

Third Party Administrative Services RFP Debrief Meeting with Blue Cross NC

December 16, 2022

Background

- Intent of procurement: Secure a qualified vendor to provide superior third party administrative services.
- North Carolina General Statutes §135-48.22 and §135-48.33(a) require that the Board of Trustees approve the award of all Plan contracts with a value over \$3,000,000.
- The cost for this Contract will exceed \$3,000,000 and required the Board's approval for award.
- All three proposals were approved by the Attorney General's Office.
- Incumbent: Blue Cross Blue Shield of North Carolina (Current contract: 3/5/20 – 12/31/24).

Evaluation Process

- The Plan received Minimum Requirement Proposals from: Blue Cross and Blue Shield of NC (Blue Cross NC), Aetna, and UMR.
- All bidders passed the Minimum Requirements and were allowed to submit full proposals.
- The technical and cost components of the RFP were weighted 50/50.
- The Evaluation Committee objectively reviewed all technical proposals and scored proposals in accordance with the RFP criteria.
- Segal reviewed the cost proposals and presented its findings, along with scoring, to the Evaluation Committee.

Evaluation Process

- The Plan requested clarifications from all three bidders throughout the evaluation process.
- The Plan decided not to request Oral Presentations for this RFP.
- Following the technical proposal evaluation and the initial cost proposal evaluation, the Evaluation Committee submitted a request for Best and Final Offers (BAFO #1) to all three bidders.
- Segal reviewed BAFO #1 proposals and presented its findings and final scoring to the Evaluation Committee.
- The Evaluation Committee concluded its review and voted to present all three proposals to the Board for their consideration with a recommendation to award to the highest point recipient.

Evaluation Process – Contract Modernization Strategy

- Streamline the TPA contract.
 - Restructure the Contract to avoid micromanaging every possible detail from the outset; allow the Plan to have flexibility and adaptability by using ADMs and BRDs to operationalize initiatives as needed.
 - Set the expectation that Vendor work in concert with the Plan to fulfill its mission and vision while serving its Members.
 - Scrutinized the scope of work to identify the Plan’s non-negotiable items and move those items to the Minimum Requirements.
 - Created new forms to receive the Minimum Requirements responses and Technical Requirements responses. These forms limited the Vendors’ responses to two options: “Confirm” or “Does Not Confirm.” This removed subjectivity from the evaluation and scoring and prevented Vendors from inserting descriptions, limitations, or qualifications potentially negating a confirmation.

Evaluation Process – Contract Modernization Strategy

- Fresh approach to the evaluation process.
 - Added advisory roles to the Evaluation Committee, such as including the Plan’s Executive Administrator in the evaluation meetings.
 - Revised the scoring methodology with a lens for maximizing objectivity:
 - Technical Requirements, because there were only two options, were scored zero (0) or one (1).
 - Every requirement held equal weight.
 - Revised the scoring of the cost analysis to reflect the import of the three (3) components—six (6) points for Network Pricing, two (2) points for Administrative Fees, and two (2) points for Pricing Guarantees.
 - Utilized a ranking methodology to weight Technical and Cost equally.
- Ensured the Board, as the statutorily authorized fiduciaries of the Plan, are the decision-making body statutorily authorized to award the Contract.

Contract Technical Proposals Scoring

RFP Section	Title	Maximum Points	Vendor		
			Aetna	BCBSNC	UMR
5.2.1	Account Management	20	20	20	20
5.2.2	Finance and Banking	19	19	19	19
5.2.3	Network Management	28	28	27	28
5.2.4	Product and Plan Design Management	41	41	41	41
5.2.5	Medical Management Programs	18	18	18	18
5.2.6	Enrollment, EDI, and Data Management	40	40	39	40
5.2.7	Customer Experience	52	52	48	52
5.2.8	Claims Processing and Appeals Management	16	16	15	16
5.2.9	Claims Audit, Recovery, and Investigation	25	25	25	25
5.2.10	Initial Implementation and Ongoing Testing	3	3	3	3
5.2.11	Reporting	48	48	48	48
TOTAL TECHNICAL POINTS		310	310	303	310

Contract Technical Proposals – “Does Not Confirm”

