APPENDIX E – Mandatory Responses to Cost Components of the RFP

Instructions: Questions in this Appendix E should be completed following all instructions provided. The Respondent may find the capitation rate reports accompanying the RFP helpful to formulate responses to questions below. Where indicated in the **Appendix E** questions, please utilize the template marked **Appendix E-1** for the Respondent's responses.

1. Managed Care Savings Opportunities

Section 1 Point Allocation	
Question(s)	**Points**
1-6	50
7	15
8-9	25
10	15
11-13	20
Total	125

Q1. For each of the managed care strategies proposed by the Respondent in the answers to questions in sections 4 (Pharmacy Management), 8 (Utilization Management), 9 Primary Care and Prevention Focused Model of Care, 10 (Care Coordination and Care Management) and 11 (Behavioral Health) of the Technical Proposal (Appendix D), quantify the estimated reduction in overall per member per month (PMPM) service cost resulting from successful implementation of the Respondent's care management strategies to reduce service utilization and/or move care to more cost-effective settings.

Q2. With respect to the estimated cost reduction described in Q1 above, specifically focusing on emergency department (ED) visits, provide the following information:

1) List and describe care management activities aimed at reducing emergency room visits. Include comments related to reducing utilization of non-emergent ED visits as well as programs that proactively prevent emergent ED visits.
2) Describe components of those activities that have been driving positive results.
3) Provide estimates of emergency room visits reduction percentages achieved through these activities in other states.

Q3. With respect to the estimated cost reduction described in Q1 above, specifically focusing on avoidable hospital readmissions, provide the following information:

1) List and describe care management activities aimed at reducing avoidable hospital readmissions.
2) Describe components of those activities that have been driving positive results.
3) Provide estimates of hospital readmission rate reduction percentages achieved through these activities in other states.

Q4. With respect to the estimated cost reduction described in Q1 above, specifically focusing on avoidable hospital admissions, provide the following information:

1) List and describe care management activities aimed at reducing avoidable hospital admissions.
2) Describe components of those activities that have been driving positive results.
3) Provide estimates of hospital admission rate reduction percentages achieved through these activities in other states.

Q5. With respect to the estimated cost reduction described in Q1 above, specifically focusing on substance use disorder/opioid addiction treatment, provide the following information:

1) List and describe care management activities aimed at improving access and outcomes for substance use disorder/opioid treatment.
2) Describe components of those activities that have been driving positive results.
3) Provide estimated cost savings achieved through these activities in other states.
4) Identify the types of services where savings can be attained vs. types of services that may increase due to improved access to SUD services.

Q6. With respect to the estimated cost reduction described in Q1 above, specifically focusing on the integrated management of physical and behavioral health services, provide the following information:

1) List and describe care management activities aimed at improving access and outcomes for members with a behavioral health condition.
2) Describe components of those activities that have been driving positive results.
3) Provide estimated cost savings achieved through these activities in other states.
4) Identify the types of services where savings can be attained vs. types of services that may increase due to the integrated management of physical and behavioral health services.

Q7. Based on the Respondent's review of the RY 2024 MCM program capitation rate reports, what areas appear to offer the greatest potential for successful care management activities and overall cost savings?

Q8. Describe the Respondent's strategy to manage pharmacy utilization and optimize the prescription drug benefit under the state Preferred Drug List structure. Provide examples of how the Respondent successfully pursued pharmacy efficiency

opportunities using the below standards in other states. Also indicate whether the MCOs or the state manages the PDL in each state.

1) Food and Drug Administration (FDA) drug labels
2) FDA maximum daily quantity
3) FDA indication and clinical treatment guidelines
4) Off-label indication published in Clinical Pharmacology
5) Quantity limits and age limits established by state Medicaid programs
6) CDC's 2016 Opioid Guideline

Q9. Additionally, provide examples of how the Respondent has promoted appropriate utilization and cost efficiency in other states for the following drug classes:

1) Cytokine and CAM antagonists
2) Antipsychotics
3) Systemic immunomodulators
4) Hypoglycemics, insulin and related agents
5) Cell and gene therapies

Q10. Provide the following information for each alternative payment model (APM) included in the response to Q68 of Section 13 (Alternative Payment Model) of the Technical Proposal (Appendix D):

1) Quantify how the APM reduced cost and/or bent the cost curve.
2) Describe the features of the APM that have been key to successful implementation.
3) Describe how Respondent has monitored the impact of the APM on quality, outcomes and overall costs.

Q11. Identify potential program changes that New Hampshire could make to support care management initiatives and make them more effective.

Q12. How will Provider-Delivered Care Coordination in New Hampshire add value to overall utilization reduction?

Q13. What MCO-Delivered Care Management programs does the Respondent plan to implement to specifically address some of the most pressing issues in New Hampshire? Quantify the expected savings for these programs:

1) Initiatives related to reducing high costs associated with Neonatal Abstinence Syndrome (NAS) babies resulting from mothers addicted to opioids.
2) Initiatives related to reducing psychiatric boarding stays in the ED and in medical wards.

