

AWARD RECOMMENDATION

Notice of Intent to Award Number: 230000000001

The Department of Technology, Management, & Budget’s Central Procurement office has completed the evaluation of RFP 220000002555 for Medicaid Actuarial Services and has recommended an award to Milliman, Inc. in the amount of \$5,292,774, 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 the 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 the award. The Solicitation Manager may be contacted as follows:

Marissa Gove, Solicitation Manager.

Govem1@michigan.gov

517-449-8952

Background Information:

This Request for Proposal (RFP) was to solicit responses for selection of a Contractor to provide Medicaid Actuarial Services. The term of this contract is three (3) years, with up to three (3) additional one (1) year renewal options.

Bidders:

The RFP was posted on SIGMA VSS on June 17, 2022, for 36 days. The following bidders submitted proposals by the published due date of July 22, 2022.

Bidder	Address, City, State, Zip Code	SDVOB*
Milliman, Inc.	10 W Market Street, STE 1600 Indianapolis, IN 46204 C Corporation	No
Guidehouse, Inc.	1676 International Drive, STE 800 McLean, VA 22102	No

*SDVOB: Service-Disabled Veteran Owned Business

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

Bidder Must meet and provide certification of the CMS qualification requirement of a Fellow of the Society of Actuaries (FSA) or Associate of the Society of Actuaries (ASA).

Proposal Instructions: Evaluation Process

The State will evaluate each proposal based on the following factors:

	Technical Evaluation Criteria	Weight
1.	Schedule A, Statement of Work, except Section 4 Staffing	40
2.	Schedule A, Statement of Work, Section 4 Staffing	25
3.	Vendor Questions Worksheet, except Section 5 Experience	5
4.	Vendor Questions Worksheet, Section 5 Experience	30
	Total	100

Proposals receiving 80 or more technical evaluation points will have pricing evaluated and considered for award.

The full evaluation process is stated in the RFP Proposal Instructions.

II. Evaluation Method

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

Voting	Advisory
Marissa Gove, Category Analyst DTMB CPS	Danielle Walsh, Contract Analyst DHHS
Debi Andrews, Data Payment & Integrity Section Manager DHHS	
Kevin Dyke, Chief Actuary DIFS	
Jeff Eklund, Department Specialist DHHS	
Kevin Leininger, Budget Specialist DHHS	

Voting	Advisory
Keith White, Actuarial Division Director DHHS	

III. Evaluation Results

A. Milliman, Inc.

The Evaluation Team determined that Milliman, Inc. based on a score of 97.5, did meet the requirements of this RFP. This determination was accomplished by evaluating their responses to the Technical Evaluation Criteria.

1. **Schedule A, Statement of Work, except Section 4 Staffing** **39.5/40**
 The Evaluation Team determined that overall, the responses were mostly satisfactory, but the following deficiency was noted:
 - a. 1.2 Transition, the bidder did not discuss the transition of software and licenses.
2. **Schedule A, Statement of Work, Section 4 Staffing** **25/25**
 The Evaluation Team determined that the responses were satisfactory for this section.
3. **Vendor Questions Worksheet, except Section 5 Experience** **3/5**
 The Evaluation Team determined that overall, the responses were mostly satisfactory, but the following deficiency was noted:
 - a. The bidder had exceptions to the Standard Contract Terms.
4. **Vendor Questions Worksheet, Section 5 Experience** **30/30**
 The Evaluation Team determined that the responses were satisfactory for this section.
Total Score: 97.5/100

B. Guidehouse, Inc.

The Evaluation Team determined that Milliman, Inc. based on a score of 89, did meet the requirements of this RFP. This determination was accomplished by evaluating their responses to the Technical Evaluation Criteria.

1. **Schedule A, Statement of Work, except Section 4 Staffing** **31/40**
 The Evaluation Team determined that overall, the responses were mostly satisfactory, but the following deficiencies were noted:
 - a. 1.1 General Requirements, A, the bidder did not provide details referring to Medicare Duals, special populations, or risk/reserve pools.
 - b. 1.1 General Requirements, B, the bidder did not describe the methodologies or the processes.
 - c. 1.1 General Requirements, C, the graphic in requirement A demonstrates experience in the Chicago region but this was not elaborated on in the response to this question.

- d. 1.1 General Requirements, E, the bidder did not provide details regarding web-based reporting or experience of reconciling various sources of data.
 - e. 1.1 General Requirements, P, the bidder did not describe experience of negotiating with CMS.
 - f. 1.2 Transition, the bidder did not discuss the transition of software and licenses.
- 2. Schedule A, Statement of Work, Section 4 Staffing 25/25**
 The Evaluation Team determined that the responses were satisfactory for this section.
- 3. Vendor Questions Worksheet, except Section 5 Experience 3/5**
 The Evaluation Team determined that overall, the responses were mostly satisfactory, but the following deficiency was noted:
- b. The bidder had exceptions to the Standard Contract Terms.
- 4. Vendor Questions Worksheet, Section 5 Experience 30/30**
 The Evaluation Team determined that the responses were satisfactory for this section.
- Total Score: 89/100**

IV. Technical Evaluation Summary

Selection Criteria		Milliman, Inc.	Guidehouse, Inc.
1	Schedule A, Statement of Work, except Section 4 Staffing	39.5	31
2	Schedule A, Statement of Work, Section 4 Staffing	25	25
3	Vendor Questions Worksheet, except Section 5 Experience	3	3
4	Vendor Questions Worksheet, Section 5 Experience	30	30
	Total	97.5	89

V. Pricing Summary

Pricing was evaluated for the bidders who passed technical. The following is a summary of their price proposals:

Deliverable		Milliman, Inc. 1 st Round	Milliman, Inc. 2 nd Round	Guidehouse, Inc. 1 st Round	Guidehouse, Inc. 2 nd Round
1	"Fellow of the Society of Actuaries (FSA) And Engagement Leader"	\$450	\$447	\$350	\$333
2	All other FSAs	\$320	\$310	\$275	\$261
3	All Associate of the Society of Actuaries	\$255	\$254	\$200	\$190
4	Healthcare Consultant	\$290	\$288	\$200	\$190
5	Non-Professionals	\$235	\$234	\$150	\$143
6	Administrative	\$75	\$75	\$50	\$48

VI. Negotiations

Both bidders offered a price decrease in the second-round pricing as exhibited in the table above.

VII. Award Recommendation

Award recommendation is made to the responsive and responsible Bidder who offers the best value to the State of Michigan. Best value is based on the proposal meeting the minimum point threshold and offering the best combination of the factors stated in the *Proposal Instructions Evaluation Process* section, providing adequate experiences, and price.

Milliman, Inc. provided the best value to the State. Best value factors for Award Recommendation include:

- Strategic relationships with CMS, national associations, and MACPAC to leverage federal partnerships and connect Michigan with other states.
- Documented knowledge, understanding, and experience working with the complexities of Medicare Duals, special populations, and risk/reserve pools, thus reducing risk of rate revisions or federal approval.
- Knowledge of and experience with the Chicago Regional Office which serves as an entry point for State CMS questions to drive efficiency within the approval process.
- Experience in reconciling various sources of data which is critical for rate setting.

As part of the best value determination, overall economic impact to the State of Michigan was considered and is not a determinative factor in making this award.

Award Recommendation is made to Millman, Inc. in the amount of \$5,292,774.