in disqualification of the offeror's proposal or termination of the contract.

(25) Ownership of Proposals

All documents submitted in response shall become the property of the LFC and the State of New Mexico.

(26) Contract Notice of Award Date

The LFC reserves the right to delay the notice of award of contracts until after the date indicated on the schedule if such a delay is in the best interest of the State.

(27) Electronic Mail Address Required

A large part of the communication regarding this procurement will be conducted by electronic mail (email). The offeror must have a valid email address to receive this correspondence.

(28) Use of Electronic Versions of this RFP

This RFP is being made available by electronic means. If accepted by such means, the offeror acknowledges and accepts full responsibility to ensure that no changes are made to the RFP. In the event of conflict between a version of the RFP in the offeror's possession and the version maintained by the LFC, the versions maintained by the LFC shall govern.

(29) New Mexico Preferences

To ensure adequate consideration and application of NMSA 1978, § 13-1-21 (as amended), Offerors must include a copy of their preference certificate with their proposal. Certificates for preferences must be obtained through the New Mexico Department of Taxation & Revenue <http://www.tax.newmexico.gov/Businesses/in-state-veteran-preference-certification.aspx>. A. New Mexico Business Preference A copy of the certification must accompany your proposal. B. New Mexico Resident Veterans Business Preference A copy of the certification must accompany your proposal. An agency shall not award a business both a resident business preference and a resident veteran business preference. The New Mexico Preferences shall not apply when the expenditures for this RFP includes federal funds.

(30) Campaign Contribution Disclosure

Offeror must complete, sign, and return the Campaign Contribution Disclosure Form (Appendix D), as a part of their proposal. This requirement applies regardless whether a covered contribution was made or not made for the positions of Governor and Lieutenant Governor or other identified official. Failure to complete and return the signed, unaltered form will result in Offeror's disqualification.

(31) New Mexico Employees Health Coverage

A. If the Offeror has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Offeror must agree to have in place, and agree to maintain for the term of the contract, health insurance for those employees if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed \$250,000 dollars. B. Offeror must agree to maintain a record of the number of employees who have (a) accepted health insurance; (b) decline health insurance due to other health insurance coverage already in place; or (c) decline health insurance for other reasons. These records are subject to review and audit by a representative of the state. C. Offeror must agree to advise all employees of the availability of State publicly financed health care coverage programs by providing each employee with, as a minimum, the following web site link to additional information <https://bewellnm.com>.

SECTION III: RESPONSE FORMAT AND ORGANIZATION

A. NUMBER OF RESPONSES

Offerors shall submit only one proposal.

B. NUMBER OF COPIES

Offerors shall provide three (3) identical copies of their technical and three (3) identical copies of their cost proposal, each bound separately, with the cost proposal sealed, to the location specified in Section I, Paragraph E. In addition, one electronic version of the technical proposal and of the cost proposal shall be submitted along with the hard copies. Finalists may be required to submit up to an additional three (3) copies of all or portions of their technical proposal prior to the oral presentations on October 25, 2019.

C. PROPOSAL FORMAT

All proposals shall be typewritten on standard 8 1/2 x 11 paper and placed within a binder with tabs delineating each section. Larger paper is permissible for charts, spreadsheets and other graphics. Proposals submitted by facsimile or other electronic means will not be accepted.

(1) Proposal Organization

The technical proposal shall be organized and indexed in the following format and shall contain, as a minimum, all listed items in the sequence indicated:

- a. Signed Letter of Transmittal;
- b. Table of Contents;
- c. Proposal Summary (optional);
- d. Response to Mandatory Specifications;
- e. Response to Terms and Conditions;
- f. Offeror's Additional Terms and Conditions; and
- g. Other Supporting Material (optional).

Within each section of their proposals, offerors must address the items in the order in which they appear in this RFP.

Any proposal that does not adhere to these requirements may be deemed nonresponsive and rejected on that basis.

The proposal summary may be included by offerors to provide the evaluation committee with an overview of the technical and business features of the proposal; however, this material will not be used in the evaluation process unless specifically referenced from other portions of the offeror's proposal.

Offerors may attach other materials that they feel may improve the quality of their responses. However, these materials should be included as items in a separate appendix.

