

AWARD RECOMMENDATION

Notice of Intent to Award Number: 240000000436

The Department of Technology, Management, & Budget’s Procurement office has completed the evaluation of Request for Proposal No. 230000003226 for HMO Services for Michigan Public School Employee’s Retirement System (MPERS) and has recommended awards to Blue Care Network (BCN), Health Alliance Plan, and Priority Health Managed Benefits for a total program amount of \$452,000,000.00, pending State Administrative Board approval, if applicable. More information on the State Administrative Board can be found at: [State Administrative Board](#).

Bidders who were not recommended for an award are encouraged to schedule a debriefing session with the Solicitation Manager. The debriefing session will provide the bidder with the State’s rationale on why the bidder was not recommended for an award. The Solicitation Manager may be contacted as follows:
 Mary Ostrowski, Solicitation Manager.
 ostrowskim@michigan.gov
 (517)249-0438

Background Information:

This Request for Proposal (RFP) was to solicit responses for selection of a Contractor to provide HMO Services for Michigan Public School Employees’ Retirement System’s (MPERS) Plans. The term of this contract is one year, with up to four additional one-year renewal options.

Bidders:

The RFP was posted on SIGMA VSS on October 20, 2023, for three weeks and four days. The following bidders submitted proposals by the published due date of November 14, 2023:

Bidder	Address, City, State, Zip Code	SDVOB*	GDBE**
Blue Care Network of Michigan	20500 Civic Center Dr. Southfield, MI 48076	No	No
Health Alliance Plan of Michigan	2850 W. Grand Blvd. Detroit, MI 48202	No	Yes
Priority Health Managed Benefits	1241 East Beltline NE Grand Rapids, MI 49525	No	No

*SDVOB: Service-Disabled Veteran Owned Business

**GDBE: Geographically Disadvantaged Business Enterprise

EVALUATION SYNOPSIS

I. Evaluation Process

A Responsible Vendor is a vendor that demonstrates it has the ability to successfully perform the duties identified by the solicitation. A Responsive proposal is one that is submitted in accordance with the solicitation instructions and meets all mandatory requirements identified in the solicitation.

Proposal Instructions, Mandatory Minimum Requirements

6. **MANDATORY MINIMUM REQUIREMENTS.** The term “Contractor” in this document refers to a bidder responding to this RFP, as well as the Contractor who is awarded the contract. The term “Bidder” is used throughout, to identify where specific responses to the RFP are required. To avoid disqualification, the Bidder must provide documentation to support the following:
 - 6.1 **Mandatory Minimum:** In-network coverage must be Actuarially Equivalent to or exceed the coverage offered under the Michigan Public School Employees’ Retirement System’s self-funded Plan, a description of which is included as Schedule I1 PPO Non Medicare Summary of Benefits, I2 PPO Medicare Summary of Benefits, I3 Non Medicare Prescription Drug Summary of Benefits, and I4 Medicare Prescription Drug Summary of Benefits. See **Schedule A, Section 1.2.1** to provide Bidder response to this requirement.
 - 6.2 All service categories covered by the self-funded Plan must be covered by the HMO Contract. Refer to Summary of Benefits in **Schedule I1, I2, I3, and I4**. See **Schedule A, Section 1.2.4** to provide Bidder response to this requirement.
 - 6.3 The Contractor must be an HMO licensed in the State of Michigan and accredited by the National Council for Quality Assurance (NCQA), a national organization that evaluates HMO quality. The coverage offered to Members must be authorized under the Contractor’s HMO license. See **Schedule A, Section 1.1.1** to provide Bidder response to this requirement.
 - 6.4 The Contractor must provide services in all locations that they are currently approved by the Michigan Department of Insurance and Financial Services (DIFS) to service. See **Schedule A, Section 1.1.2** to provide Bidder response to this requirement.
 - 6.5 The Contractor must provide comprehensive benefits to Members when they temporarily reside outside of the service area. See **Schedule A, Section 1.8.2** to provide Bidder response to this requirement.
 - 6.6 The Contractor must provide all services at or below the premium rates as provided by the State. Illustrative premiums and benefit designs are provided for 2024 (See **Schedule B and Schedules I1-I4**. See **Schedule A, Section 6.1.1** to provide Bidder response to this requirement.
 - 6.7 The Contractor must have a contract in place with CMS at the time of the bid submission and be approved to provide a Medicare Advantage plan. See **Schedule A, Section 1.1.5** to provide Bidder response to this requirement.

Only proposals meeting the mandatory minimum requirements will be considered for evaluation.

7. EVALUATION PROCESS. The State will evaluate each proposal based on the following factors:

The State will evaluate Bidder’s response to Criteria items on a Pass/Fail basis. The following criteria must be met for a Bidder’s proposal to be considered for award:

Section	Criteria
Schedule A Statement of Work and Vendor Questions Worksheet	Bidder provided all information requested in Schedule A and Vendor Questions Worksheet <i>And</i> <ul style="list-style-type: none"> • Yes, we will comply as specified: PASS • No, we cannot comply: FAIL • Yes, we will comply but with written exceptions in accordance with Section 7. Evaluation Process provided with Bidder’s proposal: PASS if the exception(s), at the sole discretion of the State, is evaluated as acceptable. FAIL if it is not.
Standard Contract Terms	Yes, we will comply as specified: PASS No, we cannot comply: FAIL Yes, we will comply but with written exceptions in accordance with Section 7. Evaluation Process must be provided with Bidder’s proposal: PASS if the exception(s), at the sole discretion of the State, is evaluated as acceptable. FAIL if it is not.

PROPOSALS THAT HAVE A FAIL DETERMINATION FOR ANY SECTION WILL NOT BE CONSIDERED FOR AWARD.

