

State of Delaware

SEBC Meeting – Health Insurance RFP Discussion

June 24, 2016

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Agenda

 **RFP Background, Goal and Overview**

 **Executive Summary Review**

RFP Background, Goal and Overview



Health insurance RFP background

- SEBC is looking for a third party administrator that can drive meaningful changes in the health and the cost of GHIP participants, requiring targeted interventions and care delivery strategies that are materially different from traditional health management programs and fee-for-service pricing offered by most third party administrators
- The third party medical claims administrator must be able to provide innovative cost containment features, including but not limited to centers of excellence, accountable care organizations and patient-centered medical homes, to mitigate the high growth rates in GHIP expenditures over the last several years
- As the GHIP cannot employ some of the more “traditional levers” to manage cost (such as shifting additional cost to employees) due to the Delaware Code, this RFP will be keenly important to find ways that third party administrators can partner with Delaware to reduce costs and improve member health using more innovative approaches
- The search for a third party administrator is supported by a study commissioned by the epilogue in the FY16 Operating Budget bill, which required the formation of the State Employees Health Plan Task Force. The final report of the Task Force focuses on several short-and-long term actions for consideration, which are segmented by the following categories:
 - Bending the cost curve
 - Exploring opportunities to realign provider payments
 - Benchmarking GHIP plans and costs on a comparable basis
 - Improving the health of the population
- Similarly, there is a tangent to Delaware’s State Health Care Innovation Plan, catalyzed by the State Innovation Models (SIM), which has relevance to this RFP. Two work streams that dovetail closely to this search for a third party administrator include: delivery system transformation and payment model reform
 - These work streams have the goal of improving the delivery system to encourage “smarter” consumption and production of care and to change the focus of health care in the State of Delaware from sickness to wellness

Task Force findings and recommendations, as they relate to the Health Insurance RFP, included on next page.

Task Force findings

How the findings have helped to shape RFP development

- The Health Plan Task Force report, which was completed in December 2015, lays a foundation of recommendations on improving health care for the State of Delaware
- Several of these recommendations will be further evaluated through this Health Insurance RFP process

Strategic/Long Term Findings

Category	Finding	Recommendation	Applicability to RFP
Bending the Cost Curve	Plan Design does not promote consumerism	Promotion of cost transparency	Understand vendor capabilities to support transparency efforts with the goal of helping members understand the cost of care
Payments to Providers	Delaware hospital costs are higher than surrounding states	Leverage GHIP contribution to support quicker adoption of changes that balance lower costs with improving quality of care	Evaluate details on how vendors can manage the "total cost of care" through movement from fee-for-service to value-based care
Health Improvement	Increasing risk burden and prevalence of chronic conditions paired with low member engagement in preventive care	Explore pricing mechanisms to encourage participation in healthy behaviors	Understand vendors' capabilities to engage the workforce through technology tools and other modalities

Tactical/Short Term Findings

Category	Finding	Recommendation	Applicability to RFP
Bending the Cost Curve	Use of Centers of Excellence (COE) may provide savings	Implement COE programs for membership	Compare and contrast COE networks for all bidding vendors
Bending the Cost Curve	Cost sharing at point of care does not promote member understanding of cost of care	Investigate methods to have members understand costs of health care	Understand vendor capabilities to support transparency efforts with the goal of helping members understand the cost of care
Payments to Providers	Use of metric-based pricing with hospitals has resulted in savings for employers	Consider proposals which include metric-based pricing	Evaluate bidders' plans to reduce health care costs through provider contracting and emerging payment models
Health Improvement	Chronic conditions drive significant costs	Explore options for driving better participation in programs aimed at reducing costs	Evaluate vendors' ability to reduce costs through targeted and broad-focused wellness and disease management programs

Health insurance RFP goal and structure

Health Insurance RFP Overarching Goal:

Identification of a best-in-class third party administrator(s) that will partner with the State of Delaware's GHIP membership to become **smarter consumers of healthcare through member education (and transparency), condition management and provider contracting, which encourages a pay-for-value model that ensures a high standard of care for the population**

Request-for-Proposal Structure

- RFP Introduction
- RFP Background
- Minimum Requirements
- Detailed Questionnaire, consisting of five sub-sections
 - Bidder Profile
 - Medical Plan Administration
 - **Health Care Delivery**
 - Member Support, Tools and Resources
 - Health Management
- Network Adequacy
- **Financial Proposal**

Key

"Traditional" RFP Elements
"Value-Based" Delivery
Model Elements

Sample RFP questions for above sections included in subsequent pages.