(2) Letter of Transmittal

Each proposal shall be accompanied by a letter of transmittal. The letter of transmittal shall:

- a. identify the submitting organization;
- b. identify the name and title of the person authorized by the organization to contractually obligate the organization;
- c. identify the name and title of the person authorized by the organization to negotiate the contract on behalf of the organization;
- d. identify the name(s) and title(s) of the person(s) to be contacted for clarification of the proposal;
- e. explicitly indicate Acceptance of the Conditions Governing the Procurement stated in Section II, Paragraph D(1);
- f. be signed by the person authorized to contractually obligate the organization; and
- g. acknowledge receipt of any and all amendments to this RFP, if applicable.

SECTION IV: SPECIFICATIONS

The offerors should respond in the form of a thorough narrative to each mandatory specification. The narratives along with required supporting materials will be evaluated and awarded points accordingly.

A. INFORMATION

(1) Contractor Staffing

The offeror's staffing will provide adequate personnel to accomplish all work described in the Scope of Work. Staff location will depend on the nature of ongoing tasks. Meetings will normally be conducted at locations in Santa Fe. It is anticipated that direct collaborative working sessions will be necessary to accomplish some of the tasks related to preliminary contract activities. For estimating purposes, the offeror should consider the following staff levels.

- (a) Project Director: one with direct experience in work related to financial and actuarial analyses of health coverage models. The director will serve as the contract point of contact for all contract work.
- (b) Lead Actuary, Economist or Financial Analyst: one with directly related experience with data collection and analysis similar to those described in the Scope of Work. The lead actuary, economist or analyst must be a member of the American Academy of Actuaries for the American Society of Actuaries or be capable of supervising such individuals.

- (c) Staff members with directly related experience with health coverage financial and policy analysis, including but not limited to commercial insurance; existing public health care programs such as Medicaid, Medicare, Indian Health Service, TriCare and new public or private programs in other states.

(2) State Support

The LFC will assign a contract manager to assist in the acquisition of program and cost information for New Mexico. The contract manager will be the primary contact person and facilitator for the contractor, and will assist the contractor to obtain system-related information, set up meetings, and otherwise facilitate the work. The state support does not relieve the contractor of the primary responsibility for completion of assigned work on the project.

B. MANDATORY SPECIFICATIONS

(1) Experience - Organization

- (a) The offeror must submit a statement of relevant experience, including experience of proposed subcontractors. Experience should describe how the offeror has applied expertise similar to those anticipated as requirements of this project.
- (b) Offerors must submit two (2) references of previous clients who have received similar services to those proposed by the offeror for this contract. Each reference must include the name of a contact person, address, telephone number and description of services provided.
- (c) Samples of material used in previous or similar projects may be submitted with the proposal.

(2) Experience - Staff

The offeror must submit resumes of all proposed key staff members to be assigned to the project. The resumes or experience of each project staff member should demonstrate the member's understanding of at least the following:

- (a) experience in health care economics and policy;
- (b) working knowledge of health coverage models and policy issues; and
- (c) experience with actuarial and/or financial analyses of various health coverage models and the financial, policy, service delivery and quality implications of implementation of such models in unique settings and jurisdictions.

(3) References of Individual Proposed Staff Members

Offerors must submit one (1) reference for each proposed key staff member, showing work for previous clients who have received similar services to those proposed by the offeror for this contract. Each reference must include the name of a contact person, address, telephone number and description and dates of services provided.

(4) Work Plan

(a) Offerors must submit a comprehensive work plan, including a project management chart describing the tasks to be performed, resources required and a time frame for completion of each task listed in the Scope of Work.

(b) Offerors must propose the use of a methodology for this project. The methodology must thoroughly describe how the contractor plans to use proposed staffing to accomplish the tasks described in the Scope of Work.

(5) Suspension and Debarment and Other Responsibility Matters

The Offeror acknowledges that if the Scope of Work impacts the state's Medicaid program or if some of the funding for this project will utilize federally matchable Medicaid funding, the offeror must complete and submit, as part of the proposal, the certification form set out as Appendix C to certify compliance with federal regulations relating to suspension and debarment and other responsibility matters of the Medicaid program.

(6) Cost

Offerors must propose one firm, fixed, fully loaded project cost for the work proposed in the offer by completing the Cost Report Form, attached as Appendix D. New Mexico gross receipts taxes are excluded from the cost. They shall be shown separately on the invoice and will be reimbursed by the LFC. The form shall be included in Binder 2 of the proposal.

