



Inquiries Related to the

REQUEST FOR PROPOSALS (RFP)

FOR INDEPENDENT CONSULTING FIRM TO CONDUCT TECHNICAL ASSESSMENTS OF HEALTH CARE REFORM PROPOSALS

The Commission invited prospective Offerors to make written or e-mail inquiries related to this RFP to obtain clarification of requirements. By the due date of March 14, 2007, seven firms had submitted 23 questions (with some duplication among the questions.) Answers to all inquiries are provided in this document and will be posted on the Commission website by March 21, 2007.

RFP RESPONSE DUE DATE

Q1: Would you be able to grant an extension to April 13th?

A: The Commission has agreed to extend the RFP due date until April 11, 2006 by 3:30 pm (Mountain time).

RFP INQUIRIES

Q2: Will the Commission provide a list of all firms that have submitted inquiries?

A: The Commission has received inquiries from seven firms.

Q3: What other organizations have submitted questions in response to the RFP?

A: See above.

LEGISLATION

Q4: Are there any additional pieces of legislation or studies describing the effort (planning documents, previous evaluations, etc) that can be shared with potential bidders?

A: A copy of the authorizing legislation can be found at: http://www.leg.state.co.us/Clics2006A/csl.nsf/fsbillcont3/2E0A3C9A1FEA527487257115005ECA5F?Open&file=208_enr.pdf. In addition, legislation has been introduced to empower the Governor to add three Commissioners to the Commission. As of March 19, 2007, this legislation has passed both houses and awaits action by the Governor. Also, the Commission may receive a two-month extension (until January 31, 2008). This extension requires a change in statute. Bill sponsors for this legislation have been identified but it has not yet been introduced. To monitor the status of these bills, refer to the Colorado General Assembly website, see, <http://www.leg.state.co.us/>. The General Assembly website is also the place to view the several bills this session that address various aspects of state health care reform. The Commission will post any final (passed) legislation on its website.

WORKPLAN

Q5: The July 15th 2007 date for a detailed preliminary report may preclude us from bidding. Please clarify your flexibility with the timeline for the mid-July report, contingent upon availability and quality of data and timeliness of model specification by the proposers.

A: Exhibit C of the RFP provides the Commission's draft workplans that reflect the Commission's broad charge. However, the RFP indicates on page 24 that the "Offeror may suggest alternative means to achieve the same goals, so long as the major deliverables and required time frames are met." This language was included to provide some flexibility to respondents in structuring their work. While the Offeror's final report deadlines are firm, the interim deliverables and deadlines were designed to facilitate communications between the Offeror, the project team, and the Commission and to ensure adequate time for Commissioner, proposer, and public input during the modeling process. The Commission will consider RFP responses that change assumptions about the preliminary report scope/deadline and other interim deliverables/deadlines, if they are adequately justified as necessary to ensure a stronger modeling outcome, and the Commission judges it can prepare a final report and meet its other duties. Any changes to deliverable due dates or their scope shall be made explicit in the response.

Q6: The time frame seems to us unrealistically tight. Essentially all the technical analysis, including both baseline estimates and modeling of the 3-5 health reform proposals, must be completed by July 15, 2007 (essentially 10 weeks after project initiation). This would be problematic even if (as we suspect will often not be the case) the principal analysts involved could abandon other work and focus largely on this project immediately as of the start date. Would the Commission consider delaying submission of the complete preliminary report to October 2007?

A: See previous response.

Q7: The RFP specifies that the consultant should simulate 3 to 5 models. Please clarify the number of models that should be simulated by mid-July, as the level of effort will vary considerably based on the number of models.

A: The Commission has not determined in advance whether it will select three, four, or five health reform proposals. If the Commission receives five or more comprehensive proposals that are substantively different from each other, it is likely the Commission will select five proposals for modeling. If the budget will differ depending on the number of proposals selected, the Offeror should indicate as such.

Q8: Please clarify your expectations for the workplan and budget depending on the two scenarios of a November end date or a January end date. How would the workplan and budget differ under these two scenarios?

