

WRITTEN RESPONSE SCORING
October 2-6, 2023
RFP 2334-830
Economic Rates Study

Vendor Name: Milliman, Inc.

Evaluator Number: #1

General Guidelines:

- Please score each vendor's response without reference to the scores for other vendors. Each score should reflect your score based on the criteria only.
- Please note all scores and comments in the allotted sections. If you change a score, initial the change.
- Please include comments that will assist the vendor in understanding why the response did not get full points. Positive comments are also welcome.
- We would prefer that you leave a comment for each question scored, briefly explaining why you assigned that particular score.
- You may discuss the proposals among the evaluation team, but each evaluator should score independently. **We do not use consensus scoring.**
- Do not downgrade a proposal because it did not address something that was not asked for in the Solicitation.

Scoring of Proposals

The following available points will be assigned to the proposal for evaluation purposes:

Section 5 Bidder Qualifications & Experience 240 points

Section 6 Budget & Reporting 10 points

If you have questions, please direct them to Lauren Bragazzi, Solicitation Coordinator, phone 360-664-6047. All evaluations must be returned and reviewed by the Solicitation Coordinator at the end of the evaluation.

Score	Description	Discussion
90-100% of available points	Exceptional	Clearly superior to that which is average.
70-80%	Above Average	Better than that which is average.
50-60%	Average	Baseline score for each item with adjustments based upon the evaluator's interpretation of the Bidder's response.
30-40%	Below Average	Substandard to that which is average.
10-20%	Failing	Non-responsive or clearly inadequate to that which is average.
0%	No Experience	Response shows no experience in this skill or capability.

Evaluator Scoresheet for RFP 2334-830

You will be evaluating one part of the bidder’s submission: Section 5 and Section 6. If a question requires Bidders to submit additional documents, they will be included in an attached document.

5.	BIDDER Qualifications and Experience (240 Points)		240 MAX POINTS	SCORE
A	<p>Please provide the number of years of experience your organization has conducting rates studies and how many years specific to conducting rates studies regarding Long-Term Care services. Please describe the experiences, skills, and qualifications your organization possesses that are relevant to an evaluation of your ability to perform the Contract that is the subject of this Solicitation. Please ensure that your answer to this question includes all information that you wish DSHS to consider in determining whether you meet the minimum Bidder qualifications set forth in the Solicitation Document. Please include any relevant experience that distinguishes your organization or makes it uniquely qualified for the Contract.</p>			
	<p>COMMENT:</p> <p>Very thorough explanation and example of experience conducting rates studies. Was able to provide 9 different studies across multiple states to show proof of experience</p>	<p>ANSWER:</p> <p>Milliman has 30+ years of experience in advising clients on a variety of areas related to analysis of LTSS services and rate studies. Our organization’s experience includes assisting LTSS / LTC programs in both the public and private sectors, experience that will be directly relevant for completing the rate study for this engagement.</p> <p>We have 30+ years of experience conducting rates studies and fee schedule analysis more broadly for commercial and government healthcare programs. We have 15+ years of direct experience assisting Medicaid programs in conducting rates studies regarding LTSS / LTC services.</p> <p>We highlight below relevant work experience and examples, including work to project service costs to support the actuarial analysis of premium rates, fund balance, and viability of program features for the WA Cares Fund program over the last 8 years.</p> <p>Milliman Experiences, Skills, and Qualifications</p> <p><u>Rate Setting for State Medicaid Agencies</u></p>	50	45

	<p>and qualification</p>	<p>Milliman has vast experience advising states regarding Medicaid Long-Term Services and Supports (LTSS) rate-setting methodologies and related policies. Our team members also have significant experience with the regulatory and compliance considerations for implementing LTSS payment methodologies, as well as decades of experience managing stakeholder engagement (for providers, participants, managed care organizations, and advocates) throughout the rate development process. We also understand LTSS workforce challenges and opportunities facing state agencies and ensuring there are enough workers to meet beneficiaries' needs.</p> <p>In the past five years alone, we have assisted 12 Medicaid agencies, including Arkansas, Hawai'i, Indiana, Iowa, Michigan, Mississippi, New Hampshire, Ohio, Rhode Island, South Carolina, Washington, and Wisconsin with the development of provider fee schedules for LTSS services. We have also assisted with the development of tiered rates for LTSS services in Arkansas, Hawai'i, Indiana, Ohio, Iowa, Rhode Island, and Wisconsin; bundled rates for LTSS services in Indiana and Ohio; and negotiated market rates for LTSS services in Arkansas. As part of these projects, we have also assisted with calculations of cost neutrality, analyzed service utilization, conducted rate development projects, developed innovative managed care rate structures, and projected waiver program expenditures.</p> <p><u>Actuarial / Financial Modeling for WA Cares Fund</u> Milliman has provided actuarial support and financial analysis and projections for WA Cares Fund since the program was enacted in 2019 (and feasibility studies before the program was enacted). The financial modeling includes the projection of estimated revenue and expenditures under WA Cares Fund for the next 75 years. The expenditures include estimates of service costs incurred by major site of care: nursing home, assisted living facility, and care at home. Our work for WA Cares Fund includes frequent meetings with WA DSHS and WA OSA and various workgroups responsible for recommending / clarifying program features. We also routinely present findings of our work at the LTSS Trust Commission public meetings.</p> <p><u>Private Market LTC Insurance Service Cost Data</u></p>		
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Milliman has significant experience in analyzing commercial service costs for Long-Term Care (LTC) Insurance programs. Milliman has developed a set of proprietary Long Term Care Guidelines (*LTC Guidelines*), which provide frequencies, continuance curves, utilization assumptions and claim costs from a large number of product designs over the past three decades. The Milliman *LTC Guidelines* incorporate both private and public sector data sources, and are periodically updated to reflect the most comprehensive and current information available in the market. The *LTC Guidelines* are one area of differentiation from other actuarial and consulting firms. The first set of *LTC Guidelines* was developed in 1992 and has been updated regularly, with the most recent edition completed in 2020. The breadth of underlying data and the comprehensiveness of analysis position the *LTC Guidelines* to be an unrivaled benchmark for LTC morbidity.

Milliman Relevant Experience

We list below recent relevant experience that distinguishes Milliman and makes us uniquely qualified to support the work requested under this Contract.

1. Feasibility Studies to Finance LTSS in Washington

Sponsor: Washington Department of Social and Human Services (DSHS)

Project Duration: February 2016 to January 2017, June 2018 to October 2018

In 2016, Milliman was engaged to study the feasibility of offering two unique LTSS financing options in the State of Washington. Various stakeholder interviews and discussions in the State of Washington helped determine the final scope of plan parameters to model for the project. The scope of our engagement included the evaluation and discussion of the following items:

- Expected costs and benefits for participants
- Total anticipated number of participants
- Financial and legal risks to the State

- Savings to the State Medicaid program

In 2018, Milliman was engaged to perform a follow-up study, in which we analyzed the expected costs of changing the plan parameters and sensitivities surrounding these parameters.

1. LTSS Trust / WA Cares Fund Actuarial Studies

Sponsor: Washington Office of the State Actuary (OSA)
Project Duration: February 2020 to Present

After the LTSS Trust Act was passed, Milliman was re-engaged by the OSA in 2020, working closely with WA DSHS, to assist in projecting the current program and modeling program alternatives / changes. Milliman continues to support the development and implementation of WA Cares Fund. Notable deliverables include the 2020 and 2022 Actuarial Study of WA Cares Fund, as well as other deliverables included in the Milliman Actuarial Studies / Reports on the OSA website.

Relevant to this solicitation, our engagement with OSA includes working with a government agency and other stakeholders to analyze LTC financing solutions and has required an understanding of the current LTC financing environment in Washington. Additionally, we gained experience presenting to the LTSS Trust Commission and assisting various legislative work groups.

3. HCBS Rate Study for Washington DSHS

Sponsor: Washington Department of Social and Health Services (DSHS)
Project Duration: June 2022 – Present

Milliman was retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental

disabilities. As part of this rate study, the Milliman team coordinated and facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce. Milliman is currently in the process of developing rate recommendations.

4. Nursing Facility Payment Transformation and Rate Setting for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)
Project Duration: May 2021 – Present

The State’s goals for updating Medicaid nursing facility reimbursement were as follows:

- Transition from a fully cost-based reimbursement model to a price-based model that pays for value provided rather than costs incurred.
- Remove retroactive cost settlements and design a prospective-only payment. This was in part needed to facilitate state-direction of the state nursing facility fee schedule to managed care providers.
- Alignment with reimbursement for HCBS and other Medicaid services. The prior reimbursement model, with quarterly updates and guaranteed reflection of any cost increases, was unique to nursing facilities. A level playing field for reimbursement is a key step towards rebalancing.
- Quality – Link provider payments to member outcomes by devoting a material portion of the payment to higher quality facilities and selecting meaningful metrics and relevant metrics on which to base payments.

		<p>It was decided at the outset that the reimbursement restructuring would be budget neutral – that is, target total funding in the system would be the same as under the legacy system. This was key to getting provider buy-in. It was understood that there would be “winners and losers”, but most were able to support the goal of reallocating funding to reward higher quality and more cost-effective facilities.</p> <p>The Project was divided into three workstreams:</p> <ol style="list-style-type: none">1. Nursing Facility Base Rates2. Supplemental Nursing Facility Payments (Upper Payment Limit, supported by IGTs)3. Restructure Quality Program <p>For each work stream, the state set up a series of meetings. Milliman prepared materials and led discussion, after first having internal meetings with the State of Indiana to confirm direction and content. We began by presenting background information, including state goals, regulatory constraints, and analysis related to shortcomings of the current system. For example, although there were large differences among the 500+ nursing facilities in per diem reimbursement under the legacy cost-based system, these differences had no statistical correlation with acuity (RUG scores) or quality scores, so it was difficult to justify the variation in payment. We also presented options for the new reimbursement model, offered advantages and disadvantages to each, and developed a series of facility-specific models to help stakeholders understand the initial proposal and subsequent refinements, and how it might affect them. Over the course of the project, we worked with the state, nursing facility industry and other stakeholders to build consensus on a new reimbursement structure, supplemental payment design, and quality program.</p> <p>The State also prioritized working collaboratively with stakeholders and agreed to smooth the transition by offering a transition period. Milliman collaborated with the State and stakeholders to model and assess various transition plan options, aiming to strike a balance between introducing the new reimbursement system's goals and minimizing disruption to current operations. Communicating the options and the eventual chosen transition plan clearly to providers was essential to ensuring they had adequate time and information to</p>		
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prepare for the new reimbursement structure. Milliman will continue to provide support to the State and stakeholders as the new system is implemented, ensuring a smooth transition and the successful implementation of the new system as intended.

5. HCBS Rate Setting and Development of MLTSS Quality Framework for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)
Project Duration 2019 – Present

Milliman is currently supporting a cross-agency effort under Indiana FSSA to establish HCBS rates, working with the Office of Medicaid Policy and Planning (OMPP), the Division of Aging (DA), and the Division of Disability and Rehabilitation Services (DDRS). One challenge with this project is coordinating multiple state agencies and their associated stakeholders through a rate setting process that was aligned, transparent, and towards the conclusion of the public health emergency. We are working with FSSA and the supporting agencies on:

- Goal setting and stakeholder engagement planning with the client
- Stakeholder engagement throughout the process in an inclusive and transparent framework
- Payment methodology, data options, and input
- Conceptual design, payment simulation, and refinement
- Public comment, state budget and legislative approval, CMS approval
- Stakeholders (internal and external) were included in project initiation all the way through the final vetting of all rate assumptions.

Related to this work, Milliman also played a stakeholder facilitation role to help the state develop its holistic LTSS quality strategy framework. The state sought to define its quality strategy to inform both its Master Plan on Aging and Medicaid Managed Care Quality Strategy, as well as leverage its purchasing power through specific MCO contract requirements and quality incentives through its upcoming MCO MLTSS procurement. For this project, we have conducted an extensive environmental scan and research, followed by a

series of stakeholder interviews (meeting with over 30 leaders across multiple agencies) to understand available data and performance measures, historical and recent performance including performance gaps, external stakeholder input received to date and other pertinent insights about the current landscape. We then facilitated a strategy session summit where we helped the group to establish a set of guiding MLTSS Quality Framework goals. Follow-up activities included working with a subgroup to establish foundational Year One objectives and metrics to monitor progress toward the goals. We also assisted with the development of managed care RFP language to outline the quality strategy and outline plan responsibilities to achieve the goals and objectives.

6. Residential Care and Behavioral Health Rate Setting for Michigan DHHS

Sponsor: Michigan Department of Health and Human Services

Project Duration: 2019 – Present

Milliman was retained by Michigan DHHS to provide actuarial and consulting services related to the development of a behavioral health and intellectual/developmental disabilities (BH I/DD) fee schedule for its specialty services managed care program (Note: MDHHS includes both BH and I/DD services in this program, which is often referred to as their Behavioral Health Program). This BH I/DD fee schedule was a system-wide project spanning multiple years and encompasses a wide range of services that are covered under the managed care capitation rates, including case management and treatment planning, community living supports, evaluation and management, outpatient services, psychiatric diagnostic evaluations, residential services, and skill building. Milliman is also supporting the development of tiered residential care payment rates for individuals with I/DD and individuals with serious mental illness. Milliman has facilitated a stakeholder workgroup to obtain feedback on tiering approaches, conducted provider interviews to obtain insights on residential care staffing and service delivery, conducted research on other state approaches, and performed an analysis of SIS-A assessment data to assess the relationship between SIS scores and HCBS service utilization.

7. HCBS Rate Setting and Stakeholder Support for Ohio DODD

Sponsor: Ohio Department of Developmental Disabilities
Project Duration: 2022 – Present

Milliman was retained by Ohio DODD to support the development of HCBS payment rates and the design of a quality program for Adult Day and Employment services for individuals served by the Department of Developmental Disabilities (DODD). Our team is currently working with stakeholders to establish HCBS rates that consider historical and future wages for HCBS providers and the potential downstream impact on services that are outside of the rate study. We have also been facilitating engagement with key stakeholders to solicit input and support regarding the implementation of two quality programs, which will include an ARPA supported pilot, capacity/infrastructure payments, and outcomes-based payments.

8. Provider Rate Review for Rhode Island OHIC

Sponsor: Rhode Island Office of the Health Insurance Commissioner
Project Duration: 2023 – Present

Milliman is currently engaged by Rhode Island OHIC to provide a comprehensive review of health and human services offered in the state, including both a financial and programmatic assessment. The financial assessment includes review of program rates, timing of last rate increase, utilization trends, and comparisons between Rhode Island and other regional states on these topics. Programmatic review includes assessment of eligibility standards, processes of program operations, access to programs, organizational structure, oversight of program providers, and accountability structures, including all programs funded by Medicaid and other funding sources in the following areas: social, mental health, aging, developmental disability, child welfare, juvenile justice, prevention services, habilitative, rehabilitative, substance use disorder treatment, residential care, adult or adolescent day services, employment and training, and vocational services. This work is overseen by the Office of the Insurance Commissioner and an advisory council created for this purpose and includes a series of

legislative reports summarizing the findings. Our work includes both conducting the independent research needed to provide full assessment and collaboration with the advisory council and other invested stakeholders. Our programmatic research has involved review of state administrative regulations, state program documents and web pages and applying our knowledge of federal regulations and processes. Drawing on Milliman’s expertise across the array of programmatic areas has allowed us to narrow focus to the most critical components of programming in each sub-population and provide the critical assessment required to bring meaningful insights and note best practices and perhaps areas that are ripe for improvement. This financial work likewise, has required the application of Milliman’s rate setting expertise and coordination with state agencies on rate information that is not within the public domain.

9. Rate Updates and Alignment for Mississippi Division of Medicaid

Sponsor: Mississippi Division of Medicaid

Project Duration: July 2011 - Present

As the consulting actuary for the State of Mississippi, Milliman routinely assists the Division to update the FFS rates for the HCBS waiver programs. Examples of services for which rates have been developed include attendant care, assisted living, adult day care, autism services, and case management.

The modeling approaches vary depending on the service but generally involves a “ground-up” build using wage and benefit data, productivity assumptions, industry staffing ratios, and related administration costs for the services provided. In certain situations, other ancillary services such as transportation were incorporated.

Stakeholder engagement has been a key part of each of the rate updates, consisting of survey tools, workgroups, and other feedback mechanisms.

		Currently Milliman is assisting the state with a full rebasing of all fee schedules for the assisted living, community support program, elderly disabled, intellectually and developmentally disabled, independent living, and traumatic brain injury waivers.		
B		Please provide the names of the key team members you will assign to this Contract, if you are the Successful Bidder, and provide their proposed roles and copies of resumes describing the relevant experience they possess. Bidder should note that if awarded a contract, it may not reassign its key personnel from the Project without prior approval of DSHS.		
	COMMENT: All key staff hold at least a bachelors degree and have been with the company from 5 – 23 years	ANSWER: Key personnel providing assistance on the project are outlined below. Chris Giese, FSA, MAAA Project Role: Overall Project Responsibility and Primary Project Contact Chris Giese, FSA, MAAA, is a Principal and Consulting Actuary. He joined the firm in 2000. Chris has experience with healthcare and long-term care programs, with more than 20 years of experience in these areas. Chris has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016. Chris has assisted various entities, including insurance companies, health plans, employers, technology firms, and government programs. He has helped clients with a wide variety of projects such as financial projections and reporting, valuation of reserves, experience analysis, product development and pricing, appraisals, risk management, and evaluations of financing reform alternatives. Chris previously served as Chair of the Society of Actuaries (SOA) LTC Section Council and participated in various SOA and American Academy of Actuaries work groups. Most recently, Chris led projects gathering stakeholder feedback and analyzing various policy options to alternatively finance LTC for the states of Washington, California, Illinois, and Michigan. Chris has assisted LTC insurance carriers with evaluating the adequacy of active life	10	8

reserves and claim reserves, performing in-depth analysis of historical morbidity and persistency experience for various blocks of business, completing annual statements of actuarial opinion regarding insurance companies' statutory / GAAP liabilities, and helped a company develop framework and projections to illustrate LTC costs in retirement planning for consumers. In addition to LTC programs, Chris has assisted healthcare program including supporting benefits administration firm to develop cost estimates used in helping employees decide among plan options during open enrolment, performing comprehensive analysis for employer on quarterly basis to identify and prioritize individuals for proactive outreach as part of its population health management, measuring healthcare costs versus regional and national benchmarks, and assisting entities in developing a multi-year strategic plan in response to the Affordable Care Act.

Chris is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a B.S. in Mathematics from Carroll College.

Luke Roth

Project Role: Senior Healthcare Consultant and Secondary Project Contact

Luke Roth is a Principal and Senior Healthcare Consultant in the Seattle office of Milliman. He rejoined the firm in 2018.

Luke has over 15 years of experience providing strategic guidance and transformative solutions to healthcare leaders and policy makers as they have navigated the unique risks and opportunities facing their organizations. As a member of Milliman's Medicaid Finance and Policy practice, he primarily supports state agencies in the areas of:

- Long-term services and supports (LTSS) payment system design and rate setting, including nursing home services and home- and community-based services.
- Hospital inpatient and outpatient payment system design and rate setting, including inpatient DRG-based payment systems, outpatient EAPG-based payment systems, and outcomes-based incentive payments.

- Medicaid program funding strategies, including development and implementation of health care-related taxes, intergovernmental transfer (IGT) programs, and certified public expenditure (CPE) programs.
- Supplemental payments strategy, including development and implementation of FFS supplemental (UPL) payments, managed care pass-through payments, state directed 438.6(c) payments, uncompensated care pool (UCP) payments, and disproportionate share hospital (DSH) payments.

Within the past year, Luke has provided provider payment policy and rate setting support to state agencies in Arizona, Illinois, Nebraska, Oklahoma, Florida, and Washington. He also recently co-authored a whitepaper with ADvancing States, the association representing the nation’s 56 state and territorial agencies on aging and disabilities and long-term services and supports directors, on strategies to address challenges related to financing for nursing facility services during MLTSS program implementation.

Luke holds a bachelor’s degree in Mathematics from the University of Washington.

Jill Bruckert, FSA, MAAA

Project Role: Senior Medicaid / LTC Consultant and Secondary Project Contact

Jill Bruckert, FSA, MAAA, is a Principal and Consulting Actuary. She joined Milliman in 2007 and has spent her career providing actuarial support and consulting services to state Medicaid agencies, governmental organizations, and Medicaid health plans. In addition, Jill has experience providing strategic and actuarial services to LTC insurance companies and has been involved in LTC reform analyses.

Jill has worked extensively with state Medicaid agencies to develop and certify acute care and LTC managed care capitation rates, develop HCBS and behavioral health fee schedules, budget analyses and expenditure projections, custom risk adjustment methodologies, waiver support, legislative studies and fiscal impact analyses, and many other ad hoc projects.

		<p>Relevant to this solicitation, Jill has led developing fee schedules for HCBS and behavioral health services in the state of Mississippi since 2015, including a current project to rebase all HCBS fee schedules.</p> <p>Jill is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor’s degree in Actuarial Science and Finance from the Drake University.</p> <p>Annie Gunnlaugsson, ASA, MAAA Project Role: Oversee Calculations and Deliverable Development</p> <p>Annie Gunnlaugsson, ASA, MAAA, is a Consulting Actuary. She joined Milliman in 2012. Annie has served many types of clients in her time with Milliman. Her areas of focus include LTC insurance and the group and individual commercial health markets. Annie has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016.</p> <p>Annie has assisted clients in the areas of ACA pricing and rate filings, year-end statements of actuarial opinions, state insurance department LTC rate filings, and reserve estimation for medical and long-term care products. Most recently, Annie helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.</p> <p>Annie is an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor’s degree in Actuarial Science from the University of Wisconsin Madison.</p> <p>Evan Pollock, FSA, MAAA Project Role: Lead Technical Calculations</p> <p>Evan Pollock, FSA, MAAA, is a Senior Actuarial Manager. He joined Milliman in August 2015. Over the past eight years, Evan has focused on three main market areas: LTC insurance,</p>		
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Medicaid, and group and individual commercial health insurance. Evan has worked on various projects supporting the State of Washington and the WA Cares Fund since 2020.

Evan has worked on projects ranging from pricing, reserving, and experience review to feasibility studies, capitation rate setting, and options analysis. Recently, his focus has been private LTC insurance, LTC reform, and Medicaid LTC rate development for a large state client. Relevant to this solicitation, Evan helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.

Evan is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a bachelor's degree in Actuarial Science from the University of Wisconsin Madison.

Jennifer Gerstorff, FSA, MAAA

Project Role: Peer Review and Support with WA Medicaid Program

Jenny Gerstorff, FSA, MAAA, is a principal and consulting actuary with Milliman's Seattle office. She joined the firm in 2006. Jenny has spent her entire actuarial career working primarily with state Medicaid agencies, working on programs in over half of the states across the years. With a wealth of experience in Medicaid actuarial and policy consulting, Jenny specializes in working closely with state Medicaid agencies on a diverse range of critical topics. Her extensive expertise encompasses capitation rate development, new policy feasibility analysis, program integrity monitoring and improvement, state budget forecasting, healthcare delivery system integration, customized risk adjustment, health disparity evaluations, risk mitigation mechanisms, and encounter data monitoring.

Jenny's proficiency extends across various benefit types, including Medicaid acute care, community behavioral health, long-term care, dental, and other ancillary benefits. She has also worked with a wide array of populations, including traditional Medicaid, ACA Expansion

		<p>adults, Medicare-Medicaid dual-eligibles, non-qualified non-citizen expansions, and other specialized program populations.</p> <p>Beyond her work with state Medicaid agencies, Jenny has been a trusted consultant to independent provider organizations, non-national health plans serving Medicaid and Medicare populations, Medicaid health plan associations, and safety net healthcare providers. Her extensive background includes conducting financial and utilization-based analyses to support the development of historical experience studies, proforma projections, risk mitigation strategies, provider reimbursement rates, grant funding applications, and value-based contracting model implementation.</p> <p>She volunteers with the Society of Actuaries (SOA) and the American Academy of Actuaries (AAA), participating in research efforts and developing content for continuing education opportunities for over a decade. In 2022, Jenny was appointed as a commissioner at the Medicaid and CHIP Payment and Access Commission (MACPAC), a non-partisan government advisory body that plays a pivotal role in shaping Medicaid and CHIP policy through its guidance and recommendations to policymakers.</p> <p>Jenny is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a B.S. in Applied Mathematics from Columbus State University.</p>		
C	<p>Please describe your method for assuring that your services and deliverables are provided in accordance with high quality standards and for immediately correcting any deficiencies. What data would you propose to report to DSHS which would permit verification of your quality assurance activity, findings and actions?</p>	<p>COMMENT: ANSWER:</p> <p>Milliman employs a strong ethic of peer review in all its projects. This process requires a secondary review of the work performed, reports prepared, and overall project management. The reviewer is selected as someone familiar with the project, but who has not performed significant work on the specific project. This allows for impartial review and the opportunity for additional insights. The review is structured to identify any outstanding issues that were not addressed, to ensure that the information is presented in a logical and complete manner,</p>	20	14

		<p>and to ensure that the overall quality of the work meets Milliman’s high standards. This process adds an additional level of security for our clients. Should any deficiencies be discovered, we will work together with the State to ensure concerns are addressed in a timely manner.</p> <p>Accuracy and client satisfaction are our highest priorities in any engagement. At the individual client level, we tailor our procedures to your needs. Our consultants monitor client satisfaction through various informal contacts (e.g., in-person, virtual) on a continuous basis. Our high client retention ratios attest to the satisfaction of our clients.</p>		
D	<p>Please describe the measures you employ to assure that your services and deliverables are provided in a cost-effective manner that is consistent with quality outcomes and fair employment practices.</p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>Our fees reflect the estimated actual time spent on a project and related expenses. Our work is completed at the lowest hourly billing rate level possible while still providing the expertise required by our clients. Thus, technical work is often completed by analysts. Alternatively, planning, project design, assumption setting, and peer review are completed by more experienced consultants.</p>	20	15
E	<p>Please provide a work sample of a like project completed in the past that demonstrates the gathering of data necessary to evaluate current rates, potential rate fluctuation and/or a study demonstrating a similar data and study structure. Please include all work samples in a single PDF attachment. Submissions received in alternate formats may not receive a score. <i>Please ensure all proprietary material is clearly marked in accordance with RFP Document Section D.5.</i></p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>Please see “RFP2334-830_Supplement D.5.e - SD1_Rate Study.pdf” for a work sample.</p>	50	45
F	<p>Please provide a narrative explaining how you plan to complete this project, inclusive of a proposed timeline in alignment with the deliverables table in the RFP and sample contract.</p>		50	40

	COMMENT:	<p>ANSWER:</p> <p>The focus of our engagement will be to provide guidance on how to utilize, maintain, and update rates as WA Cares program experience emerges. We will provide considerations and data points to assist WA Cares Fund in developing a structure for adapting to a dynamic marketplace for long-term care services. Below we provide a work plan for achieving these goals.</p> <p>Data Collection</p> <p>Between October 2023 and January 2024, we will largely focus on data collection and summarization. Specifically, we plan to gather information on current and historical rates for the LTSS service categories outlined in the solicitation for this engagement. The sources will vary for each applicable service, but in general we expect to leverage the following data sources.</p> <ul style="list-style-type: none"> • Washington Medicaid data provided by the State of Washington (e.g., utilization of services and rates paid out to providers in Medicaid LTSS). This data will inform Medicaid rates for many of the WA Cares Fund services. We will supplement with CMS Transformed Medicaid Statistical Information System (T-MSIS) data if applicable. • Milliman proprietary databases, namely the Long-Term Care Guidelines Database, which includes data from the commercial market, and the Consolidated Health Cost Guidelines Sources Database, which covers other lines of business. These sources represent tens of millions of life years of claim experience and will provide another benchmark for the major WA Cares Fund services. • Public sources, including the Genworth cost of care survey, Bureau of Labor Statistics, review of reports / literature of LTSS service costs, etc. Genworth’s cost of care survey is published publicly on an annual basis and contains information about average costs of care by service and geographic region for a commercial population. We will perform a thorough search for other relevant publicly available information to estimate and project average LTSS costs for the applicable population. 		
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- **Other interviews and surveys** of long-term care providers. We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study (i.e., weigh the costs and benefits of gathering information from this particular channel). If an interview or survey is determined to be worthwhile, Milliman will provide guidance and support to DSHS on how to conduct the interview and survey. Once interview and survey responses are collected by DSHS, Milliman will compile and analyze the results.