Detailed questionnaire: sample questions

Bidder profile & medical plan administration

Bidder Profile

Sample #	Sample Question
1	Please provide a brief history of your company (200 words or less). Include a summary of your status with respect to any past (within the last 48 months), current, or prospective mergers and acquisitions. In addition, please describe your strategy towards growth and any immediate plans for expansion both nationally and in the State of Delaware's markets (if applicable).
2	Please provide the contact name, title, phone number, email and brief biography for the following positions who will be assigned to the State of Delaware's account. <i>(note: position chart will be included within questionnaire)</i>

Medical Plan Administration

Sample #	Sample Question
1 ^A	What is the claims processing system platform(s) you have proposed for the State of Delaware? Indicate the name, length of time the platform has been in use, and the products it supports.
2 ^B	How many network locations are being offered to the State of Delaware?
3 ^C	Regarding services provided by a non-network provider where you are able to negotiate a discount on charges, what protection do members have against balance billing by the provider up to the original billed amount?

^A Medical Plan Administration subsection 3.0, "Medical Plan Claims Administration"

^B Medical Plan Administration subsection 9.0, "Provider Network"

^C Medical Plan Administration subsection 10.0, "Network Financial Information"

Detailed questionnaire: sample questions

Health care delivery

Health Care Delivery

Sample #	Sample Question
1 ^A	<p>Please describe contracting models you are pursuing in the specific markets where State of Delaware GHIP participants reside, where provider payments are tied to specific quality, efficiency or financial results. In your response, please include:</p> <ul style="list-style-type: none">- How value-based contracting aligns with your overall network strategy- The criteria you use for provider participation- The expected prevalence of such models, e.g., types of providers, percentage of total reimbursement impacted- The general timeline for the introduction of value-based contracting models in Delaware
2 ^B	<p>Do you have an ACO offering in the State of Delaware's pertinent markets that will be available to commercial, self-insured clients on July 1, 2017?</p>
3 ^B	<p>Please provide details of your ACO including, name, network structure and steerage, average medical cost savings, physician participation based upon (cost, quality or both), measure of clinical quality (<i>note: this question is asked in a table which bidders will fill out, providing the details of their current ACO arrangements</i>)</p>
4 ^C	<p>Do you have or are you developing Centers of Excellence (COEs) for the following conditions? Cancer treatment, cardiac surgical procedures, spinal surgery, transplants, bariatric surgery, infertility, joint replacement</p>

^A Health Care Delivery subsection 3.0, "Emerging Health Care Delivery Models"

^B Health Care Delivery subsection 4.0, "Accountable Care Organizations (ACOs)"

^C Health Care Delivery subsection 6.0, "Center of Excellence (COEs)"

Detailed questionnaire: sample questions

Member support, tools and resources & health management

Member Support, Tools and Resources

Sample #	Sample Question
1 ^A	Do you have single sign-on capabilities from the State of Delaware's intranet site to your website?
2 ^B	Are you able to incorporate member-specific accumulators (cost-sharing and health account balances) into the pricing results [of your provider cost and quality transparency tool]?
3 ^B	What quality data is integrated into the member self-service transparency tool? Please list sources and types of information.

Health Management

Sample #	Sample Question
1 ^C	For patients with clinically severe obesity (BMI \geq 40, or 35 with comorbid conditions), how long are counseling and lifestyle modification interventions prescribed before a person is considered a potential candidate for more invasive procedures such as bariatric surgery? Once a person has indicated a desire to pursue more invasive options, how does your approach to counseling and management strategies change (e.g., involvement of different clinical resources, etc.) before and after the invasive intervention?
2 ^C	Please briefly describe your standard utilization management programs.