- Vendor will apply the same utilization management and payment rules to providers located in North Carolina and throughout the United States. (5.2.3.2.b.iii.)
- Vendor will use the unique Member ID number provided by the EES vendor as the primary Member ID for claims processing, customer services and other operational purposes; therefore, the unique Member ID number provided by the EES vendor will be the sole Member ID on the ID Card. (5.2.6.2.b.xvi.)
- Vendor’s member portal will accept and display Member-specific information from the other systems and Vendor’s health team, including each of the following. Vendor shall confirm each below:
 - Electronic medical and health records. (5.2.7.2.b.xxiv.1)
 - Disease Management Nurse notes. (5.2.7.2.b.xxiv.2)
 - Case Management notes. (5.2.7.2.b.xxiv.3)
 - Health Coach notes. (5.2.7.2.b.xxiv.4)
- Upon request, Vendor will pay all claims, including non-network claims, based on assignment of benefits. (5.2.8.2.b.v.)

Cost Analysis – Comparison

BAFO #1							
Network Pricing (Claims \$M)							
Vendor	2025	2026	2027	Total	Ranking	% Diff	Score
Aetna					3		6
BCBS	3,049.9	3,224.7	3,409.8	9,684.4	2	+ 0.47%	6
UMR					1		5

BAFO #1						
Vendor	Base Admin Fee (PSPM)			Total Cost (\$M)	Rank	Score
	2025	2026	2027			
Aetna					2	1
BCBS	13.53	14.21	14.92	223.3	3	2
UMR					1	0

- Disease Management Fees for Non-Medicare members were included

- One Time Credits for implementation, communication, etc. are incorporated into the Total Cost

Cost Analysis – Comparison

Vendor	Discount Guarantee			Max \$ At Risk (\$M)		
	2025	2026	2027	2025	2026	2027
Aetna						
BCBS	55.1%	55.6%	56.1%	2.7	2.8	2.9
UMR						

Vendor	Trend Guarantee			Max \$ At Risk (\$M)		
	2025	2026	2027	2025	2026	2027
Aetna						
BCBS	N/A	6.00%	6.00%	N/A	2.8	2.9
UMR						

Pricing Guarantees		
Vendor	Rank	Score
Aetna	2	1
BCBS	1	0
UMR	3	2

Cost Analysis – Expected Cost and Scoring

BAFO #1				
Combined 3-Year Cost (\$M)				
Vendor	Claims	Admin	Total	% Diff
Aetna				
BCBS	9,684.4	223.3	9,907.7	0.0%
UMR				

BAFO #1							
Vendor	Rankings			Points			
	Claims	Admin	Guarantees	Claims	Admin	Guarantees	Total
Aetna	3	2	2	6	1	1	8
BCBS	2	3	1	6	2	0	8
UMR	1	1	3	5	0	2	7

Cost Analysis – Total Contract Value (5-years)

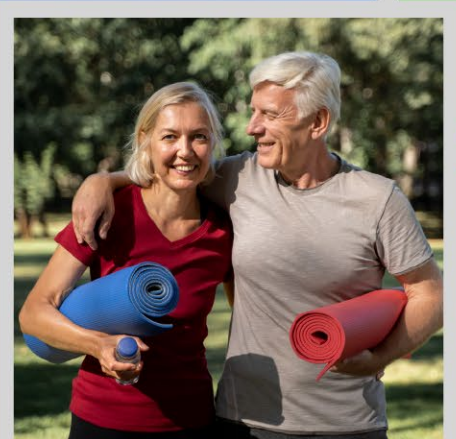
Total Contract Value (\$M)						
Aetna BAFO #1						
	2025	2026	2027	2028	2029	Total
Claims						
Admin						
Total						17,521.9
Total Contract Value (\$M)						
BCBS BAFO #1						
	2025	2026	2027	2028	2029	Total
Claims	3,049.9	3,224.7	3,409.8	3,605.5	3,812.5	17,102.5
Admin	52.7	74.0	76.9	84.2	114.5	402.3
Total	3,102.6	3,298.7	3,486.8	3,689.7	3,927.0	17,504.8
Total Contract Value (\$M)						
UMR BAFO #1						
	2025	2026	2027	2028	2029	Total
Claims						
Admin						
Total						17,791.8

Final Scoring

	Maximum Points	Vendor		
		Aetna	BCBSNC	UMR
TOTAL TECHNICAL POINTS	310	310	303	310
BAFO #1 COST POINTS	10	8	8	7
FINAL RANKING TECHNICAL		3	1	3
FINAL RANKING COST		3	3	1
FINAL RANKING TECHNICAL AND COST		6	4	4

Recommendation and Board Vote

- Based upon its evaluation and scoring methodology, the Evaluation Committee recommended awarding the Contract to Aetna.
- All three proposals were presented for the Board's consideration.
- The Board accepted the Evaluation Committee's analysis, considered the recommendation, and voted to award this Contract to Aetna.
- The two-year implementation period for this Contract begins January 1, 2023, through December 31, 2024. The three-year initial service period for this Contract begins January 1, 2025 (*Open Enrollment, Fall 2024), through December 31, 2027, with the option to renew for two, one-year terms.