Study Analysis

Analysis of the collected information will be both quantitative and qualitative.

From a quantitative perspective, we will use gathered data to produce rate ranges by service category and project how those ranges may change over time (e.g., be adjusted for inflation). Given the detailed models we already have created to project WA Cares Fund cash flows, we can also perform quantitative analysis on how different rates may impact projections of the financial outlook of the program.

From a qualitative perspective, we will leverage our expertise in LTC, Medicaid, and the WA Cares Fund to advise on rate-related topics such as:

- Policy options for the rates and how the rates can be utilized by various stakeholders.
- How reimbursement for these services may impact provider availability.
- Guidance on how DSHS can adapt to maintain appropriate reimbursement as WA Cares program experience emerges.

Presentation of Findings

Between January 2024 and August 2024, we will develop focused reports for each project phase (1 through 4) that will provide the following information:

		<p>a) Results from our qualitative and quantitative analyses. b) Methodology and assumptions used in our study. c) Considerations for engaging with the results and guidance on next steps for the program.</p> <p>Our work will culminate with a final report before May 2025.</p> <p>Throughout the engagement we will provide needed expertise, guidance, education, and consultation to support WA Cares Fund staff, stakeholder groups, and the LTSS Trust Commission in areas associated with this Contract and attend ongoing meetings with these groups as is helpful.</p>		
G	<p>Please describe current or prior projects that demonstrate a like process and product. Please explain challenges and how they were overcome. Where do you foresee similar or different challenges with this study?</p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>We list below projects that demonstrate our experience and challenges encountered for analyzing rates. We see similar challenges for this study, but expect the framework used to complete prior projects and overcome any challenges will also be effective for conducting this study. We expect this study will face new challenges since the WA Cares program is first-of-its-kind with no direct program experience to use for obtaining data. We expect some service categories will have more robust data to analyze (pulling from existing public and private program experience), while other categories may have very limited data to analyze. We envision our final deliverable for the study will establish a process for overcoming these challenges, including considerations of how to reflect actual program data as it emerges.</p> <p>Current / Prior Projects with Like Process and Product</p>	20	16

		<p>Milliman has assisted numerous state Medicaid agencies and other entities with the design, implementation, evaluation, and monitoring of payment systems and rate-setting methods for all types of services:</p> <ul style="list-style-type: none"> • Long-term supports and services, including nursing facility services, residential services, and other HCBS provided to the aged and disabled populations, as well as to persons with intellectual or developmental disabilities. • Behavioral health services, including HCBS and other services that are unique to persons requiring these services, such as partial hospitalization, intensive outpatient and substance use disorder services • Inpatient and outpatient hospital services, including acute services, both short-term psychiatric care and long-term civil commitment services, rehabilitation, long-term acute care, and other types of hospital settings • Professional and clinic services, including physician, nursing, therapy, and other services • Other unique services provided by state Medicaid agencies, including services provided under authority granted through CMS waiver programs <p>With respect to rates for long term services and supports, Milliman understands the challenges and opportunities facing states like Washington as they develop public policy that impacts payment for and access to long-term services and supports, which can have implications for individuals receiving these services to live healthy, safe, meaningful, and self-determined lives that include the ability to fully engage in community living.</p> <p>Milliman recently assisted the Washington State Health Care Authority (HCA) with developing comparison rates intended to provide transparent benchmark estimates of Medicaid payment rates to providers for behavioral health services, using methodologies consistent with CMS approved HCBS rate structures. These comparison rates comprise all significant behavioral health services, including mental health and substance use disorder (SUD) outpatient services and SUD residential care and withdrawal management. The Milliman team used an independent rate model approach consistent with methodologies used for HCBS payment,</p>		
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		<p>informed by analyses of independent data sources (e.g., Bureau of Labor Statistics wage data), and State program staff and provider subject matter expertise. Milliman developed and implemented a stakeholder engagement strategy including all-provider meetings, three stakeholder workgroups (specific to service type) and ad hoc subgroups for intensive team-based services for adults and youth. Rate assumptions include the identification of wage levels by type of behavioral health professional, employee-related benefits and taxes, supervisor span of control, turnover, training, paid time off, administrative costs, transportation, residential facility staffing, and facility overhead costs, among others.</p> <p>Community residential agencies are facing immense pressures, ranging from workforce competition to making sure that services are person-centered. These unique business challenges that providers face can primarily be grouped into two buckets, which can sometimes overlap: financial challenges and service challenges.</p> <p>FINANCIAL CHALLENGES</p> <p>Community residential agencies require sufficient rates to hire and maintain a skilled workforce that is able to deliver person-centered services. Per a 2019 Report to the Legislature, <i>Rethinking Intellectual and Developmental Disability Policy to Empower Clients, Develop Providers, and Improve Services</i>, “Feedback from contracted providers consistently indicates that they are unable to recruit and retain sufficient numbers of skilled direct care professional under the current rate.” Financial pressures have only increased since 2019 due to the pandemic, workforce competition, and the global financial landscape. Below are considerations of key financial challenges that providers are facing.</p> <p>Wage pressures and staff retention</p> <p>Washington, like many states, faces challenges supporting residential care workforce recruitment, training, development, and retention. Community residential agencies will face challenges building a high-quality workforce that is able to provide continued access to services with high turnover and vacancy rates. High turnover and vacancy rates not only</p>		
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impact the delivery of services to clients, but also leads to higher costs to providers as they spend more time on training, getting staff oriented with their job duties, and longer service time as they build a relationship with their clients.

Milliman brings an in-depth understanding of the workforce challenges that states face when ensuring access to high-quality services, which have been exacerbated by the COVID-19 pandemic's impact on the economy. We regularly gather feedback from stakeholders regarding state-specific labor market dynamics and wage levels and have extensive experience collecting and analyzing a wide variety of national and state wage data when developing payment rates. This experience includes developing and administering state-specific cost and wage surveys that identify wages by staff level and employee-related benefit costs and conducting stakeholder interviews.

We also work with states to address workforce challenges more broadly. For example, in Rhode Island, we are supporting the State in the implementation of a temporary increase in Medicaid fee-for-service rates with specific requirements to pass the extra funds through to direct care workers in the HCBS provider organizations, while in Florida we conducted an assessment of the state's increased minimum wage and its impact on reimbursement rates for HCBS providers and residential care facilities among others. Our support to our clients has included identifying included providers, drafting program guidance, assisting in stakeholder meeting facilitation, and researching policy alternatives consistent with regulatory guidance and operational needs.

Additional challenges

In addition to minimum wage adjustments, providers are feeling wage pressures due to inflation, demand for services, and the public health emergency for COVID-19. Some of these wage pressures are temporary and will be replaced by other pressures. As such, payment rates must be flexible and transparent to incorporate mid-stream adjustments to account for these unanticipated pressures.

SERVICE CHALLENGES

Community residential agencies are adapting to evolving service requirements as states are moving towards paying for outcomes, providers are complying with the HCBS Setting Rule, and temporary service standards implemented during the pandemic are becoming permanent (e.g., virtual service delivery). Below are considerations of key service challenges that providers are facing:

Compliance with HCBS Setting Rule

Providers must follow the requirements of the HCBS Setting Rule (under 42 CFR § 441.301(c)(4)(5) and § 441.710(a)(1)(2)) by providing integrated service options and both choices and rights within a residential setting (e.g., choice of a private room, roommate, schedule, etc.) Residential providers must not only comply with these requirements but must also report their compliance to Residential Care Services (RCS) Contracted Evaluators and RCS Investigators. Providers must continue to emphasize and train their staff on person-centered care planning that supports a person's choice and preferences.

Quality and outcomes reporting

States are requiring the delivery of and outcome and quality reporting to support the delivery and payment for services, especially as states are reinforcing person-centered services and meeting the requirements of the HCBS Settings Rule. Providers, and their direct support professionals, need to learn how to report outcomes and quality measures. These reporting requirements can increase both indirect service time and administrative costs for providers, as well as payments, if quality and outcomes reporting is tied to payments.

Culturally specific services

Washington is a geographically and culturally diverse state, which can cause challenges with delivering person-centered services that are impactful and meet the needs of an individual.

		Community residential agencies will need to hire and retain staff that can build relationships and deliver services with people that may be non-verbal, speak languages other than English, suffer from homelessness, are Indian tribal members, have dual-diagnoses and require mental health services, or some other need that will require the support of a workforce that is responsive to an individual's values, beliefs, health literacy, preferred language, and other communication needs. Providers are facing challenges building a workforce that is able to deliver culturally specific services, and in a language that a person can understand, which requires a tenured workforce that is appropriately trained and can build relationships with the people they serve. Hiring and retaining culturally specific practitioners will require a provider to pay a premium wage to retain a direct care provider that can deliver culturally specific services.		
H	Please provide an explanation of methodologies and strategies while gathering necessary data for this project.			
	COMMENT:	ANSWER: We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study. Obtaining data through a survey process is one of the common strategies we use when conducting rate studies and developing rate recommendations. We often rely on surveys to collect additional information and data from stakeholders that will provide important insights in the process. Milliman staff have extensive experience in designing and administering surveys, reviewing the information reported, and processing and analyzing the data received. Conducting interviews and workgroup meetings with stakeholders is another common strategy for collecting information to consider when conducting rate studies and developing rate recommendations. Our staff also have experience in conducting interviews and interactive meetings with various stakeholders to gather important feedback and information, and to better understand the challenges faced by stakeholders. As an example, Milliman was recently retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental disabilities. As part of this rate study, the Milliman team coordinated and	20	17

		<p>facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce.</p>		
6.	Budget and Reporting (10 points)			
A	<p>Please complete Attachment F: Budget Response Template, detailing all costs to provide the services as outlined in this Competitive Solicitation, including the Sample Contract set forth on Attachment A. Please include the completed form as a separate document in your bid response. Please provide a general budget narrative below that describes in detail how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document.</p>			
	<p>COMMENT: Bidders are to complete the Attachment F: Budget Response Template spreadsheet and submit it in Excel format with your bid response. Your responses in Attachment F will be scored in this section of Attachment D: Bidder Response Form.</p> <p>ANSWER:</p> <p>Please see “RFP2334-830_Attachment_F_Budget Template_Milliman_20230929.xlsx” for our completed Budget Response Template spreadsheet. Our professional fees will be based on the actual hours worked on the project multiplied times our consulting fee hourly rate, subject to the total maximum amount under this solicitation. The ‘Consulting Fees for Professional Services’ line item in Attachment F reflects all estimated costs to perform the services under this engagement.</p> <p>We include in the table below how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document. The estimated budget by deliverable / benchmark is based on the number of estimated hours and resulting professional fees to complete each task, subject to the overall total maximum amount under this solicitation.</p>		10	7

Deliverables and Benchmarks		Estimated Budget
Introductory Meeting		\$25,000 upon completion of service group 1
Check-in and DSHS Approval		
Data Share Agreement		
Service Group 1 Meetings		
Service Group 1 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 2
Service Group 2 Meetings		
Service Group 2 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 3
Service Group 3 Meetings		
Service Group 3 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 4
Service Group 4 Meetings		
Service Group 4 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of report
Inflation Adjustment Meetings		
Inflation Adjustment Methodology Report and DSHS Approval		

NOTES:

WRITTEN RESPONSE SCORING
October 2-6, 2023
RFP 2334-830
Economic Rates Study

Vendor Name: Milliman, Inc.

Evaluator Number: WE2

General Guidelines:

- Please score each vendor's response without reference to the scores for other vendors. Each score should reflect your score based on the criteria only.
- Please note all scores and comments in the allotted sections. If you change a score, initial the change.
- Please include comments that will assist the vendor in understanding why the response did not get full points. Positive comments are also welcome.
- We would prefer that you leave a comment for each question scored, briefly explaining why you assigned that particular score.
- You may discuss the proposals among the evaluation team, but each evaluator should score independently. **We do not use consensus scoring.**
- Do not downgrade a proposal because it did not address something that was not asked for in the Solicitation.

Scoring of Proposals

The following available points will be assigned to the proposal for evaluation purposes:

Section 5 Bidder Qualifications & Experience	240 points
Section 6 Budget & Reporting	10 points

If you have questions, please direct them to Lauren Bragazzi, Solicitation Coordinator, phone 360-664-6047. All evaluations must be returned and reviewed by the Solicitation Coordinator at the end of the evaluation.

Score	Description	Discussion
90-100% of available points	Exceptional	Clearly superior to that which is average.
70-80%	Above Average	Better than that which is average.
50-60%	Average	Baseline score for each item with adjustments based upon the evaluator's interpretation of the Bidder's response.
30-40%	Below Average	Substandard to that which is average.
10-20%	Failing	Non-responsive or clearly inadequate to that which is average.
0%	No Experience	Response shows no experience in this skill or capability.

Evaluator Scoresheet for RFP 2334-830

You will be evaluating one part of the bidder’s submission: Section 5 and Section 6. If a question requires Bidders to submit additional documents, they will be included in an attached document.

5.	BIDDER Qualifications and Experience (240 Points)		240 MAX POINTS	SCORE
A	<p>Please provide the number of years of experience your organization has conducting rates studies and how many years specific to conducting rates studies regarding Long-Term Care services. Please describe the experiences, skills, and qualifications your organization possesses that are relevant to an evaluation of your ability to perform the Contract that is the subject of this Solicitation. Please ensure that your answer to this question includes all information that you wish DSHS to consider in determining whether you meet the minimum Bidder qualifications set forth in the Solicitation Document. Please include any relevant experience that distinguishes your organization or makes it uniquely qualified for the Contract.</p>			
	<p>COMMENT: They already have a foundational understanding of the program and have done similar work in this scope. They have access to and are currently working on similar projects in WA and beyond. I think their breadth of information could be beneficial. I</p>	<p>ANSWER:</p> <p>Milliman has 30+ years of experience in advising clients on a variety of areas related to analysis of LTSS services and rate studies. Our organization’s experience includes assisting LTSS / LTC programs in both the public and private sectors, experience that will be directly relevant for completing the rate study for this engagement.</p> <p>We have 30+ years of experience conducting rates studies and fee schedule analysis more broadly for commercial and government healthcare programs. We have 15+ years of direct experience assisting Medicaid programs in conducting rates studies regarding LTSS / LTC services.</p> <p>We highlight below relevant work experience and examples, including work to project service costs to support the actuarial analysis of premium rates, fund balance, and viability of program features for the WA Cares Fund program over the last 8 years.</p> <p>Milliman Experiences, Skills, and Qualifications</p> <p><u>Rate Setting for State Medicaid Agencies</u></p>	50	47

	<p>think their scope of private and state information is a key piece.</p>	<p>Milliman has vast experience advising states regarding Medicaid Long-Term Services and Supports (LTSS) rate-setting methodologies and related policies. Our team members also have significant experience with the regulatory and compliance considerations for implementing LTSS payment methodologies, as well as decades of experience managing stakeholder engagement (for providers, participants, managed care organizations, and advocates) throughout the rate development process. We also understand LTSS workforce challenges and opportunities facing state agencies and ensuring there are enough workers to meet beneficiaries' needs.</p> <p>In the past five years alone, we have assisted 12 Medicaid agencies, including Arkansas, Hawai'i, Indiana, Iowa, Michigan, Mississippi, New Hampshire, Ohio, Rhode Island, South Carolina, Washington, and Wisconsin with the development of provider fee schedules for LTSS services. We have also assisted with the development of tiered rates for LTSS services in Arkansas, Hawai'i, Indiana, Ohio, Iowa, Rhode Island, and Wisconsin; bundled rates for LTSS services in Indiana and Ohio; and negotiated market rates for LTSS services in Arkansas. As part of these projects, we have also assisted with calculations of cost neutrality, analyzed service utilization, conducted rate development projects, developed innovative managed care rate structures, and projected waiver program expenditures.</p> <p><u>Actuarial / Financial Modeling for WA Cares Fund</u></p> <p>Milliman has provided actuarial support and financial analysis and projections for WA Cares Fund since the program was enacted in 2019 (and feasibility studies before the program was enacted). The financial modeling includes the projection of estimated revenue and expenditures under WA Cares Fund for the next 75 years. The expenditures include estimates of service costs incurred by major site of care: nursing home, assisted living facility, and care at home. Our work for WA Cares Fund includes frequent meetings with WA DSHS and WA OSA and various workgroups responsible for recommending / clarifying program features. We also routinely present findings of our work at the LTSS Trust Commission public meetings.</p> <p><u>Private Market LTC Insurance Service Cost Data</u></p>		
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Milliman has significant experience in analyzing commercial service costs for Long-Term Care (LTC) Insurance programs. Milliman has developed a set of proprietary Long Term Care Guidelines (*LTC Guidelines*), which provide frequencies, continuance curves, utilization assumptions and claim costs from a large number of product designs over the past three decades. The Milliman *LTC Guidelines* incorporate both private and public sector data sources, and are periodically updated to reflect the most comprehensive and current information available in the market. The *LTC Guidelines* are one area of differentiation from other actuarial and consulting firms. The first set of *LTC Guidelines* was developed in 1992 and has been updated regularly, with the most recent edition completed in 2020. The breadth of underlying data and the comprehensiveness of analysis position the *LTC Guidelines* to be an unrivaled benchmark for LTC morbidity.

Milliman Relevant Experience

We list below recent relevant experience that distinguishes Milliman and makes us uniquely qualified to support the work requested under this Contract.

1. Feasibility Studies to Finance LTSS in Washington

Sponsor: Washington Department of Social and Human Services (DSHS)
Project Duration: February 2016 to January 2017, June 2018 to October 2018

In 2016, Milliman was engaged to study the feasibility of offering two unique LTSS financing options in the State of Washington. Various stakeholder interviews and discussions in the State of Washington helped determine the final scope of plan parameters to model for the project. The scope of our engagement included the evaluation and discussion of the following items:

- Expected costs and benefits for participants
- Total anticipated number of participants
- Financial and legal risks to the State

- Savings to the State Medicaid program

In 2018, Milliman was engaged to perform a follow-up study, in which we analyzed the expected costs of changing the plan parameters and sensitivities surrounding these parameters.

1. LTSS Trust / WA Cares Fund Actuarial Studies

Sponsor: Washington Office of the State Actuary (OSA)
Project Duration: February 2020 to Present

After the LTSS Trust Act was passed, Milliman was re-engaged by the OSA in 2020, working closely with WA DSHS, to assist in projecting the current program and modeling program alternatives / changes. Milliman continues to support the development and implementation of WA Cares Fund. Notable deliverables include the 2020 and 2022 Actuarial Study of WA Cares Fund, as well as other deliverables included in the Milliman Actuarial Studies / Reports on the OSA website.

Relevant to this solicitation, our engagement with OSA includes working with a government agency and other stakeholders to analyze LTC financing solutions and has required an understanding of the current LTC financing environment in Washington. Additionally, we gained experience presenting to the LTSS Trust Commission and assisting various legislative work groups.

3. HCBS Rate Study for Washington DSHS

Sponsor: Washington Department of Social and Health Services (DSHS)
Project Duration: June 2022 – Present

Milliman was retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental

disabilities. As part of this rate study, the Milliman team coordinated and facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce. Milliman is currently in the process of developing rate recommendations.

4. Nursing Facility Payment Transformation and Rate Setting for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)
Project Duration: May 2021 – Present

The State’s goals for updating Medicaid nursing facility reimbursement were as follows:

- Transition from a fully cost-based reimbursement model to a price-based model that pays for value provided rather than costs incurred.
- Remove retroactive cost settlements and design a prospective-only payment. This was in part needed to facilitate state-direction of the state nursing facility fee schedule to managed care providers.
- Alignment with reimbursement for HCBS and other Medicaid services. The prior reimbursement model, with quarterly updates and guaranteed reflection of any cost increases, was unique to nursing facilities. A level playing field for reimbursement is a key step towards rebalancing.
- Quality – Link provider payments to member outcomes by devoting a material portion of the payment to higher quality facilities and selecting meaningful metrics and relevant metrics on which to base payments.

		<p>It was decided at the outset that the reimbursement restructuring would be budget neutral – that is, target total funding in the system would be the same as under the legacy system. This was key to getting provider buy-in. It was understood that there would be “winners and losers”, but most were able to support the goal of reallocating funding to reward higher quality and more cost-effective facilities.</p> <p>The Project was divided into three workstreams:</p> <ol style="list-style-type: none">1. Nursing Facility Base Rates2. Supplemental Nursing Facility Payments (Upper Payment Limit, supported by IGTs)3. Restructure Quality Program <p>For each work stream, the state set up a series of meetings. Milliman prepared materials and led discussion, after first having internal meetings with the State of Indiana to confirm direction and content. We began by presenting background information, including state goals, regulatory constraints, and analysis related to shortcomings of the current system. For example, although there were large differences among the 500+ nursing facilities in per diem reimbursement under the legacy cost-based system, these differences had no statistical correlation with acuity (RUG scores) or quality scores, so it was difficult to justify the variation in payment. We also presented options for the new reimbursement model, offered advantages and disadvantages to each, and developed a series of facility-specific models to help stakeholders understand the initial proposal and subsequent refinements, and how it might affect them. Over the course of the project, we worked with the state, nursing facility industry and other stakeholders to build consensus on a new reimbursement structure, supplemental payment design, and quality program.</p> <p>The State also prioritized working collaboratively with stakeholders and agreed to smooth the transition by offering a transition period. Milliman collaborated with the State and stakeholders to model and assess various transition plan options, aiming to strike a balance between introducing the new reimbursement system's goals and minimizing disruption to current operations. Communicating the options and the eventual chosen transition plan clearly to providers was essential to ensuring they had adequate time and information to</p>		
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prepare for the new reimbursement structure. Milliman will continue to provide support to the State and stakeholders as the new system is implemented, ensuring a smooth transition and the successful implementation of the new system as intended.

5. HCBS Rate Setting and Development of MLTSS Quality Framework for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)
Project Duration 2019 – Present

Milliman is currently supporting a cross-agency effort under Indiana FSSA to establish HCBS rates, working with the Office of Medicaid Policy and Planning (OMPP), the Division of Aging (DA), and the Division of Disability and Rehabilitation Services (DDRS). One challenge with this project is coordinating multiple state agencies and their associated stakeholders through a rate setting process that was aligned, transparent, and towards the conclusion of the public health emergency. We are working with FSSA and the supporting agencies on:

- Goal setting and stakeholder engagement planning with the client
- Stakeholder engagement throughout the process in an inclusive and transparent framework
- Payment methodology, data options, and input
- Conceptual design, payment simulation, and refinement
- Public comment, state budget and legislative approval, CMS approval
- Stakeholders (internal and external) were included in project initiation all the way through the final vetting of all rate assumptions.

Related to this work, Milliman also played a stakeholder facilitation role to help the state develop its holistic LTSS quality strategy framework. The state sought to define its quality strategy to inform both its Master Plan on Aging and Medicaid Managed Care Quality Strategy, as well as leverage its purchasing power through specific MCO contract requirements and quality incentives through its upcoming MCO MLTSS procurement. For this project, we have conducted an extensive environmental scan and research, followed by a

series of stakeholder interviews (meeting with over 30 leaders across multiple agencies) to understand available data and performance measures, historical and recent performance including performance gaps, external stakeholder input received to date and other pertinent insights about the current landscape. We then facilitated a strategy session summit where we helped the group to establish a set of guiding MLTSS Quality Framework goals. Follow-up activities included working with a subgroup to establish foundational Year One objectives and metrics to monitor progress toward the goals. We also assisted with the development of managed care RFP language to outline the quality strategy and outline plan responsibilities to achieve the goals and objectives.

6. Residential Care and Behavioral Health Rate Setting for Michigan DHHS

Sponsor: Michigan Department of Health and Human Services

Project Duration: 2019 – Present

Milliman was retained by Michigan DHHS to provide actuarial and consulting services related to the development of a behavioral health and intellectual/developmental disabilities (BH I/DD) fee schedule for its specialty services managed care program (Note: MDHHS includes both BH and I/DD services in this program, which is often referred to as their Behavioral Health Program). This BH I/DD fee schedule was a system-wide project spanning multiple years and encompasses a wide range of services that are covered under the managed care capitation rates, including case management and treatment planning, community living supports, evaluation and management, outpatient services, psychiatric diagnostic evaluations, residential services, and skill building. Milliman is also supporting the development of tiered residential care payment rates for individuals with I/DD and individuals with serious mental illness. Milliman has facilitated a stakeholder workgroup to obtain feedback on tiering approaches, conducted provider interviews to obtain insights on residential care staffing and service delivery, conducted research on other state approaches, and performed an analysis of SIS-A assessment data to assess the relationship between SIS scores and HCBS service utilization.

7. HCBS Rate Setting and Stakeholder Support for Ohio DODD

Sponsor: Ohio Department of Developmental Disabilities
Project Duration: 2022 – Present

Milliman was retained by Ohio DODD to support the development of HCBS payment rates and the design of a quality program for Adult Day and Employment services for individuals served by the Department of Developmental Disabilities (DODD). Our team is currently working with stakeholders to establish HCBS rates that consider historical and future wages for HCBS providers and the potential downstream impact on services that are outside of the rate study. We have also been facilitating engagement with key stakeholders to solicit input and support regarding the implementation of two quality programs, which will include an ARPA supported pilot, capacity/infrastructure payments, and outcomes-based payments.