The offeror may propose specific project subparts that are stand-alone subparts, if desired. Such specific subparts may be proposed as one firm, fixed, fully loaded project cost for that subpart by completing the Cost Report Form, attached as Appendix D, or as fully loaded hourly rates for each proposed team member for that subpart. Hourly rates will be fixed for the length of the contract on the Cost Report Form in Appendix D. The firm, fixed, fully loaded hourly rate will include:

- travel to and from the on-site worksite;
- travel to and from meetings;
- per diem;
- fringe benefits;
- any overhead cost for contractor personnel;
- any overhead cost for subcontractor personnel;

- attendance at meetings; and
- cost of productivity tools, facilities, supplies, clerical support and contract management.

New Mexico gross receipts taxes are excluded from the proposed maximum hourly rate. These shall be shown separately on the invoice. The LFC will reimburse the contractor for gross receipts taxes.

SECTION V: EVALUATION

The evaluation committee will conduct a comprehensive, fair and impartial evaluation of proposals received in response to this RFP. The LFC will be the sole judge in the selection of the finalists. The evaluation committee will consist of staff of the LFC. Evaluation committee members will be familiar with particular aspects of this procurement and standards or criteria for the specific areas of the RFP. The evaluation committee will evaluate each qualifying proposal on the basis of technical merit. Cost proposals will only be reviewed for offerors achieving an adequate score on technical merit.

A. EVALUATION PROCESS

- (1) All offeror proposals will be reviewed for compliance with the mandatory requirements as stipulated within the RFP. Proposals deemed nonresponsive may be eliminated from further consideration.
- (2) The evaluation committee may at its option waive requirements as specified in Section II, Paragraph D(19).
- (3) The procurement manager may at her option contact offerors for clarification of responses.
- (4) The evaluation committee may use other sources of information to perform the evaluation as specified in Section II, Paragraph D(18).
- (5) Responsive proposals will be evaluated on the factors in Section V, which have been assigned a point value. The responsible offerors with the highest scores will be elected as finalists based upon the proposals submitted. Finalists will be asked to make oral presentations to the LFC, and those who are asked or choose to submit revised proposals for the purpose of making best and final offers will have their points recalculated accordingly. Points awarded from the oral presentation will be added to the previously assigned points or the points calculated after the best and final offers to attain final scores. The responsible offeror whose proposal is most advantageous to the State, taking into consideration the evaluation factors in Section V, will be recommended by the committee for contract award to the LFC.

Please note, however, that a serious deficiency in the response to any one factor may be grounds for rejection regardless of overall score.

B. EVALUATION POINT TABLE SUMMARY OF FACTORS

The following is a summary of evaluation factors and the point value assigned to each. These weighted factors will be used in the evaluation of the individual offeror proposals. Only finalists will receive points for oral presentation.

Factor	Points
1. Experience:	100
2. References:	75
3. Project Staff Experience:	125
4. Understanding of Project and Work Plan:	150
5. Methodology for Achieving Project Goals:	250
6. Cost:	200
7. Suspension and Debarment:	Accept/Reject
8. Oral Presentation:	100
Total	1,000

C. EVALUATION FACTORS

Points will be awarded on the basis of the following evaluation factors:

1. Experience (100 points)

The offeror's experience on tasks similar to those described in the Scope of Work will be evaluated for quality of work delivered.

2. References (75 points)

The offeror's references will be evaluated on how well the work performed met the requirements of the clients' expectations.

3. Project Staff Experience (125 points)

The offeror's staff experience of proposed project staff members on tasks similar to those described

in the Scope of Work will be evaluated for quality of work delivered.

4. Understanding of Project and Work Plan (150 points)

The offeror's work plan will be evaluated on completeness and the degree to which it indicates an understanding of the overall project and covers areas for each task listed in the Scope of Work.

5. Methodology for Achieving Project Goals (250 points)

The offeror's methodology will be evaluated on the soundness of approach to accomplish the goals of the project and to successfully accomplish all tasks described in the Scope of Work and described in Section I and VI of this RFP.