Third Party Administrative Services RFP Debrief Meeting with Aetna

December 15, 2022

Background

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Evaluation Process – Contract Modernization Strategy

- Streamline the TPA contract.
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Evaluation Process – Contract Modernization Strategy

- Reconsidered the standard evaluation process.
 - Added advisory roles to the Evaluation Committee, such as including the Plan’s Executive Administrator in the evaluation meetings.
 - Revised the scoring methodology:
 - Technical Requirements, because there were only two options, were scored zero (0) or one (1).
 - Every requirement held equal weight.
 - Revised the scoring of the cost analysis to reflect the import of the three (3) components—six (6) points for Network Pricing, two (2) points for Administrative Fees, and two (2) points for Pricing Guarantees.
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Contract Technical Proposals Scoring

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5.2.5	Medical Management Programs	18	18	18	18
5.2.6	Enrollment, EDI, and Data Management	40	40	39	40
5.2.7	Customer Experience	52	52	48	52
5.2.8	Claims Processing and Appeals Management	16	16	15	16
5.2.9	Claims Audit, Recovery, and Investigation	25	25	25	25
5.2.10	Initial Implementation and Ongoing Testing	3	3	3	3
5.2.11	Reporting	48	48	48	48
TOTAL TECHNICAL POINTS		310	310	303	310

Cost Analysis – Comparison

BAFO #1							
Network Pricing (Claims \$M)							
Vendor	2025	2026	2027	Total	Ranking	% Diff	Score
Aetna	3,035.7	3,209.6	3,393.9	9,639.2	3	0.00%	6
BCBS					2		6
UMR					1		5

BAFO #1						
Vendor	Base Admin Fee (PSPM)			Total Cost (\$M)	Rank	Score
	2025	2026	2027			
Aetna	22.75	22.75	22.75	293.6	2	1
BCBS					3	2
UMR					1	0

- Disease Management Fees for Non-Medicare members were included
- One Time Credits for implementation, communication, etc. are incorporated into the Total Cost

Cost Analysis – Comparison

Vendor	Discount Guarantee			Max \$ At Risk (\$M)		
	2025	2026	2027	2025	2026	2027
Aetna	52.3%	52.3%	52.3%	22.3	22.3	22.3
BCBS						
UMR						
Vendor	Trend Guarantee			Max \$ At Risk (\$M)		
	2025	2026	2027	2025	2026	2027
Aetna		6.81%	7.06%		22.3	22.3
BCBS	N/A			N/A		
UMR						
Pricing Guarantees						
Vendor	Rank	Score				
Aetna	2	1				
BCBS	1	0				
UMR	3	2				

Cost Analysis – Expected Cost and Scoring

BAFO #1				
Combined 3-Year Cost (\$M)				
Vendor	Claims	Admin	Total	% Diff
Aetna	9,639.2	293.6	9,932.8	0.3%
BCBS				
UMR				

BAFO #1							
Vendor	Rankings			Points			
	Claims	Admin	Guarantees	Claims	Admin	Guarantees	Total
Aetna	3	2	2	6	1	1	8
BCBS	2	3	1	6	2	0	8
UMR	1	1	3	5	0	2	7

Cost Analysis – Total Contract Value (5-years)

Total Contract Value (\$M)						
Aetna BAFO #1						
	2025	2026	2027	2028	2029	Total
Claims	3,035.7	3,209.6	3,393.9	3,588.7	3,794.7	17,022.7
Admin	97.5	98.2	97.9	101.1	104.5	499.2
Total	3,133.1	3,307.8	3,491.9	3,689.9	3,899.2	17,521.9

Total Contract Value (\$M)						
BCBS BAFO #1						
	2025	2026	2027	2028	2029	Total
Claims						
Admin						
Total						17,504.8

Total Contract Value (\$M)						
UMR BAFO #1						
	2025	2026	2027	2028	2029	Total
Claims						
Admin						
Total						17,791.8