8. Provider Rate Review for Rhode Island OHIC

Sponsor: Rhode Island Office of the Health Insurance Commissioner
Project Duration: 2023 – Present

Milliman is currently engaged by Rhode Island OHIC to provide a comprehensive review of health and human services offered in the state, including both a financial and programmatic assessment. The financial assessment includes review of program rates, timing of last rate increase, utilization trends, and comparisons between Rhode Island and other regional states on these topics. Programmatic review includes assessment of eligibility standards, processes of program operations, access to programs, organizational structure, oversight of program providers, and accountability structures, including all programs funded by Medicaid and other funding sources in the following areas: social, mental health, aging, developmental disability, child welfare, juvenile justice, prevention services, habilitative, rehabilitative, substance use disorder treatment, residential care, adult or adolescent day services, employment and training, and vocational services. This work is overseen by the Office of the Insurance Commissioner and an advisory council created for this purpose and includes a series of

legislative reports summarizing the findings. Our work includes both conducting the independent research needed to provide full assessment and collaboration with the advisory council and other invested stakeholders. Our programmatic research has involved review of state administrative regulations, state program documents and web pages and applying our knowledge of federal regulations and processes. Drawing on Milliman’s expertise across the array of programmatic areas has allowed us to narrow focus to the most critical components of programming in each sub-population and provide the critical assessment required to bring meaningful insights and note best practices and perhaps areas that are ripe for improvement. This financial work likewise, has required the application of Milliman’s rate setting expertise and coordination with state agencies on rate information that is not within the public domain.

9. Rate Updates and Alignment for Mississippi Division of Medicaid

Sponsor: Mississippi Division of Medicaid

Project Duration: July 2011 - Present

As the consulting actuary for the State of Mississippi, Milliman routinely assists the Division to update the FFS rates for the HCBS waiver programs. Examples of services for which rates have been developed include attendant care, assisted living, adult day care, autism services, and case management.

The modeling approaches vary depending on the service but generally involves a “ground-up” build using wage and benefit data, productivity assumptions, industry staffing ratios, and related administration costs for the services provided. In certain situations, other ancillary services such as transportation were incorporated.

Stakeholder engagement has been a key part of each of the rate updates, consisting of survey tools, workgroups, and other feedback mechanisms.

		Currently Milliman is assisting the state with a full rebasing of all fee schedules for the assisted living, community support program, elderly disabled, intellectually and developmentally disabled, independent living, and traumatic brain injury waivers.		
B		Please provide the names of the key team members you will assign to this Contract, if you are the Successful Bidder, and provide their proposed roles and copies of resumes describing the relevant experience they possess. Bidder should note that if awarded a contract, it may not reassign its key personnel from the Project without prior approval of DSHS.		
	COMMENT:	<p>ANSWER:</p> <p>Key personnel providing assistance on the project are outlined below.</p> <p>Chris Giese, FSA, MAAA Project Role: Overall Project Responsibility and Primary Project Contact</p> <p>Chris Giese, FSA, MAAA, is a Principal and Consulting Actuary. He joined the firm in 2000. Chris has experience with healthcare and long-term care programs, with more than 20 years of experience in these areas. Chris has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016.</p> <p>Chris has assisted various entities, including insurance companies, health plans, employers, technology firms, and government programs. He has helped clients with a wide variety of projects such as financial projections and reporting, valuation of reserves, experience analysis, product development and pricing, appraisals, risk management, and evaluations of financing reform alternatives. Chris previously served as Chair of the Society of Actuaries (SOA) LTC Section Council and participated in various SOA and American Academy of Actuaries work groups.</p> <p>Most recently, Chris led projects gathering stakeholder feedback and analyzing various policy options to alternatively finance LTC for the states of Washington, California, Illinois, and Michigan. Chris has assisted LTC insurance carriers with evaluating the adequacy of active life</p>	10	10

reserves and claim reserves, performing in-depth analysis of historical morbidity and persistency experience for various blocks of business, completing annual statements of actuarial opinion regarding insurance companies' statutory / GAAP liabilities, and helped a company develop framework and projections to illustrate LTC costs in retirement planning for consumers. In addition to LTC programs, Chris has assisted healthcare program including supporting benefits administration firm to develop cost estimates used in helping employees decide among plan options during open enrolment, performing comprehensive analysis for employer on quarterly basis to identify and prioritize individuals for proactive outreach as part of its population health management, measuring healthcare costs versus regional and national benchmarks, and assisting entities in developing a multi-year strategic plan in response to the Affordable Care Act.

Chris is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a B.S. in Mathematics from Carroll College.

Luke Roth

Project Role: Senior Healthcare Consultant and Secondary Project Contact

Luke Roth is a Principal and Senior Healthcare Consultant in the Seattle office of Milliman. He rejoined the firm in 2018.

Luke has over 15 years of experience providing strategic guidance and transformative solutions to healthcare leaders and policy makers as they have navigated the unique risks and opportunities facing their organizations. As a member of Milliman's Medicaid Finance and Policy practice, he primarily supports state agencies in the areas of:

- Long-term services and supports (LTSS) payment system design and rate setting, including nursing home services and home- and community-based services.
- Hospital inpatient and outpatient payment system design and rate setting, including inpatient DRG-based payment systems, outpatient EAPG-based payment systems, and outcomes-based incentive payments.

- Medicaid program funding strategies, including development and implementation of health care-related taxes, intergovernmental transfer (IGT) programs, and certified public expenditure (CPE) programs.
- Supplemental payments strategy, including development and implementation of FFS supplemental (UPL) payments, managed care pass-through payments, state directed 438.6(c) payments, uncompensated care pool (UCP) payments, and disproportionate share hospital (DSH) payments.

Within the past year, Luke has provided provider payment policy and rate setting support to state agencies in Arizona, Illinois, Nebraska, Oklahoma, Florida, and Washington. He also recently co-authored a whitepaper with ADvancing States, the association representing the nation’s 56 state and territorial agencies on aging and disabilities and long-term services and supports directors, on strategies to address challenges related to financing for nursing facility services during MLTSS program implementation.

Luke holds a bachelor’s degree in Mathematics from the University of Washington.

Jill Bruckert, FSA, MAAA

Project Role: Senior Medicaid / LTC Consultant and Secondary Project Contact

Jill Bruckert, FSA, MAAA, is a Principal and Consulting Actuary. She joined Milliman in 2007 and has spent her career providing actuarial support and consulting services to state Medicaid agencies, governmental organizations, and Medicaid health plans. In addition, Jill has experience providing strategic and actuarial services to LTC insurance companies and has been involved in LTC reform analyses.

Jill has worked extensively with state Medicaid agencies to develop and certify acute care and LTC managed care capitation rates, develop HCBS and behavioral health fee schedules, budget analyses and expenditure projections, custom risk adjustment methodologies, waiver support, legislative studies and fiscal impact analyses, and many other ad hoc projects.

		<p>Relevant to this solicitation, Jill has led developing fee schedules for HCBS and behavioral health services in the state of Mississippi since 2015, including a current project to rebase all HCBS fee schedules.</p> <p>Jill is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor’s degree in Actuarial Science and Finance from the Drake University.</p> <p>Annie Gunnlaugsson, ASA, MAAA Project Role: Oversee Calculations and Deliverable Development</p> <p>Annie Gunnlaugsson, ASA, MAAA, is a Consulting Actuary. She joined Milliman in 2012. Annie has served many types of clients in her time with Milliman. Her areas of focus include LTC insurance and the group and individual commercial health markets. Annie has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016.</p> <p>Annie has assisted clients in the areas of ACA pricing and rate filings, year-end statements of actuarial opinions, state insurance department LTC rate filings, and reserve estimation for medical and long-term care products. Most recently, Annie helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.</p> <p>Annie is an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor’s degree in Actuarial Science from the University of Wisconsin Madison.</p> <p>Evan Pollock, FSA, MAAA Project Role: Lead Technical Calculations</p> <p>Evan Pollock, FSA, MAAA, is a Senior Actuarial Manager. He joined Milliman in August 2015. Over the past eight years, Evan has focused on three main market areas: LTC insurance,</p>		
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Medicaid, and group and individual commercial health insurance. Evan has worked on various projects supporting the State of Washington and the WA Cares Fund since 2020.

Evan has worked on projects ranging from pricing, reserving, and experience review to feasibility studies, capitation rate setting, and options analysis. Recently, his focus has been private LTC insurance, LTC reform, and Medicaid LTC rate development for a large state client. Relevant to this solicitation, Evan helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.

Evan is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a bachelor's degree in Actuarial Science from the University of Wisconsin Madison.

Jennifer Gerstorff, FSA, MAAA

Project Role: Peer Review and Support with WA Medicaid Program

Jenny Gerstorff, FSA, MAAA, is a principal and consulting actuary with Milliman's Seattle office. She joined the firm in 2006. Jenny has spent her entire actuarial career working primarily with state Medicaid agencies, working on programs in over half of the states across the years. With a wealth of experience in Medicaid actuarial and policy consulting, Jenny specializes in working closely with state Medicaid agencies on a diverse range of critical topics. Her extensive expertise encompasses capitation rate development, new policy feasibility analysis, program integrity monitoring and improvement, state budget forecasting, healthcare delivery system integration, customized risk adjustment, health disparity evaluations, risk mitigation mechanisms, and encounter data monitoring.

Jenny's proficiency extends across various benefit types, including Medicaid acute care, community behavioral health, long-term care, dental, and other ancillary benefits. She has also worked with a wide array of populations, including traditional Medicaid, ACA Expansion

		<p>adults, Medicare-Medicaid dual-eligibles, non-qualified non-citizen expansions, and other specialized program populations.</p> <p>Beyond her work with state Medicaid agencies, Jenny has been a trusted consultant to independent provider organizations, non-national health plans serving Medicaid and Medicare populations, Medicaid health plan associations, and safety net healthcare providers. Her extensive background includes conducting financial and utilization-based analyses to support the development of historical experience studies, proforma projections, risk mitigation strategies, provider reimbursement rates, grant funding applications, and value-based contracting model implementation.</p> <p>She volunteers with the Society of Actuaries (SOA) and the American Academy of Actuaries (AAA), participating in research efforts and developing content for continuing education opportunities for over a decade. In 2022, Jenny was appointed as a commissioner at the Medicaid and CHIP Payment and Access Commission (MACPAC), a non-partisan government advisory body that plays a pivotal role in shaping Medicaid and CHIP policy through its guidance and recommendations to policymakers.</p> <p>Jenny is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a B.S. in Applied Mathematics from Columbus State University.</p>		
C	<p>Please describe your method for assuring that your services and deliverables are provided in accordance with high quality standards and for immediately correcting any deficiencies. What data would you propose to report to DSHS which would permit verification of your quality assurance activity, findings and actions?</p> <p>COMMENT: I appreciate selecting reviewers who aren't subject matter experts and continual check-ins to</p>	<p>ANSWER:</p> <p>Milliman employs a strong ethic of peer review in all its projects. This process requires a secondary review of the work performed, reports prepared, and overall project management. The reviewer is selected as someone familiar with the project, but who has not performed significant work on the specific project. This allows for impartial review and the opportunity for additional insights. The review is structured to identify any outstanding issues that were not addressed, to ensure that the information is presented in a logical and complete manner,</p>	20	17

	ensure they are meeting the expectations needed.	<p>and to ensure that the overall quality of the work meets Milliman’s high standards. This process adds an additional level of security for our clients. Should any deficiencies be discovered, we will work together with the State to ensure concerns are addressed in a timely manner.</p> <p>Accuracy and client satisfaction are our highest priorities in any engagement. At the individual client level, we tailor our procedures to your needs. Our consultants monitor client satisfaction through various informal contacts (e.g., in-person, virtual) on a continuous basis. Our high client retention ratios attest to the satisfaction of our clients.</p>		
D	Please describe the measures you employ to assure that your services and deliverables are provided in a cost-effective manner that is consistent with quality outcomes and fair employment practices.			
	COMMENT: I would have like to see more detail and didn’t address the fair employment practices.	ANSWER: Our fees reflect the estimated actual time spent on a project and related expenses. Our work is completed at the lowest hourly billing rate level possible while still providing the expertise required by our clients. Thus, technical work is often completed by analysts. Alternatively, planning, project design, assumption setting, and peer review are completed by more experienced consultants.	20	15
E	Please provide a work sample of a like project completed in the past that demonstrates the gathering of data necessary to evaluate current rates, potential rate fluctuation and/or a study demonstrating a similar data and study structure. Please include all work samples in a single PDF attachment. Submissions received in alternate formats may not receive a score. <i>Please ensure all proprietary material is clearly marked in accordance with RFP Document Section D.5.</i>			
	COMMENT:	ANSWER: Please see “RFP2334-830_Supplement D.5.e - SD1_Rate Study.pdf” for a work sample.	50	48
F	Please provide a narrative explaining how you plan to complete this project, inclusive of a proposed timeline in alignment with the deliverables table in the RFP and sample contract.		50	47

	COMMENT:	<p>ANSWER:</p> <p>The focus of our engagement will be to provide guidance on how to utilize, maintain, and update rates as WA Cares program experience emerges. We will provide considerations and data points to assist WA Cares Fund in developing a structure for adapting to a dynamic marketplace for long-term care services. Below we provide a work plan for achieving these goals.</p> <p>Data Collection</p> <p>Between October 2023 and January 2024, we will largely focus on data collection and summarization. Specifically, we plan to gather information on current and historical rates for the LTSS service categories outlined in the solicitation for this engagement. The sources will vary for each applicable service, but in general we expect to leverage the following data sources.</p> <ul style="list-style-type: none"> • Washington Medicaid data provided by the State of Washington (e.g., utilization of services and rates paid out to providers in Medicaid LTSS). This data will inform Medicaid rates for many of the WA Cares Fund services. We will supplement with CMS Transformed Medicaid Statistical Information System (T-MSIS) data if applicable. • Milliman proprietary databases, namely the Long-Term Care Guidelines Database, which includes data from the commercial market, and the Consolidated Health Cost Guidelines Sources Database, which covers other lines of business. These sources represent tens of millions of life years of claim experience and will provide another benchmark for the major WA Cares Fund services. • Public sources, including the Genworth cost of care survey, Bureau of Labor Statistics, review of reports / literature of LTSS service costs, etc. Genworth’s cost of care survey is published publicly on an annual basis and contains information about average costs of care by service and geographic region for a commercial population. We will perform a thorough search for other relevant publicly available information to estimate and project average LTSS costs for the applicable population. 		
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- **Other interviews and surveys** of long-term care providers. We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study (i.e., weigh the costs and benefits of gathering information from this particular channel). If an interview or survey is determined to be worthwhile, Milliman will provide guidance and support to DSHS on how to conduct the interview and survey. Once interview and survey responses are collected by DSHS, Milliman will compile and analyze the results.

Study Analysis

Analysis of the collected information will be both quantitative and qualitative.

From a quantitative perspective, we will use gathered data to produce rate ranges by service category and project how those ranges may change over time (e.g., be adjusted for inflation). Given the detailed models we already have created to project WA Cares Fund cash flows, we can also perform quantitative analysis on how different rates may impact projections of the financial outlook of the program.

From a qualitative perspective, we will leverage our expertise in LTC, Medicaid, and the WA Cares Fund to advise on rate-related topics such as:

- Policy options for the rates and how the rates can be utilized by various stakeholders.
- How reimbursement for these services may impact provider availability.
- Guidance on how DSHS can adapt to maintain appropriate reimbursement as WA Cares program experience emerges.

Presentation of Findings

Between January 2024 and August 2024, we will develop focused reports for each project phase (1 through 4) that will provide the following information:

		<p>a) Results from our qualitative and quantitative analyses. b) Methodology and assumptions used in our study. c) Considerations for engaging with the results and guidance on next steps for the program.</p> <p>Our work will culminate with a final report before May 2025.</p> <p>Throughout the engagement we will provide needed expertise, guidance, education, and consultation to support WA Cares Fund staff, stakeholder groups, and the LTSS Trust Commission in areas associated with this Contract and attend ongoing meetings with these groups as is helpful.</p>		
G	<p>Please describe current or prior projects that demonstrate a like process and product. Please explain challenges and how they were overcome. Where do you foresee similar or different challenges with this study?</p> <p>COMMENT: I appreciate the acknowledgment of the workforce shortage and being a new program with limited data.</p>	<p>ANSWER:</p> <p>We list below projects that demonstrate our experience and challenges encountered for analyzing rates. We see similar challenges for this study, but expect the framework used to complete prior projects and overcome any challenges will also be effective for conducting this study. We expect this study will face new challenges since the WA Cares program is first-of-its-kind with no direct program experience to use for obtaining data. We expect some service categories will have more robust data to analyze (pulling from existing public and private program experience), while other categories may have very limited data to analyze. We envision our final deliverable for the study will establish a process for overcoming these challenges, including considerations of how to reflect actual program data as it emerges.</p> <p>Current / Prior Projects with Like Process and Product</p>	20	16

		<p>Milliman has assisted numerous state Medicaid agencies and other entities with the design, implementation, evaluation, and monitoring of payment systems and rate-setting methods for all types of services:</p> <ul style="list-style-type: none"> • Long-term supports and services, including nursing facility services, residential services, and other HCBS provided to the aged and disabled populations, as well as to persons with intellectual or developmental disabilities. • Behavioral health services, including HCBS and other services that are unique to persons requiring these services, such as partial hospitalization, intensive outpatient and substance use disorder services • Inpatient and outpatient hospital services, including acute services, both short-term psychiatric care and long-term civil commitment services, rehabilitation, long-term acute care, and other types of hospital settings • Professional and clinic services, including physician, nursing, therapy, and other services • Other unique services provided by state Medicaid agencies, including services provided under authority granted through CMS waiver programs <p>With respect to rates for long term services and supports, Milliman understands the challenges and opportunities facing states like Washington as they develop public policy that impacts payment for and access to long-term services and supports, which can have implications for individuals receiving these services to live healthy, safe, meaningful, and self-determined lives that include the ability to fully engage in community living.</p> <p>Milliman recently assisted the Washington State Health Care Authority (HCA) with developing comparison rates intended to provide transparent benchmark estimates of Medicaid payment rates to providers for behavioral health services, using methodologies consistent with CMS approved HCBS rate structures. These comparison rates comprise all significant behavioral health services, including mental health and substance use disorder (SUD) outpatient services and SUD residential care and withdrawal management. The Milliman team used an independent rate model approach consistent with methodologies used for HCBS payment,</p>		
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		<p>informed by analyses of independent data sources (e.g., Bureau of Labor Statistics wage data), and State program staff and provider subject matter expertise. Milliman developed and implemented a stakeholder engagement strategy including all-provider meetings, three stakeholder workgroups (specific to service type) and ad hoc subgroups for intensive team-based services for adults and youth. Rate assumptions include the identification of wage levels by type of behavioral health professional, employee-related benefits and taxes, supervisor span of control, turnover, training, paid time off, administrative costs, transportation, residential facility staffing, and facility overhead costs, among others.</p> <p>Community residential agencies are facing immense pressures, ranging from workforce competition to making sure that services are person-centered. These unique business challenges that providers face can primarily be grouped into two buckets, which can sometimes overlap: financial challenges and service challenges.</p> <p>FINANCIAL CHALLENGES</p> <p>Community residential agencies require sufficient rates to hire and maintain a skilled workforce that is able to deliver person-centered services. Per a 2019 Report to the Legislature, <i>Rethinking Intellectual and Developmental Disability Policy to Empower Clients, Develop Providers, and Improve Services</i>, “Feedback from contracted providers consistently indicates that they are unable to recruit and retain sufficient numbers of skilled direct care professional under the current rate.” Financial pressures have only increased since 2019 due to the pandemic, workforce competition, and the global financial landscape. Below are considerations of key financial challenges that providers are facing.</p> <p>Wage pressures and staff retention</p> <p>Washington, like many states, faces challenges supporting residential care workforce recruitment, training, development, and retention. Community residential agencies will face challenges building a high-quality workforce that is able to provide continued access to services with high turnover and vacancy rates. High turnover and vacancy rates not only</p>		
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impact the delivery of services to clients, but also leads to higher costs to providers as they spend more time on training, getting staff oriented with their job duties, and longer service time as they build a relationship with their clients.

Milliman brings an in-depth understanding of the workforce challenges that states face when ensuring access to high-quality services, which have been exacerbated by the COVID-19 pandemic's impact on the economy. We regularly gather feedback from stakeholders regarding state-specific labor market dynamics and wage levels and have extensive experience collecting and analyzing a wide variety of national and state wage data when developing payment rates. This experience includes developing and administering state-specific cost and wage surveys that identify wages by staff level and employee-related benefit costs and conducting stakeholder interviews.

We also work with states to address workforce challenges more broadly. For example, in Rhode Island, we are supporting the State in the implementation of a temporary increase in Medicaid fee-for-service rates with specific requirements to pass the extra funds through to direct care workers in the HCBS provider organizations, while in Florida we conducted an assessment of the state's increased minimum wage and its impact on reimbursement rates for HCBS providers and residential care facilities among others. Our support to our clients has included identifying included providers, drafting program guidance, assisting in stakeholder meeting facilitation, and researching policy alternatives consistent with regulatory guidance and operational needs.

Additional challenges

In addition to minimum wage adjustments, providers are feeling wage pressures due to inflation, demand for services, and the public health emergency for COVID-19. Some of these wage pressures are temporary and will be replaced by other pressures. As such, payment rates must be flexible and transparent to incorporate mid-stream adjustments to account for these unanticipated pressures.

SERVICE CHALLENGES

Community residential agencies are adapting to evolving service requirements as states are moving towards paying for outcomes, providers are complying with the HCBS Setting Rule, and temporary service standards implemented during the pandemic are becoming permanent (e.g., virtual service delivery). Below are considerations of key service challenges that providers are facing:

Compliance with HCBS Setting Rule

Providers must follow the requirements of the HCBS Setting Rule (under 42 CFR § 441.301(c)(4)(5) and § 441.710(a)(1)(2)) by providing integrated service options and both choices and rights within a residential setting (e.g., choice of a private room, roommate, schedule, etc.) Residential providers must not only comply with these requirements but must also report their compliance to Residential Care Services (RCS) Contracted Evaluators and RCS Investigators. Providers must continue to emphasize and train their staff on person-centered care planning that supports a person's choice and preferences.

Quality and outcomes reporting

States are requiring the delivery of and outcome and quality reporting to support the delivery and payment for services, especially as states are reinforcing person-centered services and meeting the requirements of the HCBS Settings Rule. Providers, and their direct support professionals, need to learn how to report outcomes and quality measures. These reporting requirements can increase both indirect service time and administrative costs for providers, as well as payments, if quality and outcomes reporting is tied to payments.

Culturally specific services

Washington is a geographically and culturally diverse state, which can cause challenges with delivering person-centered services that are impactful and meet the needs of an individual.

		Community residential agencies will need to hire and retain staff that can build relationships and deliver services with people that may be non-verbal, speak languages other than English, suffer from homelessness, are Indian tribal members, have dual-diagnoses and require mental health services, or some other need that will require the support of a workforce that is responsive to an individual's values, beliefs, health literacy, preferred language, and other communication needs. Providers are facing challenges building a workforce that is able to deliver culturally specific services, and in a language that a person can understand, which requires a tenured workforce that is appropriately trained and can build relationships with the people they serve. Hiring and retaining culturally specific practitioners will require a provider to pay a premium wage to retain a direct care provider that can deliver culturally specific services.		
H	Please provide an explanation of methodologies and strategies while gathering necessary data for this project.			
	COMMENT: I would have liked to see more about who they would survey and where they would collect their data from.	ANSWER: We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study. Obtaining data through a survey process is one of the common strategies we use when conducting rate studies and developing rate recommendations. We often rely on surveys to collect additional information and data from stakeholders that will provide important insights in the process. Milliman staff have extensive experience in designing and administering surveys, reviewing the information reported, and processing and analyzing the data received. Conducting interviews and workgroup meetings with stakeholders is another common strategy for collecting information to consider when conducting rate studies and developing rate recommendations. Our staff also have experience in conducting interviews and interactive meetings with various stakeholders to gather important feedback and information, and to better understand the challenges faced by stakeholders. As an example, Milliman was recently retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental disabilities. As part of this rate study, the Milliman team coordinated and	20	17

		facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce.		
6.	Budget and Reporting (10 points)			
A	Please complete Attachment F: Budget Response Template, detailing all costs to provide the services as outlined in this Competitive Solicitation, including the Sample Contract set forth on Attachment A. Please include the completed form as a separate document in your bid response. Please provide a general budget narrative below that describes in detail how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document.			
	COMMENT: I would have liked to see more of a detailed breakdown.	<p>Bidders are to complete the Attachment F: Budget Response Template spreadsheet and submit it in Excel format with your bid response. Your responses in Attachment F will be scored in this section of Attachment D: Bidder Response Form.</p> <p>ANSWER:</p> <p>Please see “RFP2334-830_Attachment_F_Budget Template_Milliman_20230929.xlsx” for our completed Budget Response Template spreadsheet. Our professional fees will be based on the actual hours worked on the project multiplied times our consulting fee hourly rate, subject to the total maximum amount under this solicitation. The ‘Consulting Fees for Professional Services’ line item in Attachment F reflects all estimated costs to perform the services under this engagement.</p> <p>We include in the table below how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document. The estimated budget by deliverable / benchmark is based on the number of estimated hours and resulting professional fees to complete each task, subject to the overall total maximum amount under this solicitation.</p>	10	8

Deliverables and Benchmarks		Estimated Budget
Introductory Meeting		\$25,000 upon completion of service group 1
Check-in and DSHS Approval		
Data Share Agreement		
Service Group 1 Meetings		
Service Group 1 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 2
Service Group 2 Meetings		
Service Group 2 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 3
Service Group 3 Meetings		
Service Group 3 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 4
Service Group 4 Meetings		
Service Group 4 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of report
Inflation Adjustment Meetings		
Inflation Adjustment Methodology Report and DSHS Approval		

NOTES:

WRITTEN RESPONSE SCORING
October 2-6, 2023
RFP 2334-830
Economic Rates Study

Vendor Name: Milliman, Inc.

Evaluator Number: Enter your evaluator #WE3

General Guidelines:

- Please score each vendor's response without reference to the scores for other vendors. Each score should reflect your score based on the criteria only.
- Please note all scores and comments in the allotted sections. If you change a score, initial the change.
- Please include comments that will assist the vendor in understanding why the response did not get full points. Positive comments are also welcome.
- We would prefer that you leave a comment for each question scored, briefly explaining why you assigned that particular score.
- You may discuss the proposals among the evaluation team, but each evaluator should score independently. **We do not use consensus scoring.**
- Do not downgrade a proposal because it did not address something that was not asked for in the Solicitation.

Scoring of Proposals

The following available points will be assigned to the proposal for evaluation purposes:

Section 5 Bidder Qualifications & Experience	240 points
Section 6 Budget & Reporting	10 points

If you have questions, please direct them to Lauren Bragazzi, Solicitation Coordinator, phone 360-664-6047. All evaluations must be returned and reviewed by the Solicitation Coordinator at the end of the evaluation.

Score	Description	Discussion
90-100% of available points	Exceptional	Clearly superior to that which is average.
70-80%	Above Average	Better than that which is average.
50-60%	Average	Baseline score for each item with adjustments based upon the evaluator's interpretation of the Bidder's response.
30-40%	Below Average	Substandard to that which is average.
10-20%	Failing	Non-responsive or clearly inadequate to that which is average.
0%	No Experience	Response shows no experience in this skill or capability.