6. Cost (200 points)

The evaluation of each offeror's cost proposal will be conducted using the following formula:

$$\frac{\text{Lowest Responsive Offer or Total Cost}}{\text{Offeror's Total Cost}} \times 200 = \text{Award Points}$$

Offeror's Total Cost

7. Suspension and Debarment and Other Responsibility Matters (accept or reject)

Offeror proposals that demonstrate compliance with federal requirements relating to suspension, debarment and other responsibility requirements will be accepted. Any proposal that does not meet the requirement will be rejected without evaluation.

8. Oral Presentation (100 points)

The offeror's oral presentation will be evaluated on clarity of presentation, ability to answer technical questions and demonstrated understanding of the project. The oral presentation will be to the LFC staff on October 25, 2019. Additional oral responses to LFC staff may be required based on the outcome of that oral presentation.

SECTION VI: SCOPE OF WORK

A. REQUIREMENTS

The purpose of the RFP is to systematically conduct a comprehensive fiscal analysis of the Health Security Act Plan as introduced during the 2019 New Mexico legislative session as House Bill 295 (HB 295) and Senate Bill 279 (SB 279). These bills are available for review on the New Mexico legislative website <https://www.nmlegis.gov/>. House Memorial 92 introduced during the 2019 legislative session also provides pertinent information. The goals include:

1. provide for an objective process through which to develop, examine and compare the Health Security Act Plan for health care coverage in New Mexico; and
2. provide a comparative analysis and extensive discussion of a wide range of coverage reform options that allow policymakers to understand the major implications and trade-offs of various approaches as they consider policies for New Mexico.
3. The analysis may include reforms of state, local or community-based coverage systems, or replacement of current systems with a significantly different system. An important goal of this project is to explore a set of options that collectively represent a full range of possible reform approaches aligned with the Health Security Act Plan as introduced during the 2019 New Mexico legislative session as HB 295 and SB 279. To do so, simulating or analyzing the current and projected costs of the current New Mexico health care system will be critical.

Offerors will be asked to help define the parameters of the components as the analysis and simulations proceed. Offerors are encouraged to suggest other approaches or components to analyze, but are not asked to determine or suggest the best approach for New Mexico. Summary considerations for the analysis should be included in the preliminary and final reports and should include other considerations beyond simulation of costs of which the LFC should be aware of in its review of the findings in these reports.

The successful offeror shall produce an extensive quantitative and comparative analysis of the reform options between November 12, 2019 and June 30, 2020. The analysis may be developed in two stages, beginning with a preliminary report prior to public testimony and legislator and other stakeholder input, followed by a final report. The analysis shall produce key point estimates and sensitivity analyses of specific desired outcomes per option.

The analysis produced by the offeror will serve as the basis for a public discussion to be conducted in the State. During this time the contractor could present its analysis and engage in a discussion with experts and stakeholders about the implications of the various reforms. The project will culminate in a preliminary and final report to the LFC and other parties as directed to inform future health coverage reform debates for policy development and implementation.

The project is led by the LFC contract manager in collaboration with other agency staff. The LFC contract manager will be responsible for overall project coordination and will provide technical assistance and policy guidance to all relevant parties throughout the project, and facilitate the iterative process with the contractor, review their work, and assist them as needed.

The Scope of Work of this procurement shall include, but not be limited to, the following:

- (1) Conduct a fiscal analysis relating to the first five years of the establishment and operation of the health security plan proposed during the 2019 New Mexico legislative session as House Bill 295 (HB 295) and Senate Bill 279 (SB 279), including an analysis of the provisions of Sections 17 through 22, 25, 31 through 33, 35, 39, 40 and 41 of the Health Security Act Plan legislation and

Section 46 of the legislation;

(2) The fiscal analysis shall include a projection of plan costs and a review of financing options for the proposed health security plan.

(3) The fiscal analysis shall be guided by the following requirements and assumptions:

- a. before estimating beneficiary and employer contributions to the Health Security Plan budget established pursuant to the Health Security Act, the contractor shall identify and estimate the amount of public finances, including any contribution from the federal government or a tribal entity, that may be contributed to the budget;
- b. health care services to be included and for which costs are to be projected in determining the financing options shall be no less than the health care services afforded to state employees pursuant to the Health Care Purchasing Act;
- c. financing options may set minimum and maximum levels of costs to a beneficiary based on the following factors as they apply to a given beneficiary:
 - i. the beneficiary's income;
 - ii. federal premium tax credits;
 - iii. federal cost-sharing subsidies; and
- d. Medicare offsets; and
- e. financing options may set minimum and maximum levels of employer contributions, taking into consideration an employer's payroll and number of employees.