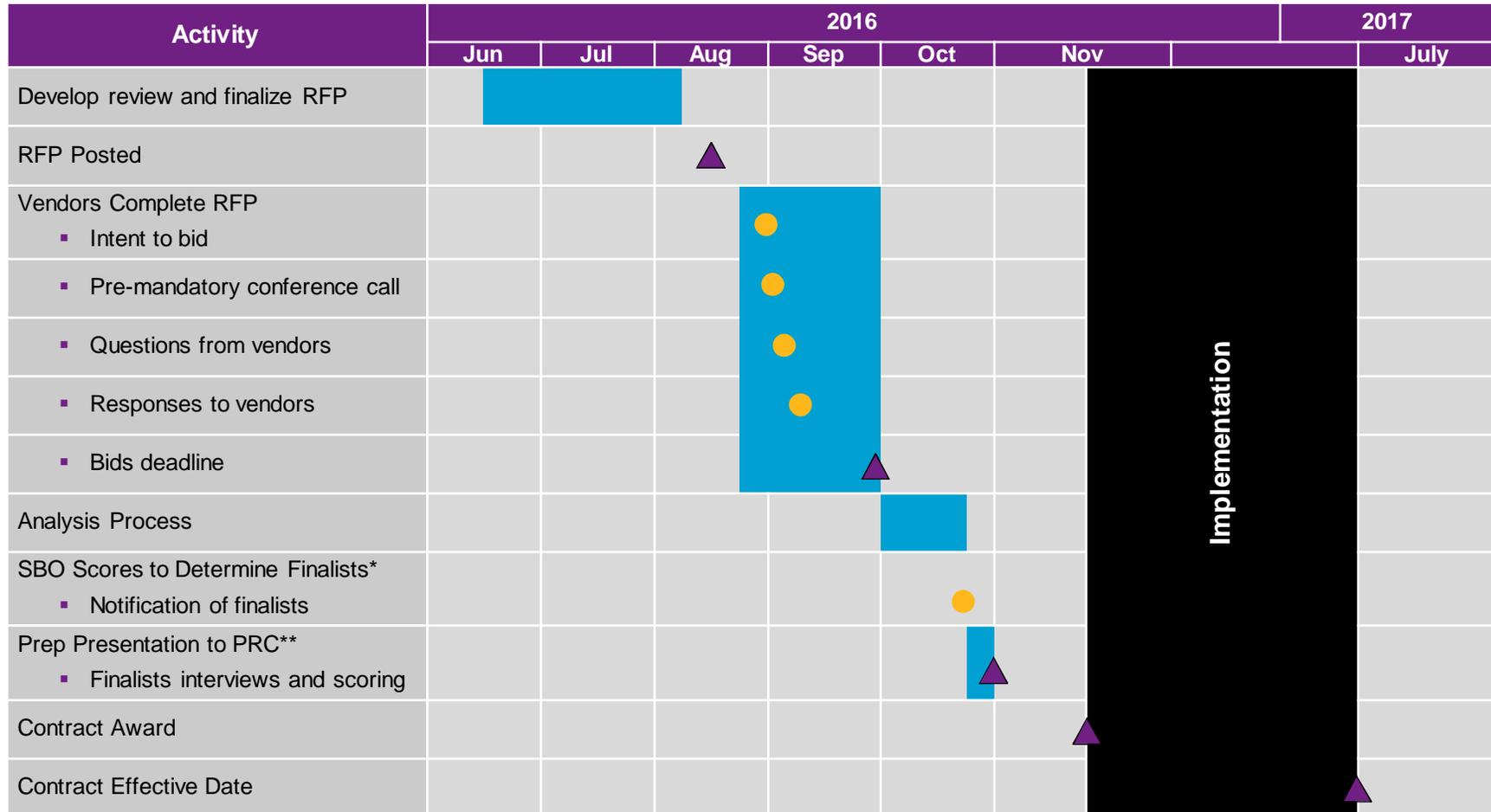
^A Member Support, Tools and Resources subsection 1.0, "Medical Plan Member Services"

^B Member Support, Tools and Resources subsection 3.0, "Provider Data Transparency"

^C Health Management subsection 1.0, "Health Management Programs"

Health insurance RFP timeline

- Work in progress
- ▲ Key milestones
- Due dates for other deliverables



Implementation

- ▲ Key Milestone Dates:**
RFP Posted: 8/15
Bid Deadline: 9/26
Finalists Interviews: 10/31 & 11/1
Contract Award: 11/14
Contract Effective Date: 7/1/2017

* Regular Monday meeting
 ** SBO will review drafts during Monday meeting before interviews

Executive Summary Review