Evaluator Scoresheet for RFP 2334-830

You will be evaluating one part of the bidder’s submission: Section 5 and Section 6. If a question requires Bidders to submit additional documents, they will be included in an attached document.

5.	BIDDER Qualifications and Experience (240 Points)		240 MAX POINTS	SCORE
A	<p>Please provide the number of years of experience your organization has conducting rates studies and how many years specific to conducting rates studies regarding Long-Term Care services. Please describe the experiences, skills, and qualifications your organization possesses that are relevant to an evaluation of your ability to perform the Contract that is the subject of this Solicitation. Please ensure that your answer to this question includes all information that you wish DSHS to consider in determining whether you meet the minimum Bidder qualifications set forth in the Solicitation Document. Please include any relevant experience that distinguishes your organization or makes it uniquely qualified for the Contract.</p>			
	COMMENT:	<p>ANSWER:</p> <p>Milliman has 30+ years of experience in advising clients on a variety of areas related to analysis of LTSS services and rate studies. Our organization’s experience includes assisting LTSS / LTC programs in both the public and private sectors, experience that will be directly relevant for completing the rate study for this engagement.</p> <p>We have 30+ years of experience conducting rates studies and fee schedule analysis more broadly for commercial and government healthcare programs. We have 15+ years of direct experience assisting Medicaid programs in conducting rates studies regarding LTSS / LTC services.</p> <p>We highlight below relevant work experience and examples, including work to project service costs to support the actuarial analysis of premium rates, fund balance, and viability of program features for the WA Cares Fund program over the last 8 years.</p> <p>Milliman Experiences, Skills, and Qualifications</p> <p><u>Rate Setting for State Medicaid Agencies</u></p>	50	49

		<p>Milliman has vast experience advising states regarding Medicaid Long-Term Services and Supports (LTSS) rate-setting methodologies and related policies. Our team members also have significant experience with the regulatory and compliance considerations for implementing LTSS payment methodologies, as well as decades of experience managing stakeholder engagement (for providers, participants, managed care organizations, and advocates) throughout the rate development process. We also understand LTSS workforce challenges and opportunities facing state agencies and ensuring there are enough workers to meet beneficiaries' needs.</p> <p>In the past five years alone, we have assisted 12 Medicaid agencies, including Arkansas, Hawai'i, Indiana, Iowa, Michigan, Mississippi, New Hampshire, Ohio, Rhode Island, South Carolina, Washington, and Wisconsin with the development of provider fee schedules for LTSS services. We have also assisted with the development of tiered rates for LTSS services in Arkansas, Hawai'i, Indiana, Ohio, Iowa, Rhode Island, and Wisconsin; bundled rates for LTSS services in Indiana and Ohio; and negotiated market rates for LTSS services in Arkansas. As part of these projects, we have also assisted with calculations of cost neutrality, analyzed service utilization, conducted rate development projects, developed innovative managed care rate structures, and projected waiver program expenditures.</p> <p><u>Actuarial / Financial Modeling for WA Cares Fund</u> Milliman has provided actuarial support and financial analysis and projections for WA Cares Fund since the program was enacted in 2019 (and feasibility studies before the program was enacted). The financial modeling includes the projection of estimated revenue and expenditures under WA Cares Fund for the next 75 years. The expenditures include estimates of service costs incurred by major site of care: nursing home, assisted living facility, and care at home. Our work for WA Cares Fund includes frequent meetings with WA DSHS and WA OSA and various workgroups responsible for recommending / clarifying program features. We also routinely present findings of our work at the LTSS Trust Commission public meetings.</p> <p><u>Private Market LTC Insurance Service Cost Data</u></p>		
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Milliman has significant experience in analyzing commercial service costs for Long-Term Care (LTC) Insurance programs. Milliman has developed a set of proprietary Long Term Care Guidelines (*LTC Guidelines*), which provide frequencies, continuance curves, utilization assumptions and claim costs from a large number of product designs over the past three decades. The Milliman *LTC Guidelines* incorporate both private and public sector data sources, and are periodically updated to reflect the most comprehensive and current information available in the market. The *LTC Guidelines* are one area of differentiation from other actuarial and consulting firms. The first set of *LTC Guidelines* was developed in 1992 and has been updated regularly, with the most recent edition completed in 2020. The breadth of underlying data and the comprehensiveness of analysis position the *LTC Guidelines* to be an unrivaled benchmark for LTC morbidity.

Milliman Relevant Experience

We list below recent relevant experience that distinguishes Milliman and makes us uniquely qualified to support the work requested under this Contract.

1. Feasibility Studies to Finance LTSS in Washington

Sponsor: Washington Department of Social and Human Services (DSHS)
Project Duration: February 2016 to January 2017, June 2018 to October 2018

In 2016, Milliman was engaged to study the feasibility of offering two unique LTSS financing options in the State of Washington. Various stakeholder interviews and discussions in the State of Washington helped determine the final scope of plan parameters to model for the project. The scope of our engagement included the evaluation and discussion of the following items:

- Expected costs and benefits for participants
- Total anticipated number of participants
- Financial and legal risks to the State

- Savings to the State Medicaid program

In 2018, Milliman was engaged to perform a follow-up study, in which we analyzed the expected costs of changing the plan parameters and sensitivities surrounding these parameters.

1. LTSS Trust / WA Cares Fund Actuarial Studies

Sponsor: Washington Office of the State Actuary (OSA)
Project Duration: February 2020 to Present

After the LTSS Trust Act was passed, Milliman was re-engaged by the OSA in 2020, working closely with WA DSHS, to assist in projecting the current program and modeling program alternatives / changes. Milliman continues to support the development and implementation of WA Cares Fund. Notable deliverables include the 2020 and 2022 Actuarial Study of WA Cares Fund, as well as other deliverables included in the Milliman Actuarial Studies / Reports on the OSA website.

Relevant to this solicitation, our engagement with OSA includes working with a government agency and other stakeholders to analyze LTC financing solutions and has required an understanding of the current LTC financing environment in Washington. Additionally, we gained experience presenting to the LTSS Trust Commission and assisting various legislative work groups.

3. HCBS Rate Study for Washington DSHS

Sponsor: Washington Department of Social and Health Services (DSHS)
Project Duration: June 2022 – Present

Milliman was retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental

disabilities. As part of this rate study, the Milliman team coordinated and facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce. Milliman is currently in the process of developing rate recommendations.

4. Nursing Facility Payment Transformation and Rate Setting for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)
Project Duration: May 2021 – Present

The State’s goals for updating Medicaid nursing facility reimbursement were as follows:

- Transition from a fully cost-based reimbursement model to a price-based model that pays for value provided rather than costs incurred.
- Remove retroactive cost settlements and design a prospective-only payment. This was in part needed to facilitate state-direction of the state nursing facility fee schedule to managed care providers.
- Alignment with reimbursement for HCBS and other Medicaid services. The prior reimbursement model, with quarterly updates and guaranteed reflection of any cost increases, was unique to nursing facilities. A level playing field for reimbursement is a key step towards rebalancing.
- Quality – Link provider payments to member outcomes by devoting a material portion of the payment to higher quality facilities and selecting meaningful metrics and relevant metrics on which to base payments.

		<p>It was decided at the outset that the reimbursement restructuring would be budget neutral – that is, target total funding in the system would be the same as under the legacy system. This was key to getting provider buy-in. It was understood that there would be “winners and losers”, but most were able to support the goal of reallocating funding to reward higher quality and more cost-effective facilities.</p> <p>The Project was divided into three workstreams:</p> <ol style="list-style-type: none">1. Nursing Facility Base Rates2. Supplemental Nursing Facility Payments (Upper Payment Limit, supported by IGTs)3. Restructure Quality Program <p>For each work stream, the state set up a series of meetings. Milliman prepared materials and led discussion, after first having internal meetings with the State of Indiana to confirm direction and content. We began by presenting background information, including state goals, regulatory constraints, and analysis related to shortcomings of the current system. For example, although there were large differences among the 500+ nursing facilities in per diem reimbursement under the legacy cost-based system, these differences had no statistical correlation with acuity (RUG scores) or quality scores, so it was difficult to justify the variation in payment. We also presented options for the new reimbursement model, offered advantages and disadvantages to each, and developed a series of facility-specific models to help stakeholders understand the initial proposal and subsequent refinements, and how it might affect them. Over the course of the project, we worked with the state, nursing facility industry and other stakeholders to build consensus on a new reimbursement structure, supplemental payment design, and quality program.</p> <p>The State also prioritized working collaboratively with stakeholders and agreed to smooth the transition by offering a transition period. Milliman collaborated with the State and stakeholders to model and assess various transition plan options, aiming to strike a balance between introducing the new reimbursement system's goals and minimizing disruption to current operations. Communicating the options and the eventual chosen transition plan clearly to providers was essential to ensuring they had adequate time and information to</p>		
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prepare for the new reimbursement structure. Milliman will continue to provide support to the State and stakeholders as the new system is implemented, ensuring a smooth transition and the successful implementation of the new system as intended.

5. HCBS Rate Setting and Development of MLTSS Quality Framework for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)
Project Duration 2019 – Present

Milliman is currently supporting a cross-agency effort under Indiana FSSA to establish HCBS rates, working with the Office of Medicaid Policy and Planning (OMPP), the Division of Aging (DA), and the Division of Disability and Rehabilitation Services (DDRS). One challenge with this project is coordinating multiple state agencies and their associated stakeholders through a rate setting process that was aligned, transparent, and towards the conclusion of the public health emergency. We are working with FSSA and the supporting agencies on:

- Goal setting and stakeholder engagement planning with the client
- Stakeholder engagement throughout the process in an inclusive and transparent framework
- Payment methodology, data options, and input
- Conceptual design, payment simulation, and refinement
- Public comment, state budget and legislative approval, CMS approval
- Stakeholders (internal and external) were included in project initiation all the way through the final vetting of all rate assumptions.

Related to this work, Milliman also played a stakeholder facilitation role to help the state develop its holistic LTSS quality strategy framework. The state sought to define its quality strategy to inform both its Master Plan on Aging and Medicaid Managed Care Quality Strategy, as well as leverage its purchasing power through specific MCO contract requirements and quality incentives through its upcoming MCO MLTSS procurement. For this project, we have conducted an extensive environmental scan and research, followed by a

series of stakeholder interviews (meeting with over 30 leaders across multiple agencies) to understand available data and performance measures, historical and recent performance including performance gaps, external stakeholder input received to date and other pertinent insights about the current landscape. We then facilitated a strategy session summit where we helped the group to establish a set of guiding MLTSS Quality Framework goals. Follow-up activities included working with a subgroup to establish foundational Year One objectives and metrics to monitor progress toward the goals. We also assisted with the development of managed care RFP language to outline the quality strategy and outline plan responsibilities to achieve the goals and objectives.

6. Residential Care and Behavioral Health Rate Setting for Michigan DHHS

Sponsor: Michigan Department of Health and Human Services

Project Duration: 2019 – Present

Milliman was retained by Michigan DHHS to provide actuarial and consulting services related to the development of a behavioral health and intellectual/developmental disabilities (BH I/DD) fee schedule for its specialty services managed care program (Note: MDHHS includes both BH and I/DD services in this program, which is often referred to as their Behavioral Health Program). This BH I/DD fee schedule was a system-wide project spanning multiple years and encompasses a wide range of services that are covered under the managed care capitation rates, including case management and treatment planning, community living supports, evaluation and management, outpatient services, psychiatric diagnostic evaluations, residential services, and skill building. Milliman is also supporting the development of tiered residential care payment rates for individuals with I/DD and individuals with serious mental illness. Milliman has facilitated a stakeholder workgroup to obtain feedback on tiering approaches, conducted provider interviews to obtain insights on residential care staffing and service delivery, conducted research on other state approaches, and performed an analysis of SIS-A assessment data to assess the relationship between SIS scores and HCBS service utilization.

7. HCBS Rate Setting and Stakeholder Support for Ohio DODD

Sponsor: Ohio Department of Developmental Disabilities
Project Duration: 2022 – Present

Milliman was retained by Ohio DODD to support the development of HCBS payment rates and the design of a quality program for Adult Day and Employment services for individuals served by the Department of Developmental Disabilities (DODD). Our team is currently working with stakeholders to establish HCBS rates that consider historical and future wages for HCBS providers and the potential downstream impact on services that are outside of the rate study. We have also been facilitating engagement with key stakeholders to solicit input and support regarding the implementation of two quality programs, which will include an ARPA supported pilot, capacity/infrastructure payments, and outcomes-based payments.

8. Provider Rate Review for Rhode Island OHIC

Sponsor: Rhode Island Office of the Health Insurance Commissioner
Project Duration: 2023 – Present

Milliman is currently engaged by Rhode Island OHIC to provide a comprehensive review of health and human services offered in the state, including both a financial and programmatic assessment. The financial assessment includes review of program rates, timing of last rate increase, utilization trends, and comparisons between Rhode Island and other regional states on these topics. Programmatic review includes assessment of eligibility standards, processes of program operations, access to programs, organizational structure, oversight of program providers, and accountability structures, including all programs funded by Medicaid and other funding sources in the following areas: social, mental health, aging, developmental disability, child welfare, juvenile justice, prevention services, habilitative, rehabilitative, substance use disorder treatment, residential care, adult or adolescent day services, employment and training, and vocational services. This work is overseen by the Office of the Insurance Commissioner and an advisory council created for this purpose and includes a series of

legislative reports summarizing the findings. Our work includes both conducting the independent research needed to provide full assessment and collaboration with the advisory council and other invested stakeholders. Our programmatic research has involved review of state administrative regulations, state program documents and web pages and applying our knowledge of federal regulations and processes. Drawing on Milliman’s expertise across the array of programmatic areas has allowed us to narrow focus to the most critical components of programming in each sub-population and provide the critical assessment required to bring meaningful insights and note best practices and perhaps areas that are ripe for improvement. This financial work likewise, has required the application of Milliman’s rate setting expertise and coordination with state agencies on rate information that is not within the public domain.

9. Rate Updates and Alignment for Mississippi Division of Medicaid

Sponsor: Mississippi Division of Medicaid

Project Duration: July 2011 - Present

As the consulting actuary for the State of Mississippi, Milliman routinely assists the Division to update the FFS rates for the HCBS waiver programs. Examples of services for which rates have been developed include attendant care, assisted living, adult day care, autism services, and case management.

The modeling approaches vary depending on the service but generally involves a “ground-up” build using wage and benefit data, productivity assumptions, industry staffing ratios, and related administration costs for the services provided. In certain situations, other ancillary services such as transportation were incorporated.

Stakeholder engagement has been a key part of each of the rate updates, consisting of survey tools, workgroups, and other feedback mechanisms.

		Currently Milliman is assisting the state with a full rebasing of all fee schedules for the assisted living, community support program, elderly disabled, intellectually and developmentally disabled, independent living, and traumatic brain injury waivers.		
B		Please provide the names of the key team members you will assign to this Contract, if you are the Successful Bidder, and provide their proposed roles and copies of resumes describing the relevant experience they possess. Bidder should note that if awarded a contract, it may not reassign its key personnel from the Project without prior approval of DSHS.		
	COMMENT:	<p>ANSWER:</p> <p>Key personnel providing assistance on the project are outlined below.</p> <p>Chris Giese, FSA, MAAA Project Role: Overall Project Responsibility and Primary Project Contact</p> <p>Chris Giese, FSA, MAAA, is a Principal and Consulting Actuary. He joined the firm in 2000. Chris has experience with healthcare and long-term care programs, with more than 20 years of experience in these areas. Chris has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016.</p> <p>Chris has assisted various entities, including insurance companies, health plans, employers, technology firms, and government programs. He has helped clients with a wide variety of projects such as financial projections and reporting, valuation of reserves, experience analysis, product development and pricing, appraisals, risk management, and evaluations of financing reform alternatives. Chris previously served as Chair of the Society of Actuaries (SOA) LTC Section Council and participated in various SOA and American Academy of Actuaries work groups.</p> <p>Most recently, Chris led projects gathering stakeholder feedback and analyzing various policy options to alternatively finance LTC for the states of Washington, California, Illinois, and Michigan. Chris has assisted LTC insurance carriers with evaluating the adequacy of active life</p>	10	9

reserves and claim reserves, performing in-depth analysis of historical morbidity and persistency experience for various blocks of business, completing annual statements of actuarial opinion regarding insurance companies' statutory / GAAP liabilities, and helped a company develop framework and projections to illustrate LTC costs in retirement planning for consumers. In addition to LTC programs, Chris has assisted healthcare program including supporting benefits administration firm to develop cost estimates used in helping employees decide among plan options during open enrolment, performing comprehensive analysis for employer on quarterly basis to identify and prioritize individuals for proactive outreach as part of its population health management, measuring healthcare costs versus regional and national benchmarks, and assisting entities in developing a multi-year strategic plan in response to the Affordable Care Act.

Chris is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a B.S. in Mathematics from Carroll College.

Luke Roth

Project Role: Senior Healthcare Consultant and Secondary Project Contact

Luke Roth is a Principal and Senior Healthcare Consultant in the Seattle office of Milliman. He rejoined the firm in 2018.

Luke has over 15 years of experience providing strategic guidance and transformative solutions to healthcare leaders and policy makers as they have navigated the unique risks and opportunities facing their organizations. As a member of Milliman's Medicaid Finance and Policy practice, he primarily supports state agencies in the areas of:

- Long-term services and supports (LTSS) payment system design and rate setting, including nursing home services and home- and community-based services.
- Hospital inpatient and outpatient payment system design and rate setting, including inpatient DRG-based payment systems, outpatient EAPG-based payment systems, and outcomes-based incentive payments.

- Medicaid program funding strategies, including development and implementation of health care-related taxes, intergovernmental transfer (IGT) programs, and certified public expenditure (CPE) programs.
- Supplemental payments strategy, including development and implementation of FFS supplemental (UPL) payments, managed care pass-through payments, state directed 438.6(c) payments, uncompensated care pool (UCP) payments, and disproportionate share hospital (DSH) payments.

Within the past year, Luke has provided provider payment policy and rate setting support to state agencies in Arizona, Illinois, Nebraska, Oklahoma, Florida, and Washington. He also recently co-authored a whitepaper with ADvancing States, the association representing the nation’s 56 state and territorial agencies on aging and disabilities and long-term services and supports directors, on strategies to address challenges related to financing for nursing facility services during MLTSS program implementation.

Luke holds a bachelor’s degree in Mathematics from the University of Washington.

Jill Bruckert, FSA, MAAA

Project Role: Senior Medicaid / LTC Consultant and Secondary Project Contact

Jill Bruckert, FSA, MAAA, is a Principal and Consulting Actuary. She joined Milliman in 2007 and has spent her career providing actuarial support and consulting services to state Medicaid agencies, governmental organizations, and Medicaid health plans. In addition, Jill has experience providing strategic and actuarial services to LTC insurance companies and has been involved in LTC reform analyses.

Jill has worked extensively with state Medicaid agencies to develop and certify acute care and LTC managed care capitation rates, develop HCBS and behavioral health fee schedules, budget analyses and expenditure projections, custom risk adjustment methodologies, waiver support, legislative studies and fiscal impact analyses, and many other ad hoc projects.

		<p>Relevant to this solicitation, Jill has led developing fee schedules for HCBS and behavioral health services in the state of Mississippi since 2015, including a current project to rebase all HCBS fee schedules.</p> <p>Jill is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor’s degree in Actuarial Science and Finance from the Drake University.</p> <p>Annie Gunnlaugsson, ASA, MAAA Project Role: Oversee Calculations and Deliverable Development</p> <p>Annie Gunnlaugsson, ASA, MAAA, is a Consulting Actuary. She joined Milliman in 2012. Annie has served many types of clients in her time with Milliman. Her areas of focus include LTC insurance and the group and individual commercial health markets. Annie has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016.</p> <p>Annie has assisted clients in the areas of ACA pricing and rate filings, year-end statements of actuarial opinions, state insurance department LTC rate filings, and reserve estimation for medical and long-term care products. Most recently, Annie helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.</p> <p>Annie is an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor’s degree in Actuarial Science from the University of Wisconsin Madison.</p> <p>Evan Pollock, FSA, MAAA Project Role: Lead Technical Calculations</p> <p>Evan Pollock, FSA, MAAA, is a Senior Actuarial Manager. He joined Milliman in August 2015. Over the past eight years, Evan has focused on three main market areas: LTC insurance,</p>		
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Medicaid, and group and individual commercial health insurance. Evan has worked on various projects supporting the State of Washington and the WA Cares Fund since 2020.

Evan has worked on projects ranging from pricing, reserving, and experience review to feasibility studies, capitation rate setting, and options analysis. Recently, his focus has been private LTC insurance, LTC reform, and Medicaid LTC rate development for a large state client. Relevant to this solicitation, Evan helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.

Evan is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a bachelor's degree in Actuarial Science from the University of Wisconsin Madison.

Jennifer Gerstorff, FSA, MAAA

Project Role: Peer Review and Support with WA Medicaid Program

Jenny Gerstorff, FSA, MAAA, is a principal and consulting actuary with Milliman's Seattle office. She joined the firm in 2006. Jenny has spent her entire actuarial career working primarily with state Medicaid agencies, working on programs in over half of the states across the years. With a wealth of experience in Medicaid actuarial and policy consulting, Jenny specializes in working closely with state Medicaid agencies on a diverse range of critical topics. Her extensive expertise encompasses capitation rate development, new policy feasibility analysis, program integrity monitoring and improvement, state budget forecasting, healthcare delivery system integration, customized risk adjustment, health disparity evaluations, risk mitigation mechanisms, and encounter data monitoring.

Jenny's proficiency extends across various benefit types, including Medicaid acute care, community behavioral health, long-term care, dental, and other ancillary benefits. She has also worked with a wide array of populations, including traditional Medicaid, ACA Expansion

		<p>adults, Medicare-Medicaid dual-eligibles, non-qualified non-citizen expansions, and other specialized program populations.</p> <p>Beyond her work with state Medicaid agencies, Jenny has been a trusted consultant to independent provider organizations, non-national health plans serving Medicaid and Medicare populations, Medicaid health plan associations, and safety net healthcare providers. Her extensive background includes conducting financial and utilization-based analyses to support the development of historical experience studies, proforma projections, risk mitigation strategies, provider reimbursement rates, grant funding applications, and value-based contracting model implementation.</p> <p>She volunteers with the Society of Actuaries (SOA) and the American Academy of Actuaries (AAA), participating in research efforts and developing content for continuing education opportunities for over a decade. In 2022, Jenny was appointed as a commissioner at the Medicaid and CHIP Payment and Access Commission (MACPAC), a non-partisan government advisory body that plays a pivotal role in shaping Medicaid and CHIP policy through its guidance and recommendations to policymakers.</p> <p>Jenny is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a B.S. in Applied Mathematics from Columbus State University.</p>		
C	<p>Please describe your method for assuring that your services and deliverables are provided in accordance with high quality standards and for immediately correcting any deficiencies. What data would you propose to report to DSHS which would permit verification of your quality assurance activity, findings and actions?</p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>Milliman employs a strong ethic of peer review in all its projects. This process requires a secondary review of the work performed, reports prepared, and overall project management. The reviewer is selected as someone familiar with the project, but who has not performed significant work on the specific project. This allows for impartial review and the opportunity for additional insights. The review is structured to identify any outstanding issues that were not addressed, to ensure that the information is presented in a logical and complete manner,</p>	20	17

		<p>and to ensure that the overall quality of the work meets Milliman’s high standards. This process adds an additional level of security for our clients. Should any deficiencies be discovered, we will work together with the State to ensure concerns are addressed in a timely manner.</p> <p>Accuracy and client satisfaction are our highest priorities in any engagement. At the individual client level, we tailor our procedures to your needs. Our consultants monitor client satisfaction through various informal contacts (e.g., in-person, virtual) on a continuous basis. Our high client retention ratios attest to the satisfaction of our clients.</p>		
D	<p>Please describe the measures you employ to assure that your services and deliverables are provided in a cost-effective manner that is consistent with quality outcomes and fair employment practices.</p> <p>COMMENT:</p>	<p>ANSWER: Our fees reflect the estimated actual time spent on a project and related expenses. Our work is completed at the lowest hourly billing rate level possible while still providing the expertise required by our clients. Thus, technical work is often completed by analysts. Alternatively, planning, project design, assumption setting, and peer review are completed by more experienced consultants.</p>	20	18
E	<p>Please provide a work sample of a like project completed in the past that demonstrates the gathering of data necessary to evaluate current rates, potential rate fluctuation and/or a study demonstrating a similar data and study structure. Please include all work samples in a single PDF attachment. Submissions received in alternate formats may not receive a score. <i>Please ensure all proprietary material is clearly marked in accordance with RFP Document Section D.5.</i></p> <p>COMMENT:</p>	<p>ANSWER: Please see “RFP2334-830_Supplement D.5.e - SD1_Rate Study.pdf” for a work sample.</p>	50	48
F	<p>Please provide a narrative explaining how you plan to complete this project, inclusive of a proposed timeline in alignment with the deliverables table in the RFP and sample contract.</p>		50	48

	COMMENT:	<p>ANSWER:</p> <p>The focus of our engagement will be to provide guidance on how to utilize, maintain, and update rates as WA Cares program experience emerges. We will provide considerations and data points to assist WA Cares Fund in developing a structure for adapting to a dynamic marketplace for long-term care services. Below we provide a work plan for achieving these goals.</p> <p>Data Collection</p> <p>Between October 2023 and January 2024, we will largely focus on data collection and summarization. Specifically, we plan to gather information on current and historical rates for the LTSS service categories outlined in the solicitation for this engagement. The sources will vary for each applicable service, but in general we expect to leverage the following data sources.</p> <ul style="list-style-type: none"> • Washington Medicaid data provided by the State of Washington (e.g., utilization of services and rates paid out to providers in Medicaid LTSS). This data will inform Medicaid rates for many of the WA Cares Fund services. We will supplement with CMS Transformed Medicaid Statistical Information System (T-MSIS) data if applicable. • Milliman proprietary databases, namely the Long-Term Care Guidelines Database, which includes data from the commercial market, and the Consolidated Health Cost Guidelines Sources Database, which covers other lines of business. These sources represent tens of millions of life years of claim experience and will provide another benchmark for the major WA Cares Fund services. • Public sources, including the Genworth cost of care survey, Bureau of Labor Statistics, review of reports / literature of LTSS service costs, etc. Genworth’s cost of care survey is published publicly on an annual basis and contains information about average costs of care by service and geographic region for a commercial population. We will perform a thorough search for other relevant publicly available information to estimate and project average LTSS costs for the applicable population. 		
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- **Other interviews and surveys** of long-term care providers. We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study (i.e., weigh the costs and benefits of gathering information from this particular channel). If an interview or survey is determined to be worthwhile, Milliman will provide guidance and support to DSHS on how to conduct the interview and survey. Once interview and survey responses are collected by DSHS, Milliman will compile and analyze the results.