A: The Commission allocates time differently for the November and January scenarios. Through July, the timelines are similar. A concrete example may help. For instance, assume that the Commission receives 28 health care reform proposals, some of which are comprehensive and eligible for “technical analysis” (modeling) and others of which are more narrowly focused on a particular issue (e.g., quality) or population. Assume that the Commission chooses in May comprehensive health reform proposals A, B, and C as the 3-5 proposals for technical analysis. Each proposer then meets with the Offeror to “specify” the proposal, that is, to clarify all assumptions and answer modeler questions.

Then, the Offeror models the effect of each of the A, B, and C proposals on cost, coverage, and other impacts. The results are presented to the proposer and the Commission. If cost and coverage estimates are not as expected, the modeler will identify the cost and coverage drivers. The Offeror will also suggest design changes that would improve a proposal’s performance. The proposer then indicates the desired “refinements” to the proposal and the Offeror implements another “iteration”, that is, it remodels the refined proposal. Findings are presented to the Commission in the form of a preliminary report. The proposer is also provided copies of the preliminary report. The preferred date for this report is July 15, 2007.

For the November scenario, the iteration/refinement process continues for A,B, and C. However, at this stage, the Commission becomes primary decision-maker with regard to further refinements. The RFP calls for at least 2 further iterations of A,B, and C. The Commission *may* select a proposal among A, B, and C to be the focus of its final recommendations to the General Assembly. As a result, it may be especially interested in iterations of this proposal. The Offeror must submit a final report, as described in the RFP, by September 21, 2007.

For the January scenario, the Commission will review the results of the preliminary report in July (ideally). As in the November scenario, it may select a proposal among A,

B, and C to be the focus of its recommendations to the General Assembly. Alternatively, the Commission may, if it deems necessary, combine the best features of A,B, and C to create a consolidated proposal. This would also be the stage at which proposals that address narrow topics or populations (e.g., quality, long-term care, etc.) would be considered. Thus, the consolidated proposal might merge aspects of several proposals (e.g., A,B,C,Q,P,and Z.) The Offeror would be expected to provide technical assistance to the Commission as it creates a consolidated proposal. If created, the consolidated proposal will be specified (once) and refined (at least twice). No further iterations will be done of A, B, and C. The Offeror must submit a final report, as described in the RFP, by November 21, 2007.

The above scenarios represent the Commission's preferred work plans. However, the RFP indicates on page 24 that the "Offeror may suggest alternative means to achieve the same goals, so long as the major deliverables and required time frames are met." This language was included to provide some flexibility to respondents in structuring their work.

Q9: Page 18, Refinements of the Modeled Reform Proposals: "if the Commission is granted an extension until January 31st, 2008, the Commission will select or create a lead proposal based on the results of the preliminary report. (See Exhibit C.) Subsequently, at least two further refinements after specification of the lead proposal are required with a final report of findings due no later than November 2007." This statement is open to interpretation of scope. If the offeror states their understanding of scope and prices the services accordingly, is the Commission open to revisiting the agreement of scope if the required modifications exceed the original submission of understanding of scope?

A: See above clarification. The Offeror should also state its scope and price the services accordingly.

DELIVERABLES

Q10: The RFP indicates that the contractor's methodologies must produce cost and coverage estimates that conform to state budgeting conventions. May we obtain copies of or references to current state budgeting conventions?

A: Before work begins, the Offeror will be required to consult on-site with key agency staff and state data stewards. (See Section IIIB(2).) The purpose of this meeting is for Offerors to be briefed on state budgeting issues, the Colorado Medicaid program, and the state insurance regulatory environment. The meeting is also intended as an opportunity for state agency officials to identify key assumptions and accounting conventions that are necessary for modeling results to be viewed as credible.

For your reference, this is a link to the State's Budget Office information (Governor's Office of State Planning and Budgeting):

http://www.state.co.us/gov_dir/govnr_dir/ospb/budget.html

However, please note that the new administration has not had an opportunity to update and revise the State's budget instructions, which were last published June 2005.