(4) The fiscal analysis shall:

- a. include projections regarding the impact of the Health Security Act Plan upon the state budget; and
- b. project the costs of establishing and administering the health security plan.

(5) Prepare a preliminary report of determinations with the specific options and recommendations no later than April 15, 2020, followed by a final report due to the LFC no later than June 30, 2020.

The fiscal analysis of the Health Security Act Plan shall further consider, but is not limited to, the following items:

(1) Establish a Healthcare Expenditure and Revenue Baseline for New Mexico.

- a. What is expended for personal and other health care services in New Mexico including the cost for uninsured individuals in the healthcare system.
- b. What would be expended on personal and other health care services in New Mexico for those individuals and services covered under the Health Security Act Plan as introduced during the 2019 New Mexico legislative session as House Bill 295 (HB 295) and Senate Bill 279 (SB 279).
- c. Collect New Mexico personal and other health expenditure data including what is spent on health care services. Data on premiums and out-of-pocket costs will help inform the overall analysis.
- d. Claims payments data may be collected from federal government, state government, insurance companies, and consumers' out-of-pocket and other costs for specific services (e.g., physician, hospital, dental, nursing home care, prescription drugs, etc).

e. Sources of information can include, but are not limited to, reports from insurance companies, state and federal agencies, hospital and other facilities reports, tax information (gross receipts tax) and other sources as available.

f. Consideration shall be given to include the personal health expenditures specifically delineated in the Health Security Plan as introduced during the 2019 New Mexico legislative session as House Bill 295 (HB 295) and Senate Bill 279 (SB 279), as well as excluding personal health expenditures made by individuals not included in the Health Security Act Plan (e.g., military personnel and military retirees, federal retirees, etc.).

(2) Estimate the Cost of the Health Security Act Plan, particularly the first five years of the establishment and operation, including consideration on the performance impact to the health outcomes of people in New Mexico and the impact on the social determinants of health.

(3) Request healthcare cost and coverage information from the Office of Superintendent of Insurance, Human Services Department, Department of Health, other state agencies and commissions, New Mexico health insurance exchange, New Mexico health insurers and healthcare providers.

(4) Coordinate analyses and information with the Human Services Department's study of coverage initiatives.

(5) Compare the difference in cost between the Health Security Act Plan and the current system of healthcare in New Mexico.

(6) Analyze options regarding how to pay for the Health Security Act Plan by determining revenue options, funds availability, economic impact, and real opportunity cost.

a. Funds intended to pay for the cost of the Health Security Act Plan will come from premiums and employer contributions paid by those covered by the Plan as it is not proposed as a tax based system (see 2019 New Mexico legislative session House Bill 295 and Senate Bill 279). Analysis will determine the amount needed to fund the plan and the amount needed to be charged for premiums and other out-of-pocket costs, and if these funds are insufficient, consider other revenue options.

b. Consider identifying possible existing public revenues sources to help pay for the cost of the Plan.

c. Consider federal revenues such as Medicaid, Medicare, Veterans' Assistance, federal subsidies to help pay for premiums under the federal Patient Protection and Affordable Care Act (ACA), and tax credits allowed under the ACA and possible Internal Revenue Service, etc.

d. Consider New Mexico state general fund and Medicaid matching funds.

e. Consider other possible public sources, i.e., county indigent funds, county-supported Medicaid fund, and offsetting lower workers' compensation and automobile premiums, etc.

(7) Estimate the impact of the Health Security Act Plan on the state budget, revenues, long-term funds and tax impact, various healthcare and service providers, health insurance market, hospitals, consumers, jobs and unemployment, pharmaceutical impacts, and other critical concerns determined by the contractor.

(8) Determine whether revenue options are sufficient to pay for the Health Security Act Plan and analyze if the offsetting economic impacts support a reasonable, viable, and sustainable return on investment (ROI) over time.