Study Analysis

Analysis of the collected information will be both quantitative and qualitative.

From a quantitative perspective, we will use gathered data to produce rate ranges by service category and project how those ranges may change over time (e.g., be adjusted for inflation). Given the detailed models we already have created to project WA Cares Fund cash flows, we can also perform quantitative analysis on how different rates may impact projections of the financial outlook of the program.

From a qualitative perspective, we will leverage our expertise in LTC, Medicaid, and the WA Cares Fund to advise on rate-related topics such as:

- Policy options for the rates and how the rates can be utilized by various stakeholders.
- How reimbursement for these services may impact provider availability.
- Guidance on how DSHS can adapt to maintain appropriate reimbursement as WA Cares program experience emerges.

Presentation of Findings

Between January 2024 and August 2024, we will develop focused reports for each project phase (1 through 4) that will provide the following information:

		<p>a) Results from our qualitative and quantitative analyses. b) Methodology and assumptions used in our study. c) Considerations for engaging with the results and guidance on next steps for the program.</p> <p>Our work will culminate with a final report before May 2025.</p> <p>Throughout the engagement we will provide needed expertise, guidance, education, and consultation to support WA Cares Fund staff, stakeholder groups, and the LTSS Trust Commission in areas associated with this Contract and attend ongoing meetings with these groups as is helpful.</p>		
G	<p>Please describe current or prior projects that demonstrate a like process and product. Please explain challenges and how they were overcome. Where do you foresee similar or different challenges with this study?</p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>We list below projects that demonstrate our experience and challenges encountered for analyzing rates. We see similar challenges for this study, but expect the framework used to complete prior projects and overcome any challenges will also be effective for conducting this study. We expect this study will face new challenges since the WA Cares program is first-of-its-kind with no direct program experience to use for obtaining data. We expect some service categories will have more robust data to analyze (pulling from existing public and private program experience), while other categories may have very limited data to analyze. We envision our final deliverable for the study will establish a process for overcoming these challenges, including considerations of how to reflect actual program data as it emerges.</p> <p>Current / Prior Projects with Like Process and Product</p>	20	19

		<p>Milliman has assisted numerous state Medicaid agencies and other entities with the design, implementation, evaluation, and monitoring of payment systems and rate-setting methods for all types of services:</p> <ul style="list-style-type: none"> • Long-term supports and services, including nursing facility services, residential services, and other HCBS provided to the aged and disabled populations, as well as to persons with intellectual or developmental disabilities. • Behavioral health services, including HCBS and other services that are unique to persons requiring these services, such as partial hospitalization, intensive outpatient and substance use disorder services • Inpatient and outpatient hospital services, including acute services, both short-term psychiatric care and long-term civil commitment services, rehabilitation, long-term acute care, and other types of hospital settings • Professional and clinic services, including physician, nursing, therapy, and other services • Other unique services provided by state Medicaid agencies, including services provided under authority granted through CMS waiver programs <p>With respect to rates for long term services and supports, Milliman understands the challenges and opportunities facing states like Washington as they develop public policy that impacts payment for and access to long-term services and supports, which can have implications for individuals receiving these services to live healthy, safe, meaningful, and self-determined lives that include the ability to fully engage in community living.</p> <p>Milliman recently assisted the Washington State Health Care Authority (HCA) with developing comparison rates intended to provide transparent benchmark estimates of Medicaid payment rates to providers for behavioral health services, using methodologies consistent with CMS approved HCBS rate structures. These comparison rates comprise all significant behavioral health services, including mental health and substance use disorder (SUD) outpatient services and SUD residential care and withdrawal management. The Milliman team used an independent rate model approach consistent with methodologies used for HCBS payment,</p>		
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		<p>informed by analyses of independent data sources (e.g., Bureau of Labor Statistics wage data), and State program staff and provider subject matter expertise. Milliman developed and implemented a stakeholder engagement strategy including all-provider meetings, three stakeholder workgroups (specific to service type) and ad hoc subgroups for intensive team-based services for adults and youth. Rate assumptions include the identification of wage levels by type of behavioral health professional, employee-related benefits and taxes, supervisor span of control, turnover, training, paid time off, administrative costs, transportation, residential facility staffing, and facility overhead costs, among others.</p> <p>Community residential agencies are facing immense pressures, ranging from workforce competition to making sure that services are person-centered. These unique business challenges that providers face can primarily be grouped into two buckets, which can sometimes overlap: financial challenges and service challenges.</p> <p>FINANCIAL CHALLENGES</p> <p>Community residential agencies require sufficient rates to hire and maintain a skilled workforce that is able to deliver person-centered services. Per a 2019 Report to the Legislature, <i>Rethinking Intellectual and Developmental Disability Policy to Empower Clients, Develop Providers, and Improve Services</i>, “Feedback from contracted providers consistently indicates that they are unable to recruit and retain sufficient numbers of skilled direct care professional under the current rate.” Financial pressures have only increased since 2019 due to the pandemic, workforce competition, and the global financial landscape. Below are considerations of key financial challenges that providers are facing.</p> <p>Wage pressures and staff retention</p> <p>Washington, like many states, faces challenges supporting residential care workforce recruitment, training, development, and retention. Community residential agencies will face challenges building a high-quality workforce that is able to provide continued access to services with high turnover and vacancy rates. High turnover and vacancy rates not only</p>		
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impact the delivery of services to clients, but also leads to higher costs to providers as they spend more time on training, getting staff oriented with their job duties, and longer service time as they build a relationship with their clients.

Milliman brings an in-depth understanding of the workforce challenges that states face when ensuring access to high-quality services, which have been exacerbated by the COVID-19 pandemic's impact on the economy. We regularly gather feedback from stakeholders regarding state-specific labor market dynamics and wage levels and have extensive experience collecting and analyzing a wide variety of national and state wage data when developing payment rates. This experience includes developing and administering state-specific cost and wage surveys that identify wages by staff level and employee-related benefit costs and conducting stakeholder interviews.

We also work with states to address workforce challenges more broadly. For example, in Rhode Island, we are supporting the State in the implementation of a temporary increase in Medicaid fee-for-service rates with specific requirements to pass the extra funds through to direct care workers in the HCBS provider organizations, while in Florida we conducted an assessment of the state's increased minimum wage and its impact on reimbursement rates for HCBS providers and residential care facilities among others. Our support to our clients has included identifying included providers, drafting program guidance, assisting in stakeholder meeting facilitation, and researching policy alternatives consistent with regulatory guidance and operational needs.

Additional challenges

In addition to minimum wage adjustments, providers are feeling wage pressures due to inflation, demand for services, and the public health emergency for COVID-19. Some of these wage pressures are temporary and will be replaced by other pressures. As such, payment rates must be flexible and transparent to incorporate mid-stream adjustments to account for these unanticipated pressures.

SERVICE CHALLENGES

Community residential agencies are adapting to evolving service requirements as states are moving towards paying for outcomes, providers are complying with the HCBS Setting Rule, and temporary service standards implemented during the pandemic are becoming permanent (e.g., virtual service delivery). Below are considerations of key service challenges that providers are facing:

Compliance with HCBS Setting Rule

Providers must follow the requirements of the HCBS Setting Rule (under 42 CFR § 441.301(c)(4)(5) and § 441.710(a)(1)(2)) by providing integrated service options and both choices and rights within a residential setting (e.g., choice of a private room, roommate, schedule, etc.) Residential providers must not only comply with these requirements but must also report their compliance to Residential Care Services (RCS) Contracted Evaluators and RCS Investigators. Providers must continue to emphasize and train their staff on person-centered care planning that supports a person's choice and preferences.

Quality and outcomes reporting

States are requiring the delivery of and outcome and quality reporting to support the delivery and payment for services, especially as states are reinforcing person-centered services and meeting the requirements of the HCBS Settings Rule. Providers, and their direct support professionals, need to learn how to report outcomes and quality measures. These reporting requirements can increase both indirect service time and administrative costs for providers, as well as payments, if quality and outcomes reporting is tied to payments.

Culturally specific services

Washington is a geographically and culturally diverse state, which can cause challenges with delivering person-centered services that are impactful and meet the needs of an individual.

		Community residential agencies will need to hire and retain staff that can build relationships and deliver services with people that may be non-verbal, speak languages other than English, suffer from homelessness, are Indian tribal members, have dual-diagnoses and require mental health services, or some other need that will require the support of a workforce that is responsive to an individual's values, beliefs, health literacy, preferred language, and other communication needs. Providers are facing challenges building a workforce that is able to deliver culturally specific services, and in a language that a person can understand, which requires a tenured workforce that is appropriately trained and can build relationships with the people they serve. Hiring and retaining culturally specific practitioners will require a provider to pay a premium wage to retain a direct care provider that can deliver culturally specific services.		
H	Please provide an explanation of methodologies and strategies while gathering necessary data for this project.			
	COMMENT:	ANSWER: We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study. Obtaining data through a survey process is one of the common strategies we use when conducting rate studies and developing rate recommendations. We often rely on surveys to collect additional information and data from stakeholders that will provide important insights in the process. Milliman staff have extensive experience in designing and administering surveys, reviewing the information reported, and processing and analyzing the data received. Conducting interviews and workgroup meetings with stakeholders is another common strategy for collecting information to consider when conducting rate studies and developing rate recommendations. Our staff also have experience in conducting interviews and interactive meetings with various stakeholders to gather important feedback and information, and to better understand the challenges faced by stakeholders. As an example, Milliman was recently retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental disabilities. As part of this rate study, the Milliman team coordinated and	20	19

		facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce.		
6.	Budget and Reporting (10 points)			
A	Please complete Attachment F: Budget Response Template, detailing all costs to provide the services as outlined in this Competitive Solicitation, including the Sample Contract set forth on Attachment A. Please include the completed form as a separate document in your bid response. Please provide a general budget narrative below that describes in detail how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document.			
	COMMENT:	<p>Bidders are to complete the Attachment F: Budget Response Template spreadsheet and submit it in Excel format with your bid response. Your responses in Attachment F will be scored in this section of Attachment D: Bidder Response Form.</p> <p>ANSWER:</p> <p>Please see “RFP2334-830_Attachment_F_Budget Template_Milliman_20230929.xlsx” for our completed Budget Response Template spreadsheet. Our professional fees will be based on the actual hours worked on the project multiplied times our consulting fee hourly rate, subject to the total maximum amount under this solicitation. The ‘Consulting Fees for Professional Services’ line item in Attachment F reflects all estimated costs to perform the services under this engagement.</p> <p>We include in the table below how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document. The estimated budget by deliverable / benchmark is based on the number of estimated hours and resulting professional fees to complete each task, subject to the overall total maximum amount under this solicitation.</p>	10	8

Deliverables and Benchmarks		Estimated Budget
Introductory Meeting		\$25,000 upon completion of service group 1
Check-in and DSHS Approval		
Data Share Agreement		
Service Group 1 Meetings		
Service Group 1 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 2
Service Group 2 Meetings		
Service Group 2 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 3
Service Group 3 Meetings		
Service Group 3 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 4
Service Group 4 Meetings		
Service Group 4 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of report
Inflation Adjustment Meetings		
Inflation Adjustment Methodology Report and DSHS Approval		

NOTES:

WRITTEN RESPONSE SCORING
October 2-6, 2023
RFP 2334-830
Economic Rates Study

Vendor Name: Milliman, Inc.

Evaluator Number: WE4 #

General Guidelines:

- Please score each vendor's response without reference to the scores for other vendors. Each score should reflect your score based on the criteria only.
- Please note all scores and comments in the allotted sections. If you change a score, initial the change.
- Please include comments that will assist the vendor in understanding why the response did not get full points. Positive comments are also welcome.
- We would prefer that you leave a comment for each question scored, briefly explaining why you assigned that particular score.
- You may discuss the proposals among the evaluation team, but each evaluator should score independently. **We do not use consensus scoring.**
- Do not downgrade a proposal because it did not address something that was not asked for in the Solicitation.

Scoring of Proposals

The following available points will be assigned to the proposal for evaluation purposes:

Section 5 Bidder Qualifications & Experience	240 points
Section 6 Budget & Reporting	10 points

If you have questions, please direct them to Lauren Bragazzi, Solicitation Coordinator, phone 360-664-6047. All evaluations must be returned and reviewed by the Solicitation Coordinator at the end of the evaluation.

Score	Description	Discussion
90-100% of available points	Exceptional	Clearly superior to that which is average.
70-80%	Above Average	Better than that which is average.
50-60%	Average	Baseline score for each item with adjustments based upon the evaluator's interpretation of the Bidder's response.
30-40%	Below Average	Substandard to that which is average.
10-20%	Failing	Non-responsive or clearly inadequate to that which is average.
0%	No Experience	Response shows no experience in this skill or capability.

Evaluator Scoresheet for RFP 2334-830

You will be evaluating one part of the bidder’s submission: Section 5 and Section 6. If a question requires Bidders to submit additional documents, they will be included in an attached document.

5.	BIDDER Qualifications and Experience (240 Points)		240 MAX POINTS	SCORE
A	<p>Please provide the number of years of experience your organization has conducting rates studies and how many years specific to conducting rates studies regarding Long-Term Care services. Please describe the experiences, skills, and qualifications your organization possesses that are relevant to an evaluation of your ability to perform the Contract that is the subject of this Solicitation. Please ensure that your answer to this question includes all information that you wish DSHS to consider in determining whether you meet the minimum Bidder qualifications set forth in the Solicitation Document. Please include any relevant experience that distinguishes your organization or makes it uniquely qualified for the Contract.</p>			
	<p>COMMENT: Thank you for including what projects make your organization uniquely qualified for the Contract.</p>	<p>ANSWER:</p> <p>Milliman has 30+ years of experience in advising clients on a variety of areas related to analysis of LTSS services and rate studies. Our organization’s experience includes assisting LTSS / LTC programs in both the public and private sectors, experience that will be directly relevant for completing the rate study for this engagement.</p> <p>We have 30+ years of experience conducting rates studies and fee schedule analysis more broadly for commercial and government healthcare programs. We have 15+ years of direct experience assisting Medicaid programs in conducting rates studies regarding LTSS / LTC services.</p> <p>We highlight below relevant work experience and examples, including work to project service costs to support the actuarial analysis of premium rates, fund balance, and viability of program features for the WA Cares Fund program over the last 8 years.</p> <p>Milliman Experiences, Skills, and Qualifications</p> <p><u>Rate Setting for State Medicaid Agencies</u></p>	50	45

		<p>Milliman has vast experience advising states regarding Medicaid Long-Term Services and Supports (LTSS) rate-setting methodologies and related policies. Our team members also have significant experience with the regulatory and compliance considerations for implementing LTSS payment methodologies, as well as decades of experience managing stakeholder engagement (for providers, participants, managed care organizations, and advocates) throughout the rate development process. We also understand LTSS workforce challenges and opportunities facing state agencies and ensuring there are enough workers to meet beneficiaries' needs.</p> <p>In the past five years alone, we have assisted 12 Medicaid agencies, including Arkansas, Hawai'i, Indiana, Iowa, Michigan, Mississippi, New Hampshire, Ohio, Rhode Island, South Carolina, Washington, and Wisconsin with the development of provider fee schedules for LTSS services. We have also assisted with the development of tiered rates for LTSS services in Arkansas, Hawai'i, Indiana, Ohio, Iowa, Rhode Island, and Wisconsin; bundled rates for LTSS services in Indiana and Ohio; and negotiated market rates for LTSS services in Arkansas. As part of these projects, we have also assisted with calculations of cost neutrality, analyzed service utilization, conducted rate development projects, developed innovative managed care rate structures, and projected waiver program expenditures.</p> <p><u>Actuarial / Financial Modeling for WA Cares Fund</u></p> <p>Milliman has provided actuarial support and financial analysis and projections for WA Cares Fund since the program was enacted in 2019 (and feasibility studies before the program was enacted). The financial modeling includes the projection of estimated revenue and expenditures under WA Cares Fund for the next 75 years. The expenditures include estimates of service costs incurred by major site of care: nursing home, assisted living facility, and care at home. Our work for WA Cares Fund includes frequent meetings with WA DSHS and WA OSA and various workgroups responsible for recommending / clarifying program features. We also routinely present findings of our work at the LTSS Trust Commission public meetings.</p> <p><u>Private Market LTC Insurance Service Cost Data</u></p>		
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Milliman has significant experience in analyzing commercial service costs for Long-Term Care (LTC) Insurance programs. Milliman has developed a set of proprietary Long Term Care Guidelines (*LTC Guidelines*), which provide frequencies, continuance curves, utilization assumptions and claim costs from a large number of product designs over the past three decades. The Milliman *LTC Guidelines* incorporate both private and public sector data sources, and are periodically updated to reflect the most comprehensive and current information available in the market. The *LTC Guidelines* are one area of differentiation from other actuarial and consulting firms. The first set of *LTC Guidelines* was developed in 1992 and has been updated regularly, with the most recent edition completed in 2020. The breadth of underlying data and the comprehensiveness of analysis position the *LTC Guidelines* to be an unrivaled benchmark for LTC morbidity.

Milliman Relevant Experience

We list below recent relevant experience that distinguishes Milliman and makes us uniquely qualified to support the work requested under this Contract.

1. Feasibility Studies to Finance LTSS in Washington

Sponsor: Washington Department of Social and Human Services (DSHS)
Project Duration: February 2016 to January 2017, June 2018 to October 2018

In 2016, Milliman was engaged to study the feasibility of offering two unique LTSS financing options in the State of Washington. Various stakeholder interviews and discussions in the State of Washington helped determine the final scope of plan parameters to model for the project. The scope of our engagement included the evaluation and discussion of the following items:

- Expected costs and benefits for participants
- Total anticipated number of participants
- Financial and legal risks to the State

- Savings to the State Medicaid program

In 2018, Milliman was engaged to perform a follow-up study, in which we analyzed the expected costs of changing the plan parameters and sensitivities surrounding these parameters.

1. LTSS Trust / WA Cares Fund Actuarial Studies

Sponsor: Washington Office of the State Actuary (OSA)
Project Duration: February 2020 to Present

After the LTSS Trust Act was passed, Milliman was re-engaged by the OSA in 2020, working closely with WA DSHS, to assist in projecting the current program and modeling program alternatives / changes. Milliman continues to support the development and implementation of WA Cares Fund. Notable deliverables include the 2020 and 2022 Actuarial Study of WA Cares Fund, as well as other deliverables included in the Milliman Actuarial Studies / Reports on the OSA website.

Relevant to this solicitation, our engagement with OSA includes working with a government agency and other stakeholders to analyze LTC financing solutions and has required an understanding of the current LTC financing environment in Washington. Additionally, we gained experience presenting to the LTSS Trust Commission and assisting various legislative work groups.

3. HCBS Rate Study for Washington DSHS

Sponsor: Washington Department of Social and Health Services (DSHS)
Project Duration: June 2022 – Present

Milliman was retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental

disabilities. As part of this rate study, the Milliman team coordinated and facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce. Milliman is currently in the process of developing rate recommendations.

4. Nursing Facility Payment Transformation and Rate Setting for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)
Project Duration: May 2021 – Present

The State’s goals for updating Medicaid nursing facility reimbursement were as follows:

- Transition from a fully cost-based reimbursement model to a price-based model that pays for value provided rather than costs incurred.
- Remove retroactive cost settlements and design a prospective-only payment. This was in part needed to facilitate state-direction of the state nursing facility fee schedule to managed care providers.
- Alignment with reimbursement for HCBS and other Medicaid services. The prior reimbursement model, with quarterly updates and guaranteed reflection of any cost increases, was unique to nursing facilities. A level playing field for reimbursement is a key step towards rebalancing.
- Quality – Link provider payments to member outcomes by devoting a material portion of the payment to higher quality facilities and selecting meaningful metrics and relevant metrics on which to base payments.

		<p>It was decided at the outset that the reimbursement restructuring would be budget neutral – that is, target total funding in the system would be the same as under the legacy system. This was key to getting provider buy-in. It was understood that there would be “winners and losers”, but most were able to support the goal of reallocating funding to reward higher quality and more cost-effective facilities.</p> <p>The Project was divided into three workstreams:</p> <ol style="list-style-type: none">1. Nursing Facility Base Rates2. Supplemental Nursing Facility Payments (Upper Payment Limit, supported by IGTs)3. Restructure Quality Program <p>For each work stream, the state set up a series of meetings. Milliman prepared materials and led discussion, after first having internal meetings with the State of Indiana to confirm direction and content. We began by presenting background information, including state goals, regulatory constraints, and analysis related to shortcomings of the current system. For example, although there were large differences among the 500+ nursing facilities in per diem reimbursement under the legacy cost-based system, these differences had no statistical correlation with acuity (RUG scores) or quality scores, so it was difficult to justify the variation in payment. We also presented options for the new reimbursement model, offered advantages and disadvantages to each, and developed a series of facility-specific models to help stakeholders understand the initial proposal and subsequent refinements, and how it might affect them. Over the course of the project, we worked with the state, nursing facility industry and other stakeholders to build consensus on a new reimbursement structure, supplemental payment design, and quality program.</p> <p>The State also prioritized working collaboratively with stakeholders and agreed to smooth the transition by offering a transition period. Milliman collaborated with the State and stakeholders to model and assess various transition plan options, aiming to strike a balance between introducing the new reimbursement system's goals and minimizing disruption to current operations. Communicating the options and the eventual chosen transition plan clearly to providers was essential to ensuring they had adequate time and information to</p>		
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prepare for the new reimbursement structure. Milliman will continue to provide support to the State and stakeholders as the new system is implemented, ensuring a smooth transition and the successful implementation of the new system as intended.

5. HCBS Rate Setting and Development of MLTSS Quality Framework for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)
Project Duration 2019 – Present

Milliman is currently supporting a cross-agency effort under Indiana FSSA to establish HCBS rates, working with the Office of Medicaid Policy and Planning (OMPP), the Division of Aging (DA), and the Division of Disability and Rehabilitation Services (DDRS). One challenge with this project is coordinating multiple state agencies and their associated stakeholders through a rate setting process that was aligned, transparent, and towards the conclusion of the public health emergency. We are working with FSSA and the supporting agencies on:

- Goal setting and stakeholder engagement planning with the client
- Stakeholder engagement throughout the process in an inclusive and transparent framework
- Payment methodology, data options, and input
- Conceptual design, payment simulation, and refinement
- Public comment, state budget and legislative approval, CMS approval
- Stakeholders (internal and external) were included in project initiation all the way through the final vetting of all rate assumptions.

Related to this work, Milliman also played a stakeholder facilitation role to help the state develop its holistic LTSS quality strategy framework. The state sought to define its quality strategy to inform both its Master Plan on Aging and Medicaid Managed Care Quality Strategy, as well as leverage its purchasing power through specific MCO contract requirements and quality incentives through its upcoming MCO MLTSS procurement. For this project, we have conducted an extensive environmental scan and research, followed by a

series of stakeholder interviews (meeting with over 30 leaders across multiple agencies) to understand available data and performance measures, historical and recent performance including performance gaps, external stakeholder input received to date and other pertinent insights about the current landscape. We then facilitated a strategy session summit where we helped the group to establish a set of guiding MLTSS Quality Framework goals. Follow-up activities included working with a subgroup to establish foundational Year One objectives and metrics to monitor progress toward the goals. We also assisted with the development of managed care RFP language to outline the quality strategy and outline plan responsibilities to achieve the goals and objectives.

6. Residential Care and Behavioral Health Rate Setting for Michigan DHHS

Sponsor: Michigan Department of Health and Human Services

Project Duration: 2019 – Present

Milliman was retained by Michigan DHHS to provide actuarial and consulting services related to the development of a behavioral health and intellectual/developmental disabilities (BH I/DD) fee schedule for its specialty services managed care program (Note: MDHHS includes both BH and I/DD services in this program, which is often referred to as their Behavioral Health Program). This BH I/DD fee schedule was a system-wide project spanning multiple years and encompasses a wide range of services that are covered under the managed care capitation rates, including case management and treatment planning, community living supports, evaluation and management, outpatient services, psychiatric diagnostic evaluations, residential services, and skill building. Milliman is also supporting the development of tiered residential care payment rates for individuals with I/DD and individuals with serious mental illness. Milliman has facilitated a stakeholder workgroup to obtain feedback on tiering approaches, conducted provider interviews to obtain insights on residential care staffing and service delivery, conducted research on other state approaches, and performed an analysis of SIS-A assessment data to assess the relationship between SIS scores and HCBS service utilization.

7. HCBS Rate Setting and Stakeholder Support for Ohio DODD

Sponsor: Ohio Department of Developmental Disabilities
Project Duration: 2022 – Present

Milliman was retained by Ohio DODD to support the development of HCBS payment rates and the design of a quality program for Adult Day and Employment services for individuals served by the Department of Developmental Disabilities (DODD). Our team is currently working with stakeholders to establish HCBS rates that consider historical and future wages for HCBS providers and the potential downstream impact on services that are outside of the rate study. We have also been facilitating engagement with key stakeholders to solicit input and support regarding the implementation of two quality programs, which will include an ARPA supported pilot, capacity/infrastructure payments, and outcomes-based payments.

8. Provider Rate Review for Rhode Island OHIC

Sponsor: Rhode Island Office of the Health Insurance Commissioner
Project Duration: 2023 – Present

Milliman is currently engaged by Rhode Island OHIC to provide a comprehensive review of health and human services offered in the state, including both a financial and programmatic assessment. The financial assessment includes review of program rates, timing of last rate increase, utilization trends, and comparisons between Rhode Island and other regional states on these topics. Programmatic review includes assessment of eligibility standards, processes of program operations, access to programs, organizational structure, oversight of program providers, and accountability structures, including all programs funded by Medicaid and other funding sources in the following areas: social, mental health, aging, developmental disability, child welfare, juvenile justice, prevention services, habilitative, rehabilitative, substance use disorder treatment, residential care, adult or adolescent day services, employment and training, and vocational services. This work is overseen by the Office of the Insurance Commissioner and an advisory council created for this purpose and includes a series of

legislative reports summarizing the findings. Our work includes both conducting the independent research needed to provide full assessment and collaboration with the advisory council and other invested stakeholders. Our programmatic research has involved review of state administrative regulations, state program documents and web pages and applying our knowledge of federal regulations and processes. Drawing on Milliman’s expertise across the array of programmatic areas has allowed us to narrow focus to the most critical components of programming in each sub-population and provide the critical assessment required to bring meaningful insights and note best practices and perhaps areas that are ripe for improvement. This financial work likewise, has required the application of Milliman’s rate setting expertise and coordination with state agencies on rate information that is not within the public domain.

9. Rate Updates and Alignment for Mississippi Division of Medicaid

Sponsor: Mississippi Division of Medicaid

Project Duration: July 2011 - Present

As the consulting actuary for the State of Mississippi, Milliman routinely assists the Division to update the FFS rates for the HCBS waiver programs. Examples of services for which rates have been developed include attendant care, assisted living, adult day care, autism services, and case management.

The modeling approaches vary depending on the service but generally involves a “ground-up” build using wage and benefit data, productivity assumptions, industry staffing ratios, and related administration costs for the services provided. In certain situations, other ancillary services such as transportation were incorporated.