Q11: The scope seems to us to be overly broad given the limited budget available to conduct the project. A number of topics are required to be analyzed that, while important and of interest, are not critical to the core requirement (in our view) of estimating changes in health insurance coverage and in health care spending by sector, including budgetary costs to government. For some of these other topics, there is either no or little solid research evidence on which to base quantitative estimates and projections, for example: expected rate of growth in health care costs over the projection period (presumably varying across reform proposals); implementation and transition costs; analysis of which consumers “win” and “lose” in terms of ... quality of care ... [and] improvements in health status; analysis of effects on innovation in health care. Other topics would require substantial resources in their own right to provide an authoritative analysis, such as: broader economic effects of each model and requirements for financial sustainability (e.g., effects on wages and business development, sustainability in health care costs/prices over time, effects on capital formation); analysis of necessary or implicit changes to the market and provider structures (e.g., numbers and types of providers, including safety net providers, variety of health plan offerings). Would the Commission consider narrowing the scope of questions to be answered by the analysis? Alternatively, would the Commission prioritize its interests and consider bids that focus on (what the offeror considered to be) the most important questions and specifically identified the questions that would not be addressed?

A: The Commission’s goal is to increase coverage and reduce cost. However, the Commission’s guiding principles also address broader issues. For the outcomes labeled as “other impacts”, the Offeror shall provide a quantitative analysis, where possible, and otherwise provide an “informed discussion” (e.g., based on a review of the literature). The Offeror shall clearly identify data sources/citations and assumptions for these analyses. The Commission is aware that assessment of these “other impacts” is constrained by the availability of measures and predictive models, and as the question implies, time and budget.

The Offeror response shall clearly indicate which of the Commission’s desired impacts will be modeled and how they will be modeled (or otherwise assessed) in the Offeror response. Any changes to the Commission-developed list of cost, coverage, and other impacts shall be made explicit in the response.

Q12: What is the projected number of presentations to other groups?

A: As described in Section IIIB(10), up to ten (10) presentations to the Commission, governor, legislature, and the public are required. Four of these presentations are to “other” (not currently specified) groups.

Q13: On page 13, paragraph H, and page 20, last bullet: Are all marketing and outreach services (including media buys) as well as all travel, lodging, and meals for all trips fully at the contractor's expense?

A: These page references and content appear to refer to an older version of the RFP. This language is no longer a part of the RFP. Marketing and outreach services (including media buys) are not expected or required in the final version of the RFP. The final RFP does include several Colorado-based meetings and up to 10 presentations. Reimbursement for preparation and travel expenses (including lodging and meals) for these meetings and presentations shall be included in the Offeror's budgets. The final version of the RFP is found on the Commission website, under "Evaluation." See, www.colorado.gov/208commission/

BUDGET

Q14: Is there a budget for this project or budget parameters that can be shared?

A: The submission of a budget is a requirement of the Offeror as a part of the Cost Proposal. The Offeror shall submit a Cost Proposal for the initial contract period, May 4, 2007 through January 31, 2008, for the fulfillment of the requirements and terms of this RFP. The Cost Proposal shall be expressed as one fixed price, which shall not exceed the maximum amount available of \$300,000, as described in Section IIH, Contract Budget. Requirements of the Cost Proposal are further specified in Section IVC.

Q15: A budget is not specified for the 1-year option period. May we submit a Time & Materials blended rate for services beyond the base period, given that future support requirements are unknown?

A: The Commission currently contemplates two scenarios for extending the contracting period beyond January 31, 2008. First, the Offeror may be asked to conduct some of the 10 required presentations after January 31, 2008. The Commission would pursue a no-cost extension under this scenario, since the costs of the presentations were budgeted in the original Offeror response. Second, additional analytical work, if any, would be priced based on the identified needs and as a separate contract. The Offeror does not need to submit a blended rate to be included with this response.

HEALTH REFORM PROPOSALS

Q16: Can we receive a list of the vendors who attended the March 8th Vendors' Conference for the RFP to submit a Healthcare Reform proposal or who have submitted a letter of intent to bid?