(9) The fiscal analysis should consider:

- a. Difference between the current healthcare system's administrative costs and the Health Security Act Plan's administrative costs.
- b. Provider/hospital/clinic administrative costs.
- c. Options for bulk or collective purchasing of pharmaceuticals.
- d. Impact on fraud, waste, and abuse under the current healthcare system and the Health Security Act Plan.
- e. The cost and savings of an integrated healthcare IT system, data warehouse, and electronic health record system.
- f. Utilization and system redundancy and unnecessary services with consideration of certificate of need or a resource certification program.
- g. Reduction in unnecessary emergency room usage.
- h. Impact on healthcare costs of preventive care and comprehensive behavioral health coverage including substance use disorder, serious mental illness, and co-occurring disorders.
- i. Accountable Care Organizations and other managed care approaches.
- j. Quality assurance and other performance outcomes.
- k. Malpractice insurance reforms.
- l. Added cost of insuring uninsured/underinsured at level of state employees' services
- m. Potential increases in provider payments, could be as a percentage of Medicare rates.
- n. Potential increases in payments to providers and health facilities in rural and underserved areas.
- o. Consideration of using the claims experience of state employees/educational employees to project costs for the rest of the covered population.

B. TIME FRAME

Offeror should include a more specific proposed time frame, if appropriate, as part of the work plan (see Section IV.B).

- Contract effective date November 12, 2019
- Preliminary written analysis and report due to LFC April 15, 2020
- Presentations to Legislative Interim Committees May – June, 2020
- Final written report to LFC June 30, 2020

APPENDIX A

Acknowledgment of Receipt Form

REQUEST FOR PROPOSAL CONSULTATION SERVICES ASSOCIATED WITH THE LEGISLATIVE FINANCE COMMITTEE ACKNOWLEDGMENT OF RECEIPT FORM

In acknowledgment of receipt of this Request for Proposal, the undersigned agrees that he/she has received a complete copy, beginning with the title page and table of contents, and ending with Appendix C.

Only potential offerors who return this form will receive copies of all offeror written questions and the LFC's written responses to those questions as well as Request for Proposal amendments.

FIRM: _____

REPRESENTED BY: _____

TITLE: _____ PHONE NO: _____

EMAIL ADDRESS: _____

FAX NO.: _____

MAILING ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

SIGNATURE: _____ DATE: _____

This name and address will be used for all correspondence related to the Request for Proposal.

Firm does/does not (circle one) intend to respond to this Request for Proposals.

Return this acknowledgment (original by 1st class mail or hand-delivered) to arrive no later than September 24, 2019, at 5:00 p.m. Mountain Standard Time to:

Jeannae Leger, Procurement Manager
Legislative Finance Committee
325 Don Gaspar, Suite 101
Santa Fe, NM 87501
jeannae.leger@nmlegis.gov
Telephone: (505) 986-4543

APPENDIX B

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT AND OTHER RESPONSIBILITY MATTERS

The entering of a contract between the LFC and the successful Offeror pursuant to this RFP is a "covered transaction", as defined by 45 C.F.R. Part 76. LFC's contract with the successful Offeror shall contain a provision relating to debarment, suspension and responsibility substantially in the form contained in Article 39 of Attachment F. All Offerors must provide as a part of their proposals a certification to the LFC in the form provided below. Failure of an Offeror to furnish a certification or provide such additional information as requested by the Procurement Manager for this RFP will render the Offeror nonresponsible. Furthermore, the Offeror shall provide immediate written notice to the Procurement Manager for this RFP if, at any time prior to contract award, the Offeror learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

Although the LFC may review the veracity of the certification through the use of the federal Excluded Parties Listing System or by other means, the certification provided by the Offeror in Paragraph (a), below, is a material representation of fact upon which the LFC will rely when making a contract award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the LFC, the LFC may terminate the contract resulting from RFP for default.

The certification provided by the Offeror in Paragraph (a), below, will be considered in connection with a determination of the Offeror's responsibility. A certification that any of the items in Paragraph (a), below, exists may result in rejection of the Offeror's proposal for nonresponsibility and the withholding of an award under this RFP. If the Offeror's certification indicates that any of the items in Paragraph (a), below, exists, the Offeror shall provide with its proposal a full written explanation of the specific basis for, and circumstances connected to, the item; the Offeror's failure to provide such explanation will result in rejection of the Offeror's proposal. If the Offeror's certification indicates that any of the items in Paragraph (a), below, exists, the LFC, in its sole discretion, may request that the U.S. Department of Health and Human Services grant an exception under 45 C.F.R. §§ 76.120 and 76.305 if the LFC believes that the procurement schedule so permits and an exception is applicable and warranted under the circumstances. In no event will the L award a contract to an Offeror if the requested exception is not granted for the Offeror.