Stakeholder engagement has been a key part of each of the rate updates, consisting of survey tools, workgroups, and other feedback mechanisms.

		Currently Milliman is assisting the state with a full rebasing of all fee schedules for the assisted living, community support program, elderly disabled, intellectually and developmentally disabled, independent living, and traumatic brain injury waivers.		
B		Please provide the names of the key team members you will assign to this Contract, if you are the Successful Bidder, and provide their proposed roles and copies of resumes describing the relevant experience they possess. Bidder should note that if awarded a contract, it may not reassign its key personnel from the Project without prior approval of DSHS.		
	COMMENT: This was organized in a useful way.	<p>ANSWER:</p> <p>Key personnel providing assistance on the project are outlined below.</p> <p>Chris Giese, FSA, MAAA Project Role: Overall Project Responsibility and Primary Project Contact</p> <p>Chris Giese, FSA, MAAA, is a Principal and Consulting Actuary. He joined the firm in 2000. Chris has experience with healthcare and long-term care programs, with more than 20 years of experience in these areas. Chris has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016.</p> <p>Chris has assisted various entities, including insurance companies, health plans, employers, technology firms, and government programs. He has helped clients with a wide variety of projects such as financial projections and reporting, valuation of reserves, experience analysis, product development and pricing, appraisals, risk management, and evaluations of financing reform alternatives. Chris previously served as Chair of the Society of Actuaries (SOA) LTC Section Council and participated in various SOA and American Academy of Actuaries work groups.</p> <p>Most recently, Chris led projects gathering stakeholder feedback and analyzing various policy options to alternatively finance LTC for the states of Washington, California, Illinois, and Michigan. Chris has assisted LTC insurance carriers with evaluating the adequacy of active life</p>	10	10

reserves and claim reserves, performing in-depth analysis of historical morbidity and persistency experience for various blocks of business, completing annual statements of actuarial opinion regarding insurance companies' statutory / GAAP liabilities, and helped a company develop framework and projections to illustrate LTC costs in retirement planning for consumers. In addition to LTC programs, Chris has assisted healthcare program including supporting benefits administration firm to develop cost estimates used in helping employees decide among plan options during open enrolment, performing comprehensive analysis for employer on quarterly basis to identify and prioritize individuals for proactive outreach as part of its population health management, measuring healthcare costs versus regional and national benchmarks, and assisting entities in developing a multi-year strategic plan in response to the Affordable Care Act.

Chris is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a B.S. in Mathematics from Carroll College.

Luke Roth

Project Role: Senior Healthcare Consultant and Secondary Project Contact

Luke Roth is a Principal and Senior Healthcare Consultant in the Seattle office of Milliman. He rejoined the firm in 2018.

Luke has over 15 years of experience providing strategic guidance and transformative solutions to healthcare leaders and policy makers as they have navigated the unique risks and opportunities facing their organizations. As a member of Milliman's Medicaid Finance and Policy practice, he primarily supports state agencies in the areas of:

- Long-term services and supports (LTSS) payment system design and rate setting, including nursing home services and home- and community-based services.
- Hospital inpatient and outpatient payment system design and rate setting, including inpatient DRG-based payment systems, outpatient EAPG-based payment systems, and outcomes-based incentive payments.

- Medicaid program funding strategies, including development and implementation of health care-related taxes, intergovernmental transfer (IGT) programs, and certified public expenditure (CPE) programs.
- Supplemental payments strategy, including development and implementation of FFS supplemental (UPL) payments, managed care pass-through payments, state directed 438.6(c) payments, uncompensated care pool (UCP) payments, and disproportionate share hospital (DSH) payments.

Within the past year, Luke has provided provider payment policy and rate setting support to state agencies in Arizona, Illinois, Nebraska, Oklahoma, Florida, and Washington. He also recently co-authored a whitepaper with ADvancing States, the association representing the nation’s 56 state and territorial agencies on aging and disabilities and long-term services and supports directors, on strategies to address challenges related to financing for nursing facility services during MLTSS program implementation.

Luke holds a bachelor’s degree in Mathematics from the University of Washington.

Jill Bruckert, FSA, MAAA

Project Role: Senior Medicaid / LTC Consultant and Secondary Project Contact

Jill Bruckert, FSA, MAAA, is a Principal and Consulting Actuary. She joined Milliman in 2007 and has spent her career providing actuarial support and consulting services to state Medicaid agencies, governmental organizations, and Medicaid health plans. In addition, Jill has experience providing strategic and actuarial services to LTC insurance companies and has been involved in LTC reform analyses.

Jill has worked extensively with state Medicaid agencies to develop and certify acute care and LTC managed care capitation rates, develop HCBS and behavioral health fee schedules, budget analyses and expenditure projections, custom risk adjustment methodologies, waiver support, legislative studies and fiscal impact analyses, and many other ad hoc projects.

Relevant to this solicitation, Jill has led developing fee schedules for HCBS and behavioral health services in the state of Mississippi since 2015, including a current project to rebase all HCBS fee schedules.

Jill is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor's degree in Actuarial Science and Finance from the Drake University.

Annie Gunnlaugsson, ASA, MAAA

Project Role: Oversee Calculations and Deliverable Development

Annie Gunnlaugsson, ASA, MAAA, is a Consulting Actuary. She joined Milliman in 2012. Annie has served many types of clients in her time with Milliman. Her areas of focus include LTC insurance and the group and individual commercial health markets. Annie has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016.

Annie has assisted clients in the areas of ACA pricing and rate filings, year-end statements of actuarial opinions, state insurance department LTC rate filings, and reserve estimation for medical and long-term care products. Most recently, Annie helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.

Annie is an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor's degree in Actuarial Science from the University of Wisconsin Madison.

Evan Pollock, FSA, MAAA

Project Role: Lead Technical Calculations

Evan Pollock, FSA, MAAA, is a Senior Actuarial Manager. He joined Milliman in August 2015. Over the past eight years, Evan has focused on three main market areas: LTC insurance,

Medicaid, and group and individual commercial health insurance. Evan has worked on various projects supporting the State of Washington and the WA Cares Fund since 2020.

Evan has worked on projects ranging from pricing, reserving, and experience review to feasibility studies, capitation rate setting, and options analysis. Recently, his focus has been private LTC insurance, LTC reform, and Medicaid LTC rate development for a large state client. Relevant to this solicitation, Evan helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.

Evan is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a bachelor's degree in Actuarial Science from the University of Wisconsin Madison.

Jennifer Gerstorff, FSA, MAAA

Project Role: Peer Review and Support with WA Medicaid Program

Jenny Gerstorff, FSA, MAAA, is a principal and consulting actuary with Milliman's Seattle office. She joined the firm in 2006. Jenny has spent her entire actuarial career working primarily with state Medicaid agencies, working on programs in over half of the states across the years. With a wealth of experience in Medicaid actuarial and policy consulting, Jenny specializes in working closely with state Medicaid agencies on a diverse range of critical topics. Her extensive expertise encompasses capitation rate development, new policy feasibility analysis, program integrity monitoring and improvement, state budget forecasting, healthcare delivery system integration, customized risk adjustment, health disparity evaluations, risk mitigation mechanisms, and encounter data monitoring.

Jenny's proficiency extends across various benefit types, including Medicaid acute care, community behavioral health, long-term care, dental, and other ancillary benefits. She has also worked with a wide array of populations, including traditional Medicaid, ACA Expansion

		<p>adults, Medicare-Medicaid dual-eligibles, non-qualified non-citizen expansions, and other specialized program populations.</p> <p>Beyond her work with state Medicaid agencies, Jenny has been a trusted consultant to independent provider organizations, non-national health plans serving Medicaid and Medicare populations, Medicaid health plan associations, and safety net healthcare providers. Her extensive background includes conducting financial and utilization-based analyses to support the development of historical experience studies, proforma projections, risk mitigation strategies, provider reimbursement rates, grant funding applications, and value-based contracting model implementation.</p> <p>She volunteers with the Society of Actuaries (SOA) and the American Academy of Actuaries (AAA), participating in research efforts and developing content for continuing education opportunities for over a decade. In 2022, Jenny was appointed as a commissioner at the Medicaid and CHIP Payment and Access Commission (MACPAC), a non-partisan government advisory body that plays a pivotal role in shaping Medicaid and CHIP policy through its guidance and recommendations to policymakers.</p> <p>Jenny is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a B.S. in Applied Mathematics from Columbus State University.</p>		
C	<p>Please describe your method for assuring that your services and deliverables are provided in accordance with high quality standards and for immediately correcting any deficiencies. What data would you propose to report to DSHS which would permit verification of your quality assurance activity, findings and actions?</p> <p>COMMENT: I would have liked a more detailed plan to immediately correct deficiencies.</p>	<p>ANSWER:</p> <p>Milliman employs a strong ethic of peer review in all its projects. This process requires a secondary review of the work performed, reports prepared, and overall project management. The reviewer is selected as someone familiar with the project, but who has not performed significant work on the specific project. This allows for impartial review and the opportunity for additional insights. The review is structured to identify any outstanding issues that were not addressed, to ensure that the information is presented in a logical and complete manner,</p>	20	18

		<p>and to ensure that the overall quality of the work meets Milliman’s high standards. This process adds an additional level of security for our clients. Should any deficiencies be discovered, we will work together with the State to ensure concerns are addressed in a timely manner.</p> <p>Accuracy and client satisfaction are our highest priorities in any engagement. At the individual client level, we tailor our procedures to your needs. Our consultants monitor client satisfaction through various informal contacts (e.g., in-person, virtual) on a continuous basis. Our high client retention ratios attest to the satisfaction of our clients.</p>		
D	<p>Please describe the measures you employ to assure that your services and deliverables are provided in a cost-effective manner that is consistent with quality outcomes and fair employment practices.</p> <p>COMMENT: This lacked sufficient detail and did not address fair employment practices.</p>	<p>ANSWER: Our fees reflect the estimated actual time spent on a project and related expenses. Our work is completed at the lowest hourly billing rate level possible while still providing the expertise required by our clients. Thus, technical work is often completed by analysts. Alternatively, planning, project design, assumption setting, and peer review are completed by more experienced consultants.</p>	20	15
E	<p>Please provide a work sample of a like project completed in the past that demonstrates the gathering of data necessary to evaluate current rates, potential rate fluctuation and/or a study demonstrating a similar data and study structure. Please include all work samples in a single PDF attachment. Submissions received in alternate formats may not receive a score. <i>Please ensure all proprietary material is clearly marked in accordance with RFP Document Section D.5.</i></p> <p>COMMENT:</p>	<p>ANSWER: Please see “RFP2334-830_Supplement D.5.e - SD1_Rate Study.pdf” for a work sample.</p>	50	50
F	<p>Please provide a narrative explaining how you plan to complete this project, inclusive of a proposed timeline in alignment with the deliverables table in the RFP and sample contract.</p>		50	48

	COMMENT:	<p>ANSWER:</p> <p>The focus of our engagement will be to provide guidance on how to utilize, maintain, and update rates as WA Cares program experience emerges. We will provide considerations and data points to assist WA Cares Fund in developing a structure for adapting to a dynamic marketplace for long-term care services. Below we provide a work plan for achieving these goals.</p> <p>Data Collection</p> <p>Between October 2023 and January 2024, we will largely focus on data collection and summarization. Specifically, we plan to gather information on current and historical rates for the LTSS service categories outlined in the solicitation for this engagement. The sources will vary for each applicable service, but in general we expect to leverage the following data sources.</p> <ul style="list-style-type: none"> • Washington Medicaid data provided by the State of Washington (e.g., utilization of services and rates paid out to providers in Medicaid LTSS). This data will inform Medicaid rates for many of the WA Cares Fund services. We will supplement with CMS Transformed Medicaid Statistical Information System (T-MSIS) data if applicable. • Milliman proprietary databases, namely the Long-Term Care Guidelines Database, which includes data from the commercial market, and the Consolidated Health Cost Guidelines Sources Database, which covers other lines of business. These sources represent tens of millions of life years of claim experience and will provide another benchmark for the major WA Cares Fund services. • Public sources, including the Genworth cost of care survey, Bureau of Labor Statistics, review of reports / literature of LTSS service costs, etc. Genworth’s cost of care survey is published publicly on an annual basis and contains information about average costs of care by service and geographic region for a commercial population. We will perform a thorough search for other relevant publicly available information to estimate and project average LTSS costs for the applicable population. 		
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- **Other interviews and surveys** of long-term care providers. We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study (i.e., weigh the costs and benefits of gathering information from this particular channel). If an interview or survey is determined to be worthwhile, Milliman will provide guidance and support to DSHS on how to conduct the interview and survey. Once interview and survey responses are collected by DSHS, Milliman will compile and analyze the results.

Study Analysis

Analysis of the collected information will be both quantitative and qualitative.

From a quantitative perspective, we will use gathered data to produce rate ranges by service category and project how those ranges may change over time (e.g., be adjusted for inflation). Given the detailed models we already have created to project WA Cares Fund cash flows, we can also perform quantitative analysis on how different rates may impact projections of the financial outlook of the program.

From a qualitative perspective, we will leverage our expertise in LTC, Medicaid, and the WA Cares Fund to advise on rate-related topics such as:

- Policy options for the rates and how the rates can be utilized by various stakeholders.
- How reimbursement for these services may impact provider availability.
- Guidance on how DSHS can adapt to maintain appropriate reimbursement as WA Cares program experience emerges.

Presentation of Findings

Between January 2024 and August 2024, we will develop focused reports for each project phase (1 through 4) that will provide the following information:

		<p>a) Results from our qualitative and quantitative analyses.</p> <p>b) Methodology and assumptions used in our study.</p> <p>c) Considerations for engaging with the results and guidance on next steps for the program.</p> <p>Our work will culminate with a final report before May 2025.</p> <p>Throughout the engagement we will provide needed expertise, guidance, education, and consultation to support WA Cares Fund staff, stakeholder groups, and the LTSS Trust Commission in areas associated with this Contract and attend ongoing meetings with these groups as is helpful.</p>		
G	<p>Please describe current or prior projects that demonstrate a like process and product. Please explain challenges and how they were overcome. Where do you foresee similar or different challenges with this study?</p> <p>COMMENT: I felt the response was misdirected to be in regards to challenges implementing recommendations, not challenges with completing the contractual work.</p>	<p>ANSWER:</p> <p>We list below projects that demonstrate our experience and challenges encountered for analyzing rates. We see similar challenges for this study, but expect the framework used to complete prior projects and overcome any challenges will also be effective for conducting this study. We expect this study will face new challenges since the WA Cares program is first-of-its-kind with no direct program experience to use for obtaining data. We expect some service categories will have more robust data to analyze (pulling from existing public and private program experience), while other categories may have very limited data to analyze. We envision our final deliverable for the study will establish a process for overcoming these challenges, including considerations of how to reflect actual program data as it emerges.</p> <p>Current / Prior Projects with Like Process and Product</p>	20	12

		<p>Milliman has assisted numerous state Medicaid agencies and other entities with the design, implementation, evaluation, and monitoring of payment systems and rate-setting methods for all types of services:</p> <ul style="list-style-type: none"> • Long-term supports and services, including nursing facility services, residential services, and other HCBS provided to the aged and disabled populations, as well as to persons with intellectual or developmental disabilities. • Behavioral health services, including HCBS and other services that are unique to persons requiring these services, such as partial hospitalization, intensive outpatient and substance use disorder services • Inpatient and outpatient hospital services, including acute services, both short-term psychiatric care and long-term civil commitment services, rehabilitation, long-term acute care, and other types of hospital settings • Professional and clinic services, including physician, nursing, therapy, and other services • Other unique services provided by state Medicaid agencies, including services provided under authority granted through CMS waiver programs <p>With respect to rates for long term services and supports, Milliman understands the challenges and opportunities facing states like Washington as they develop public policy that impacts payment for and access to long-term services and supports, which can have implications for individuals receiving these services to live healthy, safe, meaningful, and self-determined lives that include the ability to fully engage in community living.</p> <p>Milliman recently assisted the Washington State Health Care Authority (HCA) with developing comparison rates intended to provide transparent benchmark estimates of Medicaid payment rates to providers for behavioral health services, using methodologies consistent with CMS approved HCBS rate structures. These comparison rates comprise all significant behavioral health services, including mental health and substance use disorder (SUD) outpatient services and SUD residential care and withdrawal management. The Milliman team used an independent rate model approach consistent with methodologies used for HCBS payment,</p>		
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		<p>informed by analyses of independent data sources (e.g., Bureau of Labor Statistics wage data), and State program staff and provider subject matter expertise. Milliman developed and implemented a stakeholder engagement strategy including all-provider meetings, three stakeholder workgroups (specific to service type) and ad hoc subgroups for intensive team-based services for adults and youth. Rate assumptions include the identification of wage levels by type of behavioral health professional, employee-related benefits and taxes, supervisor span of control, turnover, training, paid time off, administrative costs, transportation, residential facility staffing, and facility overhead costs, among others.</p> <p>Community residential agencies are facing immense pressures, ranging from workforce competition to making sure that services are person-centered. These unique business challenges that providers face can primarily be grouped into two buckets, which can sometimes overlap: financial challenges and service challenges.</p> <p>FINANCIAL CHALLENGES</p> <p>Community residential agencies require sufficient rates to hire and maintain a skilled workforce that is able to deliver person-centered services. Per a 2019 Report to the Legislature, <i>Rethinking Intellectual and Developmental Disability Policy to Empower Clients, Develop Providers, and Improve Services</i>, “Feedback from contracted providers consistently indicates that they are unable to recruit and retain sufficient numbers of skilled direct care professional under the current rate.” Financial pressures have only increased since 2019 due to the pandemic, workforce competition, and the global financial landscape. Below are considerations of key financial challenges that providers are facing.</p> <p>Wage pressures and staff retention</p> <p>Washington, like many states, faces challenges supporting residential care workforce recruitment, training, development, and retention. Community residential agencies will face challenges building a high-quality workforce that is able to provide continued access to services with high turnover and vacancy rates. High turnover and vacancy rates not only</p>		
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impact the delivery of services to clients, but also leads to higher costs to providers as they spend more time on training, getting staff oriented with their job duties, and longer service time as they build a relationship with their clients.

Milliman brings an in-depth understanding of the workforce challenges that states face when ensuring access to high-quality services, which have been exacerbated by the COVID-19 pandemic's impact on the economy. We regularly gather feedback from stakeholders regarding state-specific labor market dynamics and wage levels and have extensive experience collecting and analyzing a wide variety of national and state wage data when developing payment rates. This experience includes developing and administering state-specific cost and wage surveys that identify wages by staff level and employee-related benefit costs and conducting stakeholder interviews.

We also work with states to address workforce challenges more broadly. For example, in Rhode Island, we are supporting the State in the implementation of a temporary increase in Medicaid fee-for-service rates with specific requirements to pass the extra funds through to direct care workers in the HCBS provider organizations, while in Florida we conducted an assessment of the state's increased minimum wage and its impact on reimbursement rates for HCBS providers and residential care facilities among others. Our support to our clients has included identifying included providers, drafting program guidance, assisting in stakeholder meeting facilitation, and researching policy alternatives consistent with regulatory guidance and operational needs.

Additional challenges

In addition to minimum wage adjustments, providers are feeling wage pressures due to inflation, demand for services, and the public health emergency for COVID-19. Some of these wage pressures are temporary and will be replaced by other pressures. As such, payment rates must be flexible and transparent to incorporate mid-stream adjustments to account for these unanticipated pressures.

SERVICE CHALLENGES

Community residential agencies are adapting to evolving service requirements as states are moving towards paying for outcomes, providers are complying with the HCBS Setting Rule, and temporary service standards implemented during the pandemic are becoming permanent (e.g., virtual service delivery). Below are considerations of key service challenges that providers are facing:

Compliance with HCBS Setting Rule

Providers must follow the requirements of the HCBS Setting Rule (under 42 CFR § 441.301(c)(4)(5) and § 441.710(a)(1)(2)) by providing integrated service options and both choices and rights within a residential setting (e.g., choice of a private room, roommate, schedule, etc.) Residential providers must not only comply with these requirements but must also report their compliance to Residential Care Services (RCS) Contracted Evaluators and RCS Investigators. Providers must continue to emphasize and train their staff on person-centered care planning that supports a person's choice and preferences.

Quality and outcomes reporting

States are requiring the delivery of and outcome and quality reporting to support the delivery and payment for services, especially as states are reinforcing person-centered services and meeting the requirements of the HCBS Settings Rule. Providers, and their direct support professionals, need to learn how to report outcomes and quality measures. These reporting requirements can increase both indirect service time and administrative costs for providers, as well as payments, if quality and outcomes reporting is tied to payments.

Culturally specific services

Washington is a geographically and culturally diverse state, which can cause challenges with delivering person-centered services that are impactful and meet the needs of an individual.

		<p>Community residential agencies will need to hire and retain staff that can build relationships and deliver services with people that may be non-verbal, speak languages other than English, suffer from homelessness, are Indian tribal members, have dual-diagnoses and require mental health services, or some other need that will require the support of a workforce that is responsive to an individual's values, beliefs, health literacy, preferred language, and other communication needs. Providers are facing challenges building a workforce that is able to deliver culturally specific services, and in a language that a person can understand, which requires a tenured workforce that is appropriately trained and can build relationships with the people they serve. Hiring and retaining culturally specific practitioners will require a provider to pay a premium wage to retain a direct care provider that can deliver culturally specific services.</p>		
H	<p>Please provide an explanation of methodologies and strategies while gathering necessary data for this project.</p> <p>COMMENT: I would have liked more detail on possible data sources in addition to using surveys.</p>	<p>ANSWER:</p> <p>We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study. Obtaining data through a survey process is one of the common strategies we use when conducting rate studies and developing rate recommendations. We often rely on surveys to collect additional information and data from stakeholders that will provide important insights in the process. Milliman staff have extensive experience in designing and administering surveys, reviewing the information reported, and processing and analyzing the data received. Conducting interviews and workgroup meetings with stakeholders is another common strategy for collecting information to consider when conducting rate studies and developing rate recommendations. Our staff also have experience in conducting interviews and interactive meetings with various stakeholders to gather important feedback and information, and to better understand the challenges faced by stakeholders.</p> <p>As an example, Milliman was recently retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental disabilities. As part of this rate study, the Milliman team coordinated and</p>	20	16

		facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce.		
6.	Budget and Reporting (10 points)			
A	<p>Please complete Attachment F: Budget Response Template, detailing all costs to provide the services as outlined in this Competitive Solicitation, including the Sample Contract set forth on Attachment A. Please include the completed form as a separate document in your bid response. Please provide a general budget narrative below that describes in detail how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document.</p> <p>COMMENT: I would have preferred a more detailed breakdown.</p> <p>Bidders are to complete the Attachment F: Budget Response Template spreadsheet and submit it in Excel format with your bid response. Your responses in Attachment F will be scored in this section of Attachment D: Bidder Response Form.</p> <p>ANSWER:</p> <p>Please see “RFP2334-830_Attachment_F_Budget Template_Milliman_20230929.xlsx” for our completed Budget Response Template spreadsheet. Our professional fees will be based on the actual hours worked on the project multiplied times our consulting fee hourly rate, subject to the total maximum amount under this solicitation. The ‘Consulting Fees for Professional Services’ line item in Attachment F reflects all estimated costs to perform the services under this engagement.</p> <p>We include in the table below how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document. The estimated budget by deliverable / benchmark is based on the number of estimated hours and resulting professional fees to complete each task, subject to the overall total maximum amount under this solicitation.</p>			
			10	9

Deliverables and Benchmarks		Estimated Budget
Introductory Meeting		\$25,000 upon completion of service group 1
Check-in and DSHS Approval		
Data Share Agreement		
Service Group 1 Meetings		
Service Group 1 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 2
Service Group 2 Meetings		
Service Group 2 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 3
Service Group 3 Meetings		
Service Group 3 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 4
Service Group 4 Meetings		
Service Group 4 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of report
Inflation Adjustment Meetings		
Inflation Adjustment Methodology Report and DSHS Approval		

NOTES:

WRITTEN RESPONSE SCORING
October 2-6, 2023
RFP 2334-830
Economic Rates Study

Vendor Name: Milliman, Inc.

Evaluator Number: WE5

General Guidelines:

- Please score each vendor's response without reference to the scores for other vendors. Each score should reflect your score based on the criteria only.
- Please note all scores and comments in the allotted sections. If you change a score, initial the change.
- Please include comments that will assist the vendor in understanding why the response did not get full points. Positive comments are also welcome.
- We would prefer that you leave a comment for each question scored, briefly explaining why you assigned that particular score.
- You may discuss the proposals among the evaluation team, but each evaluator should score independently. **We do not use consensus scoring.**
- Do not downgrade a proposal because it did not address something that was not asked for in the Solicitation.

Scoring of Proposals

The following available points will be assigned to the proposal for evaluation purposes:

Section 5 Bidder Qualifications & Experience 240 points

Section 6 Budget & Reporting 10 points

If you have questions, please direct them to Lauren Bragazzi, Solicitation Coordinator, phone 360-664-6047. All evaluations must be returned and reviewed by the Solicitation Coordinator at the end of the evaluation.

Score	Description	Discussion
90-100% of available points	Exceptional	Clearly superior to that which is average.
70-80%	Above Average	Better than that which is average.
50-60%	Average	Baseline score for each item with adjustments based upon the evaluator's interpretation of the Bidder's response.
30-40%	Below Average	Substandard to that which is average.
10-20%	Failing	Non-responsive or clearly inadequate to that which is average.
0%	No Experience	Response shows no experience in this skill or capability.

Evaluator Scoresheet for RFP 2334-830

You will be evaluating one part of the bidder’s submission: Section 5 and Section 6. If a question requires Bidders to submit additional documents, they will be included in an attached document.