A: Yes, the list of letters of intent to submit a health care reform proposal is posted on the Commission website at:
<http://www.colorado.gov/cs/Satellite?c=Page&childpagename=BlueRibbon%2FRIBBLayout&cid=1167928421759&p=1167928421759&pagename=RIBBWrapper>

If this link does not work, go to the Commission website and click on “Proposals” and then on “Letters of Intent.” See, www.colorado.gov/208commission/.

Please note that the Commission will consider for detailed technical analysis (modeling) only those proposals that are comprehensive. The charge of the Commission is “to examine health care coverage and reform models designed to ensure access to affordable coverage for all Colorado residents (SB06-208).”

Proposals that do not propose a comprehensive reform will not be considered for detailed technical analysis, but may ultimately be considered for inclusion in the Commission’s recommendations to the General Assembly. (For more discussion on the Commission use of “narrow” proposals, see answer to Question 8.)

Finally, the Commission plans to post “questions and answers” from the March 8th pre-proposal conference on the Commission website, under Proposals.

Q17: What prospective proposers have submitted letter of intent to submit a health care reform proposal to the Colorado Blue Ribbon Commission for Health Care Reform (the Commission)? If possible, please indicate if prospective proposers have formed partnerships and provide the three sentence description of the proposal as provided in the letter of intent.

A: See previous response.

Q18: According to the paragraph under the “Technical Proposal” heading on page 23 of the RFP, “No reference is to be made to any pricing information or elements of cost within the Transmittal Letter, Executive Summary or the Technical Proposal.” According to Number 3 under the “Transmittal Letter” heading on page 22, however, the transmittal letter must disclose “...the intended use of subcontractors, if any, and amount subcontracted work and proportion of the total contract price.” Please provide clarification on the cost[related information for subcontractors – i.e., should the transmittal letter only describe the intent to use subcontractors, with the proportion of total contract price and hours associated with the subcontractors described in the cost proposal?

A: Yes, the transmittal letter should only describe the intent to use subcontractors. The cost proposal should include the proportion of total contract price and hours associated with any or all subcontractor(s).

ATTACHMENTS

Q19: Number 9 on page 26, indicates that resumes and curriculum vitae should include a full employment history. Please provide additional information on this requirement – i.e., will a listing of prior employers and positions held meet the requirement?

A: A full employment history shall include a listing of prior employers, years of employment (including gaps in employment), and prior positions held.

Q20: Are the biographies and full resumes / CVs (RFP section IV.D.9) included in the 30 page limit for the technical proposal?

A: No, biographies and full resumes/CVs are not included in the 30 page limit for the technical proposal. None of the items under Section IIID: Required Attachments are included in the 30 page limit.

Q21: Number 6 on page 25 of the RFP asks that the independent consulting firm provide a list of previous Colorado state contracts; what is the timeframe for this list (i.e., two years)?

A: There is no time frame. However, the Commission will be most interested in recent state contracts.

CONTRACTING ISSUES

Q22: Section I.R. of the RFP states, “The Commission’s fiscal sponsor reserves the right to incorporate standard contract provisions into any contract resulting from this RFP. A draft contract is included in Exhibit E. A submission in response to this RFP acknowledges acceptance by the Offeror of all terms and conditions including those specified in the attached standard contract.” Will the Commission consider mutually agreeable contractual changes to the standard contract in the following areas?

- a. Addition of a Limitation of Liability clause**
- b. Addition of an Alternative Dispute Resolution (ADR) clause**
- c. Clarifications to the Indemnification clause**
- d. Addition of a Distribution of Work Product clause**

Are there any statutory or regulatory restrictions on making these types of changes to the standard contract? Should offerors submit their desired contract changes in their proposals?

A: The Offeror will contract directly with the Colorado Foundation for Families and Children so state procurement rules do not apply. The Commission intends to execute a final contract by May 4, 2007, so Offerors should submit their desired contract changes with their responses.

EXHIBITS

Q23: Exhibit B of the RFP lists a requirement of “a statement of compliance with Affirmative Action and Equal Employment Opportunity regulations...”, but this requirement is not mentioned elsewhere in the RFP. Where should we include such a statement?

A: A statement of compliance should be included in the transmittal letter.