By signing and submitting a proposal in response to this RFP, the Offeror certifies, to the best of its knowledge and belief, that:

- 1) The Offeror and/or any of its Principals:
 - a) are are not (check one) presently debarred, suspended, proposed for debarment or declared ineligible for the award of contracts by any federal department or agency;

B-1

- b) have have not , (*check one*) within a three-year period preceding the date of the Offeror's proposal, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion or receiving stolen property;
- c) are are not (*check one*) presently indicted for, or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with, the commission of any of the offenses enumerated in Paragraph (a)(1)(i)(B) of this certification;
- d) have have not , (*check one*) within a three-year period preceding the date of the Offeror's proposal, had one or more public agreements or transactions (federal, state or local) terminated for cause or default; and
- e) have have not , (*check one*) been excluded from participation from Medicare, Medicaid or other federal health care programs pursuant to Title XI of the Social Security Act, 42 U.S.C. § 1320a-7.

2) "Principal," for the purposes of this certification, shall have the meaning set forth in 45 C.F.R. § 76.995 and shall include an officer, director, owner, partner, principal investigator or other person having management or supervisory responsibilities related to a covered transaction. "Principal" also includes a consultant or other person, whether or not employed by the participant or paid with federal funds, who: is in a position to handle federal funds; is in a position to influence or control the use of those funds; or occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction.

3) For the purposes of this certification, the terms used in the certification, such as *covered transaction, debarred, excluded, exclusion, ineligible, ineligibility, participant* and *person* have the meanings set forth in the definitions and coverage rules of 45 C.F.R. Part 76.

4) Nothing contained in the foregoing certification shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by Paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally possessed **by a prudent person in the ordinary course of business dealings.**

OFFEROR: _____

SIGNED BY: _____

TITLE: _____

DATE: _____

APPENDIX C

COST REPORT FORM COST REPORT FORM

SUMMARY OF PROPOSED COST

The Offeror listed below submits the following firm, fixed, fully loaded project price to complete the requirements as outlined in this RFP for the State of New Mexico.

\$ _____

Offeror Name: _____

OR

Provide a formulated project cost using a firm, fixed, fully loaded hourly rate that results in a total project cost.

A. Describe the formula used to arrive at the project cost.

B. Maximum hourly rate: \$ _____.

C. Total Project Cost: \$ _____.

APPENDIX D

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to § 13-1-191.1 NMSA 1978 (2006), any person seeking to enter into a contract with any state agency or local public body for professional services, a design and build project delivery system, or the design and installation of measures the primary purpose of which is to conserve natural resources must file this form with that state agency or local public body. This form must be filed even if the contract qualifies as a small purchase or a sole source contract. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars (\$250) over the two year period.

Furthermore, the state agency or local public body shall void an executed contract or cancel a solicitation or proposed award for a proposed contract if: 1) a prospective contractor, a family member of the prospective contractor, or a representative of the prospective contractor gives a campaign contribution or other thing of value to an applicable public official or the applicable public official's employees during the pendency of the procurement process or 2) a prospective contractor fails to submit a fully completed disclosure statement pursuant to the law.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

- 1) "Applicable public official" means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.
- 2) "Campaign Contribution" means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to either statewide or local office. "Campaign Contribution" includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.
- 3) "Family member" means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.
- 4) "Pendency of the procurement process" means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.
- 5) "Person" means any corporation, partnership, individual, joint venture, association or any other private legal entity.

- 6) "Prospective contractor" means a person who is subject to the competitive sealed proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.
- 7) "Representative of a prospective contractor" means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By: _____

Relation to Prospective Contractor: _____

Name of Applicable Public Official: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s) _____

(Attach extra pages if necessary)

Signature

Date

Title (position)

—OR—

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250) WERE MADE to an applicable public official by me, a family member or representative.

Signature

Date

Title (position)