5.	BIDDER Qualifications and Experience (240 Points)		240 MAX POINTS	SCORE
A	<p>Please provide the number of years of experience your organization has conducting rates studies and how many years specific to conducting rates studies regarding Long-Term Care services. Please describe the experiences, skills, and qualifications your organization possesses that are relevant to an evaluation of your ability to perform the Contract that is the subject of this Solicitation. Please ensure that your answer to this question includes all information that you wish DSHS to consider in determining whether you meet the minimum Bidder qualifications set forth in the Solicitation Document. Please include any relevant experience that distinguishes your organization or makes it uniquely qualified for the Contract.</p>			
	COMMENT:	<p>ANSWER:</p> <p>Milliman has 30+ years of experience in advising clients on a variety of areas related to analysis of LTSS services and rate studies. Our organization’s experience includes assisting LTSS / LTC programs in both the public and private sectors, experience that will be directly relevant for completing the rate study for this engagement.</p> <p>We have 30+ years of experience conducting rates studies and fee schedule analysis more broadly for commercial and government healthcare programs. We have 15+ years of direct experience assisting Medicaid programs in conducting rates studies regarding LTSS / LTC services.</p> <p>We highlight below relevant work experience and examples, including work to project service costs to support the actuarial analysis of premium rates, fund balance, and viability of program features for the WA Cares Fund program over the last 8 years.</p> <p>Milliman Experiences, Skills, and Qualifications</p> <p><u>Rate Setting for State Medicaid Agencies</u></p>	50	45

		<p>Milliman has vast experience advising states regarding Medicaid Long-Term Services and Supports (LTSS) rate-setting methodologies and related policies. Our team members also have significant experience with the regulatory and compliance considerations for implementing LTSS payment methodologies, as well as decades of experience managing stakeholder engagement (for providers, participants, managed care organizations, and advocates) throughout the rate development process. We also understand LTSS workforce challenges and opportunities facing state agencies and ensuring there are enough workers to meet beneficiaries' needs.</p> <p>In the past five years alone, we have assisted 12 Medicaid agencies, including Arkansas, Hawai'i, Indiana, Iowa, Michigan, Mississippi, New Hampshire, Ohio, Rhode Island, South Carolina, Washington, and Wisconsin with the development of provider fee schedules for LTSS services. We have also assisted with the development of tiered rates for LTSS services in Arkansas, Hawai'i, Indiana, Ohio, Iowa, Rhode Island, and Wisconsin; bundled rates for LTSS services in Indiana and Ohio; and negotiated market rates for LTSS services in Arkansas. As part of these projects, we have also assisted with calculations of cost neutrality, analyzed service utilization, conducted rate development projects, developed innovative managed care rate structures, and projected waiver program expenditures.</p> <p><u>Actuarial / Financial Modeling for WA Cares Fund</u> Milliman has provided actuarial support and financial analysis and projections for WA Cares Fund since the program was enacted in 2019 (and feasibility studies before the program was enacted). The financial modeling includes the projection of estimated revenue and expenditures under WA Cares Fund for the next 75 years. The expenditures include estimates of service costs incurred by major site of care: nursing home, assisted living facility, and care at home. Our work for WA Cares Fund includes frequent meetings with WA DSHS and WA OSA and various workgroups responsible for recommending / clarifying program features. We also routinely present findings of our work at the LTSS Trust Commission public meetings.</p> <p><u>Private Market LTC Insurance Service Cost Data</u></p>		
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Milliman has significant experience in analyzing commercial service costs for Long-Term Care (LTC) Insurance programs. Milliman has developed a set of proprietary Long Term Care Guidelines (*LTC Guidelines*), which provide frequencies, continuance curves, utilization assumptions and claim costs from a large number of product designs over the past three decades. The Milliman *LTC Guidelines* incorporate both private and public sector data sources, and are periodically updated to reflect the most comprehensive and current information available in the market. The *LTC Guidelines* are one area of differentiation from other actuarial and consulting firms. The first set of *LTC Guidelines* was developed in 1992 and has been updated regularly, with the most recent edition completed in 2020. The breadth of underlying data and the comprehensiveness of analysis position the *LTC Guidelines* to be an unrivaled benchmark for LTC morbidity.

Milliman Relevant Experience

We list below recent relevant experience that distinguishes Milliman and makes us uniquely qualified to support the work requested under this Contract.

1. Feasibility Studies to Finance LTSS in Washington

Sponsor: Washington Department of Social and Human Services (DSHS)
Project Duration: February 2016 to January 2017, June 2018 to October 2018

In 2016, Milliman was engaged to study the feasibility of offering two unique LTSS financing options in the State of Washington. Various stakeholder interviews and discussions in the State of Washington helped determine the final scope of plan parameters to model for the project. The scope of our engagement included the evaluation and discussion of the following items:

- Expected costs and benefits for participants
- Total anticipated number of participants
- Financial and legal risks to the State

- Savings to the State Medicaid program

In 2018, Milliman was engaged to perform a follow-up study, in which we analyzed the expected costs of changing the plan parameters and sensitivities surrounding these parameters.

1. LTSS Trust / WA Cares Fund Actuarial Studies

Sponsor: Washington Office of the State Actuary (OSA)
Project Duration: February 2020 to Present

After the LTSS Trust Act was passed, Milliman was re-engaged by the OSA in 2020, working closely with WA DSHS, to assist in projecting the current program and modeling program alternatives / changes. Milliman continues to support the development and implementation of WA Cares Fund. Notable deliverables include the 2020 and 2022 Actuarial Study of WA Cares Fund, as well as other deliverables included in the Milliman Actuarial Studies / Reports on the OSA website.

Relevant to this solicitation, our engagement with OSA includes working with a government agency and other stakeholders to analyze LTC financing solutions and has required an understanding of the current LTC financing environment in Washington. Additionally, we gained experience presenting to the LTSS Trust Commission and assisting various legislative work groups.

3. HCBS Rate Study for Washington DSHS

Sponsor: Washington Department of Social and Health Services (DSHS)
Project Duration: June 2022 – Present

Milliman was retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental

disabilities. As part of this rate study, the Milliman team coordinated and facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce. Milliman is currently in the process of developing rate recommendations.

4. Nursing Facility Payment Transformation and Rate Setting for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)

Project Duration: May 2021 – Present

The State’s goals for updating Medicaid nursing facility reimbursement were as follows:

- Transition from a fully cost-based reimbursement model to a price-based model that pays for value provided rather than costs incurred.
- Remove retroactive cost settlements and design a prospective-only payment. This was in part needed to facilitate state-direction of the state nursing facility fee schedule to managed care providers.
- Alignment with reimbursement for HCBS and other Medicaid services. The prior reimbursement model, with quarterly updates and guaranteed reflection of any cost increases, was unique to nursing facilities. A level playing field for reimbursement is a key step towards rebalancing.
- Quality – Link provider payments to member outcomes by devoting a material portion of the payment to higher quality facilities and selecting meaningful metrics and relevant metrics on which to base payments.

It was decided at the outset that the reimbursement restructuring would be budget neutral – that is, target total funding in the system would be the same as under the legacy system. This was key to getting provider buy-in. It was understood that there would be “winners and losers”, but most were able to support the goal of reallocating funding to reward higher quality and more cost-effective facilities.

The Project was divided into three workstreams:

1. Nursing Facility Base Rates
2. Supplemental Nursing Facility Payments (Upper Payment Limit, supported by IGTs)
3. Restructure Quality Program

For each work stream, the state set up a series of meetings. Milliman prepared materials and led discussion, after first having internal meetings with the State of Indiana to confirm direction and content. We began by presenting background information, including state goals, regulatory constraints, and analysis related to shortcomings of the current system. For example, although there were large differences among the 500+ nursing facilities in per diem reimbursement under the legacy cost-based system, these differences had no statistical correlation with acuity (RUG scores) or quality scores, so it was difficult to justify the variation in payment. We also presented options for the new reimbursement model, offered advantages and disadvantages to each, and developed a series of facility-specific models to help stakeholders understand the initial proposal and subsequent refinements, and how it might affect them. Over the course of the project, we worked with the state, nursing facility industry and other stakeholders to build consensus on a new reimbursement structure, supplemental payment design, and quality program.

The State also prioritized working collaboratively with stakeholders and agreed to smooth the transition by offering a transition period. Milliman collaborated with the State and stakeholders to model and assess various transition plan options, aiming to strike a balance between introducing the new reimbursement system's goals and minimizing disruption to current operations. Communicating the options and the eventual chosen transition plan clearly to providers was essential to ensuring they had adequate time and information to

prepare for the new reimbursement structure. Milliman will continue to provide support to the State and stakeholders as the new system is implemented, ensuring a smooth transition and the successful implementation of the new system as intended.

5. HCBS Rate Setting and Development of MLTSS Quality Framework for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)
Project Duration 2019 – Present

Milliman is currently supporting a cross-agency effort under Indiana FSSA to establish HCBS rates, working with the Office of Medicaid Policy and Planning (OMPP), the Division of Aging (DA), and the Division of Disability and Rehabilitation Services (DDRS). One challenge with this project is coordinating multiple state agencies and their associated stakeholders through a rate setting process that was aligned, transparent, and towards the conclusion of the public health emergency. We are working with FSSA and the supporting agencies on:

- Goal setting and stakeholder engagement planning with the client
- Stakeholder engagement throughout the process in an inclusive and transparent framework
- Payment methodology, data options, and input
- Conceptual design, payment simulation, and refinement
- Public comment, state budget and legislative approval, CMS approval
- Stakeholders (internal and external) were included in project initiation all the way through the final vetting of all rate assumptions.

Related to this work, Milliman also played a stakeholder facilitation role to help the state develop its holistic LTSS quality strategy framework. The state sought to define its quality strategy to inform both its Master Plan on Aging and Medicaid Managed Care Quality Strategy, as well as leverage its purchasing power through specific MCO contract requirements and quality incentives through its upcoming MCO MLTSS procurement. For this project, we have conducted an extensive environmental scan and research, followed by a

series of stakeholder interviews (meeting with over 30 leaders across multiple agencies) to understand available data and performance measures, historical and recent performance including performance gaps, external stakeholder input received to date and other pertinent insights about the current landscape. We then facilitated a strategy session summit where we helped the group to establish a set of guiding MLTSS Quality Framework goals. Follow-up activities included working with a subgroup to establish foundational Year One objectives and metrics to monitor progress toward the goals. We also assisted with the development of managed care RFP language to outline the quality strategy and outline plan responsibilities to achieve the goals and objectives.

6. Residential Care and Behavioral Health Rate Setting for Michigan DHHS

Sponsor: Michigan Department of Health and Human Services

Project Duration: 2019 – Present

Milliman was retained by Michigan DHHS to provide actuarial and consulting services related to the development of a behavioral health and intellectual/developmental disabilities (BH I/DD) fee schedule for its specialty services managed care program (Note: MDHHS includes both BH and I/DD services in this program, which is often referred to as their Behavioral Health Program). This BH I/DD fee schedule was a system-wide project spanning multiple years and encompasses a wide range of services that are covered under the managed care capitation rates, including case management and treatment planning, community living supports, evaluation and management, outpatient services, psychiatric diagnostic evaluations, residential services, and skill building. Milliman is also supporting the development of tiered residential care payment rates for individuals with I/DD and individuals with serious mental illness. Milliman has facilitated a stakeholder workgroup to obtain feedback on tiering approaches, conducted provider interviews to obtain insights on residential care staffing and service delivery, conducted research on other state approaches, and performed an analysis of SIS-A assessment data to assess the relationship between SIS scores and HCBS service utilization.

7. HCBS Rate Setting and Stakeholder Support for Ohio DODD

Sponsor: Ohio Department of Developmental Disabilities
Project Duration: 2022 – Present

Milliman was retained by Ohio DODD to support the development of HCBS payment rates and the design of a quality program for Adult Day and Employment services for individuals served by the Department of Developmental Disabilities (DODD). Our team is currently working with stakeholders to establish HCBS rates that consider historical and future wages for HCBS providers and the potential downstream impact on services that are outside of the rate study. We have also been facilitating engagement with key stakeholders to solicit input and support regarding the implementation of two quality programs, which will include an ARPA supported pilot, capacity/infrastructure payments, and outcomes-based payments.

8. Provider Rate Review for Rhode Island OHIC

Sponsor: Rhode Island Office of the Health Insurance Commissioner
Project Duration: 2023 – Present

Milliman is currently engaged by Rhode Island OHIC to provide a comprehensive review of health and human services offered in the state, including both a financial and programmatic assessment. The financial assessment includes review of program rates, timing of last rate increase, utilization trends, and comparisons between Rhode Island and other regional states on these topics. Programmatic review includes assessment of eligibility standards, processes of program operations, access to programs, organizational structure, oversight of program providers, and accountability structures, including all programs funded by Medicaid and other funding sources in the following areas: social, mental health, aging, developmental disability, child welfare, juvenile justice, prevention services, habilitative, rehabilitative, substance use disorder treatment, residential care, adult or adolescent day services, employment and training, and vocational services. This work is overseen by the Office of the Insurance Commissioner and an advisory council created for this purpose and includes a series of

legislative reports summarizing the findings. Our work includes both conducting the independent research needed to provide full assessment and collaboration with the advisory council and other invested stakeholders. Our programmatic research has involved review of state administrative regulations, state program documents and web pages and applying our knowledge of federal regulations and processes. Drawing on Milliman’s expertise across the array of programmatic areas has allowed us to narrow focus to the most critical components of programming in each sub-population and provide the critical assessment required to bring meaningful insights and note best practices and perhaps areas that are ripe for improvement. This financial work likewise, has required the application of Milliman’s rate setting expertise and coordination with state agencies on rate information that is not within the public domain.

9. Rate Updates and Alignment for Mississippi Division of Medicaid

Sponsor: Mississippi Division of Medicaid

Project Duration: July 2011 - Present

As the consulting actuary for the State of Mississippi, Milliman routinely assists the Division to update the FFS rates for the HCBS waiver programs. Examples of services for which rates have been developed include attendant care, assisted living, adult day care, autism services, and case management.

The modeling approaches vary depending on the service but generally involves a “ground-up” build using wage and benefit data, productivity assumptions, industry staffing ratios, and related administration costs for the services provided. In certain situations, other ancillary services such as transportation were incorporated.

Stakeholder engagement has been a key part of each of the rate updates, consisting of survey tools, workgroups, and other feedback mechanisms.

		Currently Milliman is assisting the state with a full rebasing of all fee schedules for the assisted living, community support program, elderly disabled, intellectually and developmentally disabled, independent living, and traumatic brain injury waivers.		
B		Please provide the names of the key team members you will assign to this Contract, if you are the Successful Bidder, and provide their proposed roles and copies of resumes describing the relevant experience they possess. Bidder should note that if awarded a contract, it may not reassign its key personnel from the Project without prior approval of DSHS.		
	COMMENT:	<p>ANSWER:</p> <p>Key personnel providing assistance on the project are outlined below.</p> <p>Chris Giese, FSA, MAAA Project Role: Overall Project Responsibility and Primary Project Contact</p> <p>Chris Giese, FSA, MAAA, is a Principal and Consulting Actuary. He joined the firm in 2000. Chris has experience with healthcare and long-term care programs, with more than 20 years of experience in these areas. Chris has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016.</p> <p>Chris has assisted various entities, including insurance companies, health plans, employers, technology firms, and government programs. He has helped clients with a wide variety of projects such as financial projections and reporting, valuation of reserves, experience analysis, product development and pricing, appraisals, risk management, and evaluations of financing reform alternatives. Chris previously served as Chair of the Society of Actuaries (SOA) LTC Section Council and participated in various SOA and American Academy of Actuaries work groups.</p> <p>Most recently, Chris led projects gathering stakeholder feedback and analyzing various policy options to alternatively finance LTC for the states of Washington, California, Illinois, and Michigan. Chris has assisted LTC insurance carriers with evaluating the adequacy of active life</p>	10	10

reserves and claim reserves, performing in-depth analysis of historical morbidity and persistency experience for various blocks of business, completing annual statements of actuarial opinion regarding insurance companies' statutory / GAAP liabilities, and helped a company develop framework and projections to illustrate LTC costs in retirement planning for consumers. In addition to LTC programs, Chris has assisted healthcare program including supporting benefits administration firm to develop cost estimates used in helping employees decide among plan options during open enrolment, performing comprehensive analysis for employer on quarterly basis to identify and prioritize individuals for proactive outreach as part of its population health management, measuring healthcare costs versus regional and national benchmarks, and assisting entities in developing a multi-year strategic plan in response to the Affordable Care Act.

Chris is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a B.S. in Mathematics from Carroll College.

Luke Roth

Project Role: Senior Healthcare Consultant and Secondary Project Contact

Luke Roth is a Principal and Senior Healthcare Consultant in the Seattle office of Milliman. He rejoined the firm in 2018.

Luke has over 15 years of experience providing strategic guidance and transformative solutions to healthcare leaders and policy makers as they have navigated the unique risks and opportunities facing their organizations. As a member of Milliman's Medicaid Finance and Policy practice, he primarily supports state agencies in the areas of:

- Long-term services and supports (LTSS) payment system design and rate setting, including nursing home services and home- and community-based services.
- Hospital inpatient and outpatient payment system design and rate setting, including inpatient DRG-based payment systems, outpatient EAPG-based payment systems, and outcomes-based incentive payments.

- Medicaid program funding strategies, including development and implementation of health care-related taxes, intergovernmental transfer (IGT) programs, and certified public expenditure (CPE) programs.
- Supplemental payments strategy, including development and implementation of FFS supplemental (UPL) payments, managed care pass-through payments, state directed 438.6(c) payments, uncompensated care pool (UCP) payments, and disproportionate share hospital (DSH) payments.

Within the past year, Luke has provided provider payment policy and rate setting support to state agencies in Arizona, Illinois, Nebraska, Oklahoma, Florida, and Washington. He also recently co-authored a whitepaper with ADvancing States, the association representing the nation’s 56 state and territorial agencies on aging and disabilities and long-term services and supports directors, on strategies to address challenges related to financing for nursing facility services during MLTSS program implementation.

Luke holds a bachelor’s degree in Mathematics from the University of Washington.

Jill Bruckert, FSA, MAAA

Project Role: Senior Medicaid / LTC Consultant and Secondary Project Contact

Jill Bruckert, FSA, MAAA, is a Principal and Consulting Actuary. She joined Milliman in 2007 and has spent her career providing actuarial support and consulting services to state Medicaid agencies, governmental organizations, and Medicaid health plans. In addition, Jill has experience providing strategic and actuarial services to LTC insurance companies and has been involved in LTC reform analyses.

Jill has worked extensively with state Medicaid agencies to develop and certify acute care and LTC managed care capitation rates, develop HCBS and behavioral health fee schedules, budget analyses and expenditure projections, custom risk adjustment methodologies, waiver support, legislative studies and fiscal impact analyses, and many other ad hoc projects.

Relevant to this solicitation, Jill has led developing fee schedules for HCBS and behavioral health services in the state of Mississippi since 2015, including a current project to rebase all HCBS fee schedules.

Jill is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor's degree in Actuarial Science and Finance from the Drake University.

Annie Gunnlaugsson, ASA, MAAA

Project Role: Oversee Calculations and Deliverable Development

Annie Gunnlaugsson, ASA, MAAA, is a Consulting Actuary. She joined Milliman in 2012. Annie has served many types of clients in her time with Milliman. Her areas of focus include LTC insurance and the group and individual commercial health markets. Annie has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016.

Annie has assisted clients in the areas of ACA pricing and rate filings, year-end statements of actuarial opinions, state insurance department LTC rate filings, and reserve estimation for medical and long-term care products. Most recently, Annie helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.

Annie is an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor's degree in Actuarial Science from the University of Wisconsin Madison.

Evan Pollock, FSA, MAAA

Project Role: Lead Technical Calculations

Evan Pollock, FSA, MAAA, is a Senior Actuarial Manager. He joined Milliman in August 2015. Over the past eight years, Evan has focused on three main market areas: LTC insurance,

Medicaid, and group and individual commercial health insurance. Evan has worked on various projects supporting the State of Washington and the WA Cares Fund since 2020.

Evan has worked on projects ranging from pricing, reserving, and experience review to feasibility studies, capitation rate setting, and options analysis. Recently, his focus has been private LTC insurance, LTC reform, and Medicaid LTC rate development for a large state client. Relevant to this solicitation, Evan helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.

Evan is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a bachelor's degree in Actuarial Science from the University of Wisconsin Madison.

Jennifer Gerstorff, FSA, MAAA

Project Role: Peer Review and Support with WA Medicaid Program

Jenny Gerstorff, FSA, MAAA, is a principal and consulting actuary with Milliman's Seattle office. She joined the firm in 2006. Jenny has spent her entire actuarial career working primarily with state Medicaid agencies, working on programs in over half of the states across the years. With a wealth of experience in Medicaid actuarial and policy consulting, Jenny specializes in working closely with state Medicaid agencies on a diverse range of critical topics. Her extensive expertise encompasses capitation rate development, new policy feasibility analysis, program integrity monitoring and improvement, state budget forecasting, healthcare delivery system integration, customized risk adjustment, health disparity evaluations, risk mitigation mechanisms, and encounter data monitoring.

Jenny's proficiency extends across various benefit types, including Medicaid acute care, community behavioral health, long-term care, dental, and other ancillary benefits. She has also worked with a wide array of populations, including traditional Medicaid, ACA Expansion

		<p>adults, Medicare-Medicaid dual-eligibles, non-qualified non-citizen expansions, and other specialized program populations.</p> <p>Beyond her work with state Medicaid agencies, Jenny has been a trusted consultant to independent provider organizations, non-national health plans serving Medicaid and Medicare populations, Medicaid health plan associations, and safety net healthcare providers. Her extensive background includes conducting financial and utilization-based analyses to support the development of historical experience studies, proforma projections, risk mitigation strategies, provider reimbursement rates, grant funding applications, and value-based contracting model implementation.</p> <p>She volunteers with the Society of Actuaries (SOA) and the American Academy of Actuaries (AAA), participating in research efforts and developing content for continuing education opportunities for over a decade. In 2022, Jenny was appointed as a commissioner at the Medicaid and CHIP Payment and Access Commission (MACPAC), a non-partisan government advisory body that plays a pivotal role in shaping Medicaid and CHIP policy through its guidance and recommendations to policymakers.</p> <p>Jenny is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a B.S. in Applied Mathematics from Columbus State University.</p>		
C	<p>Please describe your method for assuring that your services and deliverables are provided in accordance with high quality standards and for immediately correcting any deficiencies. What data would you propose to report to DSHS which would permit verification of your quality assurance activity, findings and actions?</p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>Milliman employs a strong ethic of peer review in all its projects. This process requires a secondary review of the work performed, reports prepared, and overall project management. The reviewer is selected as someone familiar with the project, but who has not performed significant work on the specific project. This allows for impartial review and the opportunity for additional insights. The review is structured to identify any outstanding issues that were not addressed, to ensure that the information is presented in a logical and complete manner,</p>	20	13

		<p>and to ensure that the overall quality of the work meets Milliman’s high standards. This process adds an additional level of security for our clients. Should any deficiencies be discovered, we will work together with the State to ensure concerns are addressed in a timely manner.</p> <p>Accuracy and client satisfaction are our highest priorities in any engagement. At the individual client level, we tailor our procedures to your needs. Our consultants monitor client satisfaction through various informal contacts (e.g., in-person, virtual) on a continuous basis. Our high client retention ratios attest to the satisfaction of our clients.</p>		
D	<p>Please describe the measures you employ to assure that your services and deliverables are provided in a cost-effective manner that is consistent with quality outcomes and fair employment practices.</p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>Our fees reflect the estimated actual time spent on a project and related expenses. Our work is completed at the lowest hourly billing rate level possible while still providing the expertise required by our clients. Thus, technical work is often completed by analysts. Alternatively, planning, project design, assumption setting, and peer review are completed by more experienced consultants.</p>	20	12
E	<p>Please provide a work sample of a like project completed in the past that demonstrates the gathering of data necessary to evaluate current rates, potential rate fluctuation and/or a study demonstrating a similar data and study structure. Please include all work samples in a single PDF attachment. Submissions received in alternate formats may not receive a score. <i>Please ensure all proprietary material is clearly marked in accordance with RFP Document Section D.5.</i></p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>Please see “RFP2334-830_Supplement D.5.e - SD1_Rate Study.pdf” for a work sample.</p>	50	48
F	<p>Please provide a narrative explaining how you plan to complete this project, inclusive of a proposed timeline in alignment with the deliverables table in the RFP and sample contract.</p>		50	40

	COMMENT:	<p data-bbox="506 199 632 224">ANSWER:</p> <p data-bbox="506 277 1696 461">The focus of our engagement will be to provide guidance on how to utilize, maintain, and update rates as WA Cares program experience emerges. We will provide considerations and data points to assist WA Cares Fund in developing a structure for adapting to a dynamic marketplace for long-term care services. Below we provide a work plan for achieving these goals.</p> <p data-bbox="506 509 709 534">Data Collection</p> <p data-bbox="506 587 1705 771">Between October 2023 and January 2024, we will largely focus on data collection and summarization. Specifically, we plan to gather information on current and historical rates for the LTSS service categories outlined in the solicitation for this engagement. The sources will vary for each applicable service, but in general we expect to leverage the following data sources.</p> <ul data-bbox="554 824 1724 1399" style="list-style-type: none"> <li data-bbox="554 824 1724 971">• Washington Medicaid data provided by the State of Washington (e.g., utilization of services and rates paid out to providers in Medicaid LTSS). This data will inform Medicaid rates for many of the WA Cares Fund services. We will supplement with CMS Transformed Medicaid Statistical Information System (T-MSIS) data if applicable. <li data-bbox="554 980 1724 1164">• Milliman proprietary databases, namely the Long-Term Care Guidelines Database, which includes data from the commercial market, and the Consolidated Health Cost Guidelines Sources Database, which covers other lines of business. These sources represent tens of millions of life years of claim experience and will provide another benchmark for the major WA Cares Fund services. <li data-bbox="554 1174 1724 1399">• Public sources, including the Genworth cost of care survey, Bureau of Labor Statistics, review of reports / literature of LTSS service costs, etc. Genworth’s cost of care survey is published publicly on an annual basis and contains information about average costs of care by service and geographic region for a commercial population. We will perform a thorough search for other relevant publicly available information to estimate and project average LTSS costs for the applicable population. 		
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- **Other interviews and surveys** of long-term care providers. We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study (i.e., weigh the costs and benefits of gathering information from this particular channel). If an interview or survey is determined to be worthwhile, Milliman will provide guidance and support to DSHS on how to conduct the interview and survey. Once interview and survey responses are collected by DSHS, Milliman will compile and analyze the results.

Study Analysis

Analysis of the collected information will be both quantitative and qualitative.

From a quantitative perspective, we will use gathered data to produce rate ranges by service category and project how those ranges may change over time (e.g., be adjusted for inflation). Given the detailed models we already have created to project WA Cares Fund cash flows, we can also perform quantitative analysis on how different rates may impact projections of the financial outlook of the program.

From a qualitative perspective, we will leverage our expertise in LTC, Medicaid, and the WA Cares Fund to advise on rate-related topics such as:

- Policy options for the rates and how the rates can be utilized by various stakeholders.
- How reimbursement for these services may impact provider availability.
- Guidance on how DSHS can adapt to maintain appropriate reimbursement as WA Cares program experience emerges.