If applicable, the State’s evaluation will include consideration of a bidder’s qualified disabled veterans/service-disabled veteran owned business (QDV/SDVOB) status under MCL 18.1261(8). Additional information on the SDVOB preference is available at: Michigan.gov/SDVOB.

The State strongly encourages strict adherence to the Contract Terms. The State reserves the right to deem a bid non-responsive for failure to accept the Contract Terms. Nevertheless, the bidder may submit proposed changes to the Contract Terms in track changes (i.e., visible edits) with an explanation of the bidder’s need for each proposed change. Failure to include track changes with an explanation of the bidder’s need for the proposed change constitutes the bidder’s

acceptance of the Contract Terms. General statements, such as that the bidder reserves the right to negotiate the terms and conditions, may be considered non-responsive. Failure to respond timely to requests for proposed changes to Contract Terms during ongoing negotiations may be cause for disqualification.

The State may but is not required to conduct an on-site visit to tour and inspect the bidder’s facilities; require an oral presentation of the bidder's proposal; conduct interviews, research, reference checks, and background checks at any point during the evaluation process.

II. Evaluation Method

Responses to this solicitation were reviewed by Joint Evaluation Committee, which consisted of the following individuals:

Voting	Advisory
Elizabeth Harrison Business Process Owner -BPD DTMB - ORS	Sarah Humphreys Compliance Analyst DTMB - ORS
Courtney Landon Healthcare Analyst DTMB - ORS	Sean Douglass Project Manager WTW
Mary Ostrowski Category Specialist DTMB - Central Procurement	Danyelle Stoddard Healthcare Analyst DTMB - ORS
	D’Andra Kawaelde Healthcare Analyst DTMB-ORS
	Dan Maloney Data Analyst DTMB - ORS
	Erik Poppe Senior Consultant and Actuary WTW
	Anzhane Lance Lead Associate WTW
	Rita Dandridge Senior Director WTW
	Bill Pemble DTMB – Agency Services
	Jonathan Dashner MCS – Data Security

III. Evaluation Results

The evaluators reviewed the proposals and made the following determinations related to the published specifications:

A. Blue Care Network:

1. **Mandatory Minimum Requirements:** The Evaluation Team determined that the Bidder met the requirements for the Minimum Mandatory Requirements section of the RFP with no exceptions.
2. **Schedule A Statement of Work and Vendor Questions Worksheet:** Bidder provided all information requested in Schedule A Statement of Work and Vendor Questions Worksheet. Bidder provided exceptions to Schedule A, Statement of Work, that were clarified and/or negotiated and evaluated as acceptable, at the sole discretion of the State.
3. **Standard Contract Terms:** Bidder provided their agreement to the Standard Contract terms with exceptions that were clarified and/or negotiated and evaluated as acceptable, at the sole discretion of the State.

Proposal Determination: PASS

B. Health Alliance Plan:

1. **Mandatory Minimum Requirements:** The Evaluation Team determined that the Bidder met the requirements for the Minimum Mandatory Requirements section of the RFP with no exceptions.
2. **Schedule A Statement of Work and Vendor Questions Worksheet:** Bidder provided all information requested in Schedule A Statement of Work and Vendor Questions Worksheet. Bidder provided exceptions to Schedule A, Statement of Work, that were clarified and/or negotiated and evaluated as acceptable, at the sole discretion of the State.
3. **Standard Contract Terms:** Bidder provided their agreement to the Standard Contract terms with no exceptions.

Proposal Determination: PASS

C. Priority Health Managed Benefits:

1. **Mandatory Minimum Requirements:** The Evaluation Team determined that the Bidder met the requirements for the Minimum Mandatory Requirements section of the RFP with no exceptions.
2. **Schedule A Statement of Work and Vendor Questions Worksheet:** Bidder provided all information requested in Schedule A Statement of Work and Vendor Questions Worksheet. The Evaluation Team determined the Bidder met the requirements for these Sections of the RFP.

- 3. Standard Contract Terms: Bidder provided their agreement to the Standard Contract terms with no exceptions.

Proposal Determination: PASS

Spec #	Specification	Blue Care Network	Health Alliance Plan	Priority Health Managed Benefits
1	Mandatory Minimum Requirements	PASS	PASS	PASS
2	Schedule A Statement of Work and Vendor Questions Worksheet	PASS	PASS	PASS
3	Standard Contract Terms	PASS	PASS	PASS
	PROPOSAL DETERMINATION	PASS	PASS	PASS

IV. Pricing Summary

Premium rates are set by the State on an annual basis. Illustrative rates for calendar year 2024 are below. Premium rates for calendar year 2025 will be provided to Contractors by August 1, 2024, for service start date of 1/1/2025 and by August 1 of each subsequent Contract year.

Monthly MPSERS HMO Premium Rates	
Effective: 1/1/2024 - 12/31/2024	
Without Medicare	
Self	\$ 770.67
Spouse	\$ 638.55
Per Child	\$ 204.46
With Medicare	
Self	\$ 39.96
Spouse	\$ 36.13
Per Child	\$ 35.61

V. Award Recommendation:

An Award Recommendation is made to responsive and responsible bidders who meet or exceed the requirements for a PASS/FAIL evaluation.

A Multi-Award Recommendation is made in the amounts specified, as follows:

	1-Year Base Contract Term
Blue Care Network	\$ 35,650,000.00

Health Alliance Plan	\$8,000,000.00
Priority Health Managed Benefits	\$ 46,750,000.00
Total	\$90,400,000.00

Allocation of the remaining value of \$361,600,000.00 will be added to the above Contracts as needed and/or upon contract renewals via Change Notice for each subsequent year.