Final Scoring

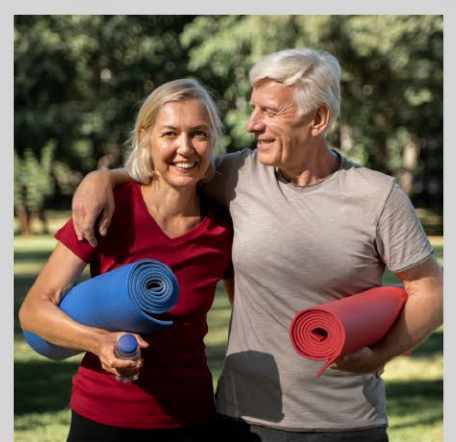
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Recommendation and Board Vote

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Debrief Discussion

- The Plan's Contracting team needs Aetna to provide their Certificate of Authority to Transact Business from the North Carolina Secretary of State.
 - The provisions of Section 4.18 of the RFP "Registration and Certification" requiring a Certificate of Authority to Transact Business is a condition of Contract award. The Plan requests you furnish all necessary documents at this time. Please refer to Addendum 2, Question 9.
- Communication and Press coordination.
- Implementation expectations and next steps.



Third Party Administrative Services RFP Debrief Meeting with UMR

December 16, 2022

Background

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5.2.7	Customer Experience	52	52	48	52
5.2.8	Claims Processing and Appeals Management	16	16	15	16
5.2.9	Claims Audit, Recovery, and Investigation	25	25	25	25
5.2.10	Initial Implementation and Ongoing Testing	3	3	3	3
5.2.11	Reporting	48	48	48	48
TOTAL TECHNICAL POINTS		310	310	303	310

Cost Analysis – Comparison

BAFO #1							
Network Pricing (Claims \$M)							
Vendor	2025	2026	2027	Total	Ranking	% Diff	Score
Aetna					3		6
BCBS					2		6
UMR	3,060.1	3,241.2	3,427.2	9,728.4	1	+ 0.93%	5

BAFO #1						
Vendor	Base Admin Fee (PSPM)			Total Cost (\$M)	Rank	Score
	2025	2026	2027			
Aetna					2	1
BCBS					3	2
UMR	24.25	24.50	24.75	357.2	1	0

- Disease Management Fees for Non-Medicare members were included
- One Time Credits for implementation, communication, etc. are incorporated into the Total Cost

Cost Analysis – Comparison

Vendor	Discount Guarantee			Max \$ At Risk (\$M)		
	2025	2026	2027	2025	2026	2027
Aetna						
BCBS						
UMR	52.6%	N/A		95.1	N/A	

- UMR provided only trend guarantees for 2026 and thereafter.

Vendor	Trend Guarantee			Max \$ At Risk (\$M)		
	2025	2026	2027	2025	2026	2027
Aetna						
BCBS	N/A			N/A		
UMR		BoB -1%		47.6	47.6	

- UMR guarantee is to be more than 1% below their Book of Business

Pricing Guarantees		
Vendor	Rank	Score
Aetna	2	1
BCBS	1	0
UMR	3	2

Cost Analysis – Expected Cost and Scoring

BAFO #1				
Combined 3-Year Cost (\$M)				
Vendor	Claims	Admin	Total	% Diff
Aetna				
BCBS				
UMR	9,728.4	357.2	10,085.7	1.8%

BAFO #1							
Vendor	Rankings			Points			
	Claims	Admin	Guarantees	Claims	Admin	Guarantees	Total
Aetna	3	2	2	6	1	1	8
BCBS	2	3	1	6	2	0	8
UMR	1	1	3	5	0	2	7

Cost Analysis – Total Contract Value (5-years)

Total Contract Value (\$M)						
Aetna BAFO #1						
	2025	2026	2027	2028	2029	Total
Claims						
Admin						
Total						17,521.9
Total Contract Value (\$M)						
BCBS BAFO #1						
	2025	2026	2027	2028	2029	Total
Claims						
Admin						
Total						17,504.8
Total Contract Value (\$M)						
UMR BAFO #1						
	2025	2026	2027	2028	2029	Total
Claims	3,060.1	3,241.2	3,427.2	3,623.9	3,831.9	17,184.3
Admin	112.2	122.1	123.0	124.4	125.9	607.5
Total	3,172.3	3,363.2	3,550.2	3,748.3	3,957.8	17,791.8

Final Scoring

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