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2. MCO Administrative Expenses and Efficiencies

Section 2 Point Allocation	
Question(s)	**Points**
14-19	300
20-21	50
22	50
Total	400

Q14. Provide the Respondent's administrative expense budget to operate as an MCO under this contract for the first two proposed contract years (September 2024 to June 2025 and SFY 2026) using the following tables of the provided template (Appendix E-1). The Respondent should not presume identical administrative allowances used in SFY2023 and RY2024 and instead should base estimates on model contract provisions and supporting information provided.

1) **Table A**: September 2024 to June 2025 Administrative Budget PMPM for 30,000 Members
2) **Table B**: SFY 2026 Administrative Budget PMPM for 30,000 Members
3) **Table C**: September 2024 to June 2025 Administrative Budget PMPM for 60,000 Members
4) **Table D**: SFY 2026 Administrative Budget PMPM for 60,000 Members
5) **Table E**: Administrative Cost Category Definitions for Administrative Expense Budget
6) **Table F**: Rate Cell Membership Distribution
7) **Tables G-1 thru G-3**: Comparison of MCO Administrative Function Allocation

Q15. The Respondent must follow these instructions when completing their response to this question:

1) Include the budgeted Per Member Per Month (PMPM) cost for the administrative expense categories defined in **Table E** of the provided template (Appendix E-1).
2) Consider the administrative functions allocation grids included in **Table G-1** and **Table G-2**, which outline the Department's desired administrative model and division of administrative duties for this contract. **Table G-2** compares the administrative model for the current contract to this new contract between the

Department, MCOs and CMHCs while **Table G-2** shows a similar comparison for the Department, MCOs and other providers.

3) **Tables A and B** request an administrative expense budget assuming 30,000 members, while **Tables C** and **Table D** request an administrative expense budget assuming 60,000 members. The Respondent should assume their membership will be distributed by rate cell according to the information provided in **Table F**.

4) Exclude costs related to New Hampshire's 2% state premium tax and MCO risk margin, as those rating components will be added as separate allowances in the capitation rate setting methodology.

5) The administrative expense budget for each category should be reported separately for administrative services performed by the follow entities:

   - Local New Hampshire MCO staff
   - Related corporate entities (such as a parent corporation or a related entity subcontractor)
   - Unrelated subcontractors

Q16. Provide a narrative description of the methodology used to develop the budgeted amounts. Describe assumptions that underlie any changes in budget year over year.

Q17. Provide the Respondent's anticipated number of covered members under this contract.

Q18. How sensitive is the Respondent's administrative budget to changes in the number of covered members?

Q19. Provide examples of the administrative budget impact of both lower and higher enrollment compared to the Respondent's anticipated number of covered members.

Q20. Compare the Respondent's administrative expense budget to operate as an MCO under this contract in the first two proposed contract years (September 2024 to June 2025 and SFY 2026) to the Respondent's actual administrative costs serving members in Medicaid managed care programs in other states. Include the state, number of member months, time period, and total PMPM administrative cost (excluding state premium taxes) for each comparison state, along with any trend/cost changes expected between the relevant time period for each comparison state and the first two proposed contract years of this contract (September 2024 to June 2025 and SFY 2026). Provide relevant information regarding why the Respondent's budgeted PMPM administrative costs in New Hampshire are below or above the Respondent's experience in other states.

Q21. Provide a description of the Respondent's current methodology to allocate administrative costs between states and markets (e.g., commercial, Medicare Advantage, and Medicaid).

Q22. Describe the Respondent's approach to balancing the need to make administrative investments that improve outcomes and manage medical costs with the need to limit administrative expenditures.

3. Program Integrity – Fraud, Waste, and Abuse

Section 3 Point Allocation	
Question(s)	**Points**
23	31
24	31
Total	62

Q23. Consistent with the responses in Section 15 of the Technical Proposal (Appendix D), as appropriate, quantify the identification and recovery of provider overpayments in managed care programs in other states due to fraud and abuse using **Table H** in the provided template (Appendix E-1).

Q24. Provide the requested information related to Provider recoveries related to suspected provider fraud or abuse in **Table I** in the provided template (Appendix E-1) for each state where the Respondent currently operates a Medicaid managed care program.

4. Third Party Liability (TPL), Coordination of Benefits (COB), and Cost Avoidance

Section 4 Point Allocation	
Question(s)	**Points**
25	21
26	21
27	21
Total	63

Q25. Consistent with the responses provided in Section 16 of the Technical Proposal (Appendix D), as appropriate, quantify the Respondent's TPL recovery levels in Medicaid managed care programs for medical and pharmacy claims in other states using **Table J-1** (Medical) and **Table J-2** (Pharmacy), respectively, in the provided

template (Appendix E-1). The response should reflect Medicaid total funds paid, rather than billed charges.

Q26. Quantify the subrogation (Accident and Trauma cases) rates in Medicaid managed care programs in other states using **Table K** in the provided template (Appendix E-1). The response should reflect the number of cases completed and funds recovered.

Q27. Quantify the Respondent's COB and cost avoidance rates in Medicaid managed care programs for medical and pharmacy claims in other states using **Table K-1** (Medical) and **Table K-2** (Pharmacy), respectively, in the provided template (Appendix E-1). The response should reflect Medicaid total funds billed.