Presentation of Findings

Between January 2024 and August 2024, we will develop focused reports for each project phase (1 through 4) that will provide the following information:

		<p>a) Results from our qualitative and quantitative analyses. b) Methodology and assumptions used in our study. c) Considerations for engaging with the results and guidance on next steps for the program.</p> <p>Our work will culminate with a final report before May 2025.</p> <p>Throughout the engagement we will provide needed expertise, guidance, education, and consultation to support WA Cares Fund staff, stakeholder groups, and the LTSS Trust Commission in areas associated with this Contract and attend ongoing meetings with these groups as is helpful.</p>		
G	<p>Please describe current or prior projects that demonstrate a like process and product. Please explain challenges and how they were overcome. Where do you foresee similar or different challenges with this study?</p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>We list below projects that demonstrate our experience and challenges encountered for analyzing rates. We see similar challenges for this study, but expect the framework used to complete prior projects and overcome any challenges will also be effective for conducting this study. We expect this study will face new challenges since the WA Cares program is first-of-its-kind with no direct program experience to use for obtaining data. We expect some service categories will have more robust data to analyze (pulling from existing public and private program experience), while other categories may have very limited data to analyze. We envision our final deliverable for the study will establish a process for overcoming these challenges, including considerations of how to reflect actual program data as it emerges.</p> <p>Current / Prior Projects with Like Process and Product</p>	20	15

		<p>Milliman has assisted numerous state Medicaid agencies and other entities with the design, implementation, evaluation, and monitoring of payment systems and rate-setting methods for all types of services:</p> <ul style="list-style-type: none"> • Long-term supports and services, including nursing facility services, residential services, and other HCBS provided to the aged and disabled populations, as well as to persons with intellectual or developmental disabilities. • Behavioral health services, including HCBS and other services that are unique to persons requiring these services, such as partial hospitalization, intensive outpatient and substance use disorder services • Inpatient and outpatient hospital services, including acute services, both short-term psychiatric care and long-term civil commitment services, rehabilitation, long-term acute care, and other types of hospital settings • Professional and clinic services, including physician, nursing, therapy, and other services • Other unique services provided by state Medicaid agencies, including services provided under authority granted through CMS waiver programs <p>With respect to rates for long term services and supports, Milliman understands the challenges and opportunities facing states like Washington as they develop public policy that impacts payment for and access to long-term services and supports, which can have implications for individuals receiving these services to live healthy, safe, meaningful, and self-determined lives that include the ability to fully engage in community living.</p> <p>Milliman recently assisted the Washington State Health Care Authority (HCA) with developing comparison rates intended to provide transparent benchmark estimates of Medicaid payment rates to providers for behavioral health services, using methodologies consistent with CMS approved HCBS rate structures. These comparison rates comprise all significant behavioral health services, including mental health and substance use disorder (SUD) outpatient services and SUD residential care and withdrawal management. The Milliman team used an independent rate model approach consistent with methodologies used for HCBS payment,</p>		
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		<p>informed by analyses of independent data sources (e.g., Bureau of Labor Statistics wage data), and State program staff and provider subject matter expertise. Milliman developed and implemented a stakeholder engagement strategy including all-provider meetings, three stakeholder workgroups (specific to service type) and ad hoc subgroups for intensive team-based services for adults and youth. Rate assumptions include the identification of wage levels by type of behavioral health professional, employee-related benefits and taxes, supervisor span of control, turnover, training, paid time off, administrative costs, transportation, residential facility staffing, and facility overhead costs, among others.</p> <p>Community residential agencies are facing immense pressures, ranging from workforce competition to making sure that services are person-centered. These unique business challenges that providers face can primarily be grouped into two buckets, which can sometimes overlap: financial challenges and service challenges.</p> <p>FINANCIAL CHALLENGES</p> <p>Community residential agencies require sufficient rates to hire and maintain a skilled workforce that is able to deliver person-centered services. Per a 2019 Report to the Legislature, <i>Rethinking Intellectual and Developmental Disability Policy to Empower Clients, Develop Providers, and Improve Services</i>, “Feedback from contracted providers consistently indicates that they are unable to recruit and retain sufficient numbers of skilled direct care professional under the current rate.” Financial pressures have only increased since 2019 due to the pandemic, workforce competition, and the global financial landscape. Below are considerations of key financial challenges that providers are facing.</p> <p>Wage pressures and staff retention</p> <p>Washington, like many states, faces challenges supporting residential care workforce recruitment, training, development, and retention. Community residential agencies will face challenges building a high-quality workforce that is able to provide continued access to services with high turnover and vacancy rates. High turnover and vacancy rates not only</p>		
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impact the delivery of services to clients, but also leads to higher costs to providers as they spend more time on training, getting staff oriented with their job duties, and longer service time as they build a relationship with their clients.

Milliman brings an in-depth understanding of the workforce challenges that states face when ensuring access to high-quality services, which have been exacerbated by the COVID-19 pandemic's impact on the economy. We regularly gather feedback from stakeholders regarding state-specific labor market dynamics and wage levels and have extensive experience collecting and analyzing a wide variety of national and state wage data when developing payment rates. This experience includes developing and administering state-specific cost and wage surveys that identify wages by staff level and employee-related benefit costs and conducting stakeholder interviews.

We also work with states to address workforce challenges more broadly. For example, in Rhode Island, we are supporting the State in the implementation of a temporary increase in Medicaid fee-for-service rates with specific requirements to pass the extra funds through to direct care workers in the HCBS provider organizations, while in Florida we conducted an assessment of the state's increased minimum wage and its impact on reimbursement rates for HCBS providers and residential care facilities among others. Our support to our clients has included identifying included providers, drafting program guidance, assisting in stakeholder meeting facilitation, and researching policy alternatives consistent with regulatory guidance and operational needs.

Additional challenges

In addition to minimum wage adjustments, providers are feeling wage pressures due to inflation, demand for services, and the public health emergency for COVID-19. Some of these wage pressures are temporary and will be replaced by other pressures. As such, payment rates must be flexible and transparent to incorporate mid-stream adjustments to account for these unanticipated pressures.

SERVICE CHALLENGES

Community residential agencies are adapting to evolving service requirements as states are moving towards paying for outcomes, providers are complying with the HCBS Setting Rule, and temporary service standards implemented during the pandemic are becoming permanent (e.g., virtual service delivery). Below are considerations of key service challenges that providers are facing:

Compliance with HCBS Setting Rule

Providers must follow the requirements of the HCBS Setting Rule (under 42 CFR § 441.301(c)(4)(5) and § 441.710(a)(1)(2)) by providing integrated service options and both choices and rights within a residential setting (e.g., choice of a private room, roommate, schedule, etc.) Residential providers must not only comply with these requirements but must also report their compliance to Residential Care Services (RCS) Contracted Evaluators and RCS Investigators. Providers must continue to emphasize and train their staff on person-centered care planning that supports a person's choice and preferences.

Quality and outcomes reporting

States are requiring the delivery of and outcome and quality reporting to support the delivery and payment for services, especially as states are reinforcing person-centered services and meeting the requirements of the HCBS Settings Rule. Providers, and their direct support professionals, need to learn how to report outcomes and quality measures. These reporting requirements can increase both indirect service time and administrative costs for providers, as well as payments, if quality and outcomes reporting is tied to payments.

Culturally specific services

Washington is a geographically and culturally diverse state, which can cause challenges with delivering person-centered services that are impactful and meet the needs of an individual.

		Community residential agencies will need to hire and retain staff that can build relationships and deliver services with people that may be non-verbal, speak languages other than English, suffer from homelessness, are Indian tribal members, have dual-diagnoses and require mental health services, or some other need that will require the support of a workforce that is responsive to an individual's values, beliefs, health literacy, preferred language, and other communication needs. Providers are facing challenges building a workforce that is able to deliver culturally specific services, and in a language that a person can understand, which requires a tenured workforce that is appropriately trained and can build relationships with the people they serve. Hiring and retaining culturally specific practitioners will require a provider to pay a premium wage to retain a direct care provider that can deliver culturally specific services.		
H	Please provide an explanation of methodologies and strategies while gathering necessary data for this project.			
	COMMENT:	ANSWER: We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study. Obtaining data through a survey process is one of the common strategies we use when conducting rate studies and developing rate recommendations. We often rely on surveys to collect additional information and data from stakeholders that will provide important insights in the process. Milliman staff have extensive experience in designing and administering surveys, reviewing the information reported, and processing and analyzing the data received. Conducting interviews and workgroup meetings with stakeholders is another common strategy for collecting information to consider when conducting rate studies and developing rate recommendations. Our staff also have experience in conducting interviews and interactive meetings with various stakeholders to gather important feedback and information, and to better understand the challenges faced by stakeholders. As an example, Milliman was recently retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental disabilities. As part of this rate study, the Milliman team coordinated and	20	14

		facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce.		
6.	Budget and Reporting (10 points)			
A	Please complete Attachment F: Budget Response Template, detailing all costs to provide the services as outlined in this Competitive Solicitation, including the Sample Contract set forth on Attachment A. Please include the completed form as a separate document in your bid response. Please provide a general budget narrative below that describes in detail how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document.			
	COMMENT:	<p>Bidders are to complete the Attachment F: Budget Response Template spreadsheet and submit it in Excel format with your bid response. Your responses in Attachment F will be scored in this section of Attachment D: Bidder Response Form.</p> <p>ANSWER:</p> <p>Please see “RFP2334-830_Attachment_F_Budget Template_Milliman_20230929.xlsx” for our completed Budget Response Template spreadsheet. Our professional fees will be based on the actual hours worked on the project multiplied times our consulting fee hourly rate, subject to the total maximum amount under this solicitation. The ‘Consulting Fees for Professional Services’ line item in Attachment F reflects all estimated costs to perform the services under this engagement.</p> <p>We include in the table below how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document. The estimated budget by deliverable / benchmark is based on the number of estimated hours and resulting professional fees to complete each task, subject to the overall total maximum amount under this solicitation.</p>	10	8

Deliverables and Benchmarks		Estimated Budget
Introductory Meeting		\$25,000 upon completion of service group 1
Check-in and DSHS Approval		
Data Share Agreement		
Service Group 1 Meetings		
Service Group 1 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 2
Service Group 2 Meetings		
Service Group 2 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 3
Service Group 3 Meetings		
Service Group 3 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 4
Service Group 4 Meetings		
Service Group 4 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of report
Inflation Adjustment Meetings		
Inflation Adjustment Methodology Report and DSHS Approval		

NOTES:

WRITTEN RESPONSE SCORING
October 2-6, 2023
RFP 2334-830
Economic Rates Study

Vendor Name: Milliman, Inc.

Evaluator Number: Enter your evaluator #

General Guidelines:

- Please score each vendor's response without reference to the scores for other vendors. Each score should reflect your score based on the criteria only.
- Please note all scores and comments in the allotted sections. If you change a score, initial the change.
- Please include comments that will assist the vendor in understanding why the response did not get full points. Positive comments are also welcome.
- We would prefer that you leave a comment for each question scored, briefly explaining why you assigned that particular score.
- You may discuss the proposals among the evaluation team, but each evaluator should score independently. **We do not use consensus scoring.**
- Do not downgrade a proposal because it did not address something that was not asked for in the Solicitation.

Scoring of Proposals

The following available points will be assigned to the proposal for evaluation purposes:

Section 5 Bidder Qualifications & Experience 240 points

Section 6 Budget & Reporting 10 points

If you have questions, please direct them to Lauren Bragazzi, Solicitation Coordinator, phone 360-664-6047. All evaluations must be returned and reviewed by the Solicitation Coordinator at the end of the evaluation.

Score	Description	Discussion
90-100% of available points	Exceptional	Clearly superior to that which is average.
70-80%	Above Average	Better than that which is average.
50-60%	Average	Baseline score for each item with adjustments based upon the evaluator's interpretation of the Bidder's response.
30-40%	Below Average	Substandard to that which is average.
10-20%	Failing	Non-responsive or clearly inadequate to that which is average.
0%	No Experience	Response shows no experience in this skill or capability.

Evaluator Scoresheet for RFP 2334-830

You will be evaluating one part of the bidder’s submission: Section 5 and Section 6. If a question requires Bidders to submit additional documents, they will be included in an attached document.

5.	BIDDER Qualifications and Experience (240 Points)		240 MAX POINTS	SCORE
A	<p>Please provide the number of years of experience your organization has conducting rates studies and how many years specific to conducting rates studies regarding Long-Term Care services. Please describe the experiences, skills, and qualifications your organization possesses that are relevant to an evaluation of your ability to perform the Contract that is the subject of this Solicitation. Please ensure that your answer to this question includes all information that you wish DSHS to consider in determining whether you meet the minimum Bidder qualifications set forth in the Solicitation Document. Please include any relevant experience that distinguishes your organization or makes it uniquely qualified for the Contract.</p>			
	COMMENT:	<p>ANSWER:</p> <p>Milliman has 30+ years of experience in advising clients on a variety of areas related to analysis of LTSS services and rate studies. Our organization’s experience includes assisting LTSS / LTC programs in both the public and private sectors, experience that will be directly relevant for completing the rate study for this engagement.</p> <p>We have 30+ years of experience conducting rates studies and fee schedule analysis more broadly for commercial and government healthcare programs. We have 15+ years of direct experience assisting Medicaid programs in conducting rates studies regarding LTSS / LTC services.</p> <p>We highlight below relevant work experience and examples, including work to project service costs to support the actuarial analysis of premium rates, fund balance, and viability of program features for the WA Cares Fund program over the last 8 years.</p> <p>Milliman Experiences, Skills, and Qualifications</p> <p><u>Rate Setting for State Medicaid Agencies</u></p>	50	Choose an item.

		<p>Milliman has vast experience advising states regarding Medicaid Long-Term Services and Supports (LTSS) rate-setting methodologies and related policies. Our team members also have significant experience with the regulatory and compliance considerations for implementing LTSS payment methodologies, as well as decades of experience managing stakeholder engagement (for providers, participants, managed care organizations, and advocates) throughout the rate development process. We also understand LTSS workforce challenges and opportunities facing state agencies and ensuring there are enough workers to meet beneficiaries' needs.</p> <p>In the past five years alone, we have assisted 12 Medicaid agencies, including Arkansas, Hawai'i, Indiana, Iowa, Michigan, Mississippi, New Hampshire, Ohio, Rhode Island, South Carolina, Washington, and Wisconsin with the development of provider fee schedules for LTSS services. We have also assisted with the development of tiered rates for LTSS services in Arkansas, Hawai'i, Indiana, Ohio, Iowa, Rhode Island, and Wisconsin; bundled rates for LTSS services in Indiana and Ohio; and negotiated market rates for LTSS services in Arkansas. As part of these projects, we have also assisted with calculations of cost neutrality, analyzed service utilization, conducted rate development projects, developed innovative managed care rate structures, and projected waiver program expenditures.</p> <p><u>Actuarial / Financial Modeling for WA Cares Fund</u></p> <p>Milliman has provided actuarial support and financial analysis and projections for WA Cares Fund since the program was enacted in 2019 (and feasibility studies before the program was enacted). The financial modeling includes the projection of estimated revenue and expenditures under WA Cares Fund for the next 75 years. The expenditures include estimates of service costs incurred by major site of care: nursing home, assisted living facility, and care at home. Our work for WA Cares Fund includes frequent meetings with WA DSHS and WA OSA and various workgroups responsible for recommending / clarifying program features. We also routinely present findings of our work at the LTSS Trust Commission public meetings.</p> <p><u>Private Market LTC Insurance Service Cost Data</u></p>		
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Milliman has significant experience in analyzing commercial service costs for Long-Term Care (LTC) Insurance programs. Milliman has developed a set of proprietary Long Term Care Guidelines (*LTC Guidelines*), which provide frequencies, continuance curves, utilization assumptions and claim costs from a large number of product designs over the past three decades. The Milliman *LTC Guidelines* incorporate both private and public sector data sources, and are periodically updated to reflect the most comprehensive and current information available in the market. The *LTC Guidelines* are one area of differentiation from other actuarial and consulting firms. The first set of *LTC Guidelines* was developed in 1992 and has been updated regularly, with the most recent edition completed in 2020. The breadth of underlying data and the comprehensiveness of analysis position the *LTC Guidelines* to be an unrivaled benchmark for LTC morbidity.

Milliman Relevant Experience

We list below recent relevant experience that distinguishes Milliman and makes us uniquely qualified to support the work requested under this Contract.

1. Feasibility Studies to Finance LTSS in Washington

Sponsor: Washington Department of Social and Human Services (DSHS)
Project Duration: February 2016 to January 2017, June 2018 to October 2018

In 2016, Milliman was engaged to study the feasibility of offering two unique LTSS financing options in the State of Washington. Various stakeholder interviews and discussions in the State of Washington helped determine the final scope of plan parameters to model for the project. The scope of our engagement included the evaluation and discussion of the following items:

- Expected costs and benefits for participants
- Total anticipated number of participants
- Financial and legal risks to the State

- Savings to the State Medicaid program

In 2018, Milliman was engaged to perform a follow-up study, in which we analyzed the expected costs of changing the plan parameters and sensitivities surrounding these parameters.

1. LTSS Trust / WA Cares Fund Actuarial Studies

Sponsor: Washington Office of the State Actuary (OSA)
Project Duration: February 2020 to Present

After the LTSS Trust Act was passed, Milliman was re-engaged by the OSA in 2020, working closely with WA DSHS, to assist in projecting the current program and modeling program alternatives / changes. Milliman continues to support the development and implementation of WA Cares Fund. Notable deliverables include the 2020 and 2022 Actuarial Study of WA Cares Fund, as well as other deliverables included in the Milliman Actuarial Studies / Reports on the OSA website.

Relevant to this solicitation, our engagement with OSA includes working with a government agency and other stakeholders to analyze LTC financing solutions and has required an understanding of the current LTC financing environment in Washington. Additionally, we gained experience presenting to the LTSS Trust Commission and assisting various legislative work groups.

3. HCBS Rate Study for Washington DSHS

Sponsor: Washington Department of Social and Health Services (DSHS)
Project Duration: June 2022 – Present

Milliman was retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental

disabilities. As part of this rate study, the Milliman team coordinated and facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce. Milliman is currently in the process of developing rate recommendations.

4. Nursing Facility Payment Transformation and Rate Setting for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)

Project Duration: May 2021 – Present

The State’s goals for updating Medicaid nursing facility reimbursement were as follows:

- Transition from a fully cost-based reimbursement model to a price-based model that pays for value provided rather than costs incurred.
- Remove retroactive cost settlements and design a prospective-only payment. This was in part needed to facilitate state-direction of the state nursing facility fee schedule to managed care providers.
- Alignment with reimbursement for HCBS and other Medicaid services. The prior reimbursement model, with quarterly updates and guaranteed reflection of any cost increases, was unique to nursing facilities. A level playing field for reimbursement is a key step towards rebalancing.
- Quality – Link provider payments to member outcomes by devoting a material portion of the payment to higher quality facilities and selecting meaningful metrics and relevant metrics on which to base payments.

It was decided at the outset that the reimbursement restructuring would be budget neutral – that is, target total funding in the system would be the same as under the legacy system. This was key to getting provider buy-in. It was understood that there would be “winners and losers”, but most were able to support the goal of reallocating funding to reward higher quality and more cost-effective facilities.

The Project was divided into three workstreams:

1. Nursing Facility Base Rates
2. Supplemental Nursing Facility Payments (Upper Payment Limit, supported by IGTs)
3. Restructure Quality Program

For each work stream, the state set up a series of meetings. Milliman prepared materials and led discussion, after first having internal meetings with the State of Indiana to confirm direction and content. We began by presenting background information, including state goals, regulatory constraints, and analysis related to shortcomings of the current system. For example, although there were large differences among the 500+ nursing facilities in per diem reimbursement under the legacy cost-based system, these differences had no statistical correlation with acuity (RUG scores) or quality scores, so it was difficult to justify the variation in payment. We also presented options for the new reimbursement model, offered advantages and disadvantages to each, and developed a series of facility-specific models to help stakeholders understand the initial proposal and subsequent refinements, and how it might affect them. Over the course of the project, we worked with the state, nursing facility industry and other stakeholders to build consensus on a new reimbursement structure, supplemental payment design, and quality program.

The State also prioritized working collaboratively with stakeholders and agreed to smooth the transition by offering a transition period. Milliman collaborated with the State and stakeholders to model and assess various transition plan options, aiming to strike a balance between introducing the new reimbursement system's goals and minimizing disruption to current operations. Communicating the options and the eventual chosen transition plan clearly to providers was essential to ensuring they had adequate time and information to

prepare for the new reimbursement structure. Milliman will continue to provide support to the State and stakeholders as the new system is implemented, ensuring a smooth transition and the successful implementation of the new system as intended.

5. HCBS Rate Setting and Development of MLTSS Quality Framework for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)
Project Duration 2019 – Present

Milliman is currently supporting a cross-agency effort under Indiana FSSA to establish HCBS rates, working with the Office of Medicaid Policy and Planning (OMPP), the Division of Aging (DA), and the Division of Disability and Rehabilitation Services (DDRS). One challenge with this project is coordinating multiple state agencies and their associated stakeholders through a rate setting process that was aligned, transparent, and towards the conclusion of the public health emergency. We are working with FSSA and the supporting agencies on:

- Goal setting and stakeholder engagement planning with the client
- Stakeholder engagement throughout the process in an inclusive and transparent framework
- Payment methodology, data options, and input
- Conceptual design, payment simulation, and refinement
- Public comment, state budget and legislative approval, CMS approval
- Stakeholders (internal and external) were included in project initiation all the way through the final vetting of all rate assumptions.

Related to this work, Milliman also played a stakeholder facilitation role to help the state develop its holistic LTSS quality strategy framework. The state sought to define its quality strategy to inform both its Master Plan on Aging and Medicaid Managed Care Quality Strategy, as well as leverage its purchasing power through specific MCO contract requirements and quality incentives through its upcoming MCO MLTSS procurement. For this project, we have conducted an extensive environmental scan and research, followed by a

series of stakeholder interviews (meeting with over 30 leaders across multiple agencies) to understand available data and performance measures, historical and recent performance including performance gaps, external stakeholder input received to date and other pertinent insights about the current landscape. We then facilitated a strategy session summit where we helped the group to establish a set of guiding MLTSS Quality Framework goals. Follow-up activities included working with a subgroup to establish foundational Year One objectives and metrics to monitor progress toward the goals. We also assisted with the development of managed care RFP language to outline the quality strategy and outline plan responsibilities to achieve the goals and objectives.

6. Residential Care and Behavioral Health Rate Setting for Michigan DHHS

Sponsor: Michigan Department of Health and Human Services

Project Duration: 2019 – Present

Milliman was retained by Michigan DHHS to provide actuarial and consulting services related to the development of a behavioral health and intellectual/developmental disabilities (BH I/DD) fee schedule for its specialty services managed care program (Note: MDHHS includes both BH and I/DD services in this program, which is often referred to as their Behavioral Health Program). This BH I/DD fee schedule was a system-wide project spanning multiple years and encompasses a wide range of services that are covered under the managed care capitation rates, including case management and treatment planning, community living supports, evaluation and management, outpatient services, psychiatric diagnostic evaluations, residential services, and skill building. Milliman is also supporting the development of tiered residential care payment rates for individuals with I/DD and individuals with serious mental illness. Milliman has facilitated a stakeholder workgroup to obtain feedback on tiering approaches, conducted provider interviews to obtain insights on residential care staffing and service delivery, conducted research on other state approaches, and performed an analysis of SIS-A assessment data to assess the relationship between SIS scores and HCBS service utilization.

7. HCBS Rate Setting and Stakeholder Support for Ohio DODD

Sponsor: Ohio Department of Developmental Disabilities
Project Duration: 2022 – Present

Milliman was retained by Ohio DODD to support the development of HCBS payment rates and the design of a quality program for Adult Day and Employment services for individuals served by the Department of Developmental Disabilities (DODD). Our team is currently working with stakeholders to establish HCBS rates that consider historical and future wages for HCBS providers and the potential downstream impact on services that are outside of the rate study. We have also been facilitating engagement with key stakeholders to solicit input and support regarding the implementation of two quality programs, which will include an ARPA supported pilot, capacity/infrastructure payments, and outcomes-based payments.

8. Provider Rate Review for Rhode Island OHIC

Sponsor: Rhode Island Office of the Health Insurance Commissioner
Project Duration: 2023 – Present

Milliman is currently engaged by Rhode Island OHIC to provide a comprehensive review of health and human services offered in the state, including both a financial and programmatic assessment. The financial assessment includes review of program rates, timing of last rate increase, utilization trends, and comparisons between Rhode Island and other regional states on these topics. Programmatic review includes assessment of eligibility standards, processes of program operations, access to programs, organizational structure, oversight of program providers, and accountability structures, including all programs funded by Medicaid and other funding sources in the following areas: social, mental health, aging, developmental disability, child welfare, juvenile justice, prevention services, habilitative, rehabilitative, substance use disorder treatment, residential care, adult or adolescent day services, employment and training, and vocational services. This work is overseen by the Office of the Insurance Commissioner and an advisory council created for this purpose and includes a series of

legislative reports summarizing the findings. Our work includes both conducting the independent research needed to provide full assessment and collaboration with the advisory council and other invested stakeholders. Our programmatic research has involved review of state administrative regulations, state program documents and web pages and applying our knowledge of federal regulations and processes. Drawing on Milliman’s expertise across the array of programmatic areas has allowed us to narrow focus to the most critical components of programming in each sub-population and provide the critical assessment required to bring meaningful insights and note best practices and perhaps areas that are ripe for improvement. This financial work likewise, has required the application of Milliman’s rate setting expertise and coordination with state agencies on rate information that is not within the public domain.

9. Rate Updates and Alignment for Mississippi Division of Medicaid

Sponsor: Mississippi Division of Medicaid

Project Duration: July 2011 - Present

As the consulting actuary for the State of Mississippi, Milliman routinely assists the Division to update the FFS rates for the HCBS waiver programs. Examples of services for which rates have been developed include attendant care, assisted living, adult day care, autism services, and case management.

The modeling approaches vary depending on the service but generally involves a “ground-up” build using wage and benefit data, productivity assumptions, industry staffing ratios, and related administration costs for the services provided. In certain situations, other ancillary services such as transportation were incorporated.

Stakeholder engagement has been a key part of each of the rate updates, consisting of survey tools, workgroups, and other feedback mechanisms.

		Currently Milliman is assisting the state with a full rebasing of all fee schedules for the assisted living, community support program, elderly disabled, intellectually and developmentally disabled, independent living, and traumatic brain injury waivers.		
B		Please provide the names of the key team members you will assign to this Contract, if you are the Successful Bidder, and provide their proposed roles and copies of resumes describing the relevant experience they possess. Bidder should note that if awarded a contract, it may not reassign its key personnel from the Project without prior approval of DSHS.		
	COMMENT:	<p>ANSWER:</p> <p>Key personnel providing assistance on the project are outlined below.</p> <p>Chris Giese, FSA, MAAA Project Role: Overall Project Responsibility and Primary Project Contact</p> <p>Chris Giese, FSA, MAAA, is a Principal and Consulting Actuary. He joined the firm in 2000. Chris has experience with healthcare and long-term care programs, with more than 20 years of experience in these areas. Chris has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016.</p> <p>Chris has assisted various entities, including insurance companies, health plans, employers, technology firms, and government programs. He has helped clients with a wide variety of projects such as financial projections and reporting, valuation of reserves, experience analysis, product development and pricing, appraisals, risk management, and evaluations of financing reform alternatives. Chris previously served as Chair of the Society of Actuaries (SOA) LTC Section Council and participated in various SOA and American Academy of Actuaries work groups.</p> <p>Most recently, Chris led projects gathering stakeholder feedback and analyzing various policy options to alternatively finance LTC for the states of Washington, California, Illinois, and Michigan. Chris has assisted LTC insurance carriers with evaluating the adequacy of active life</p>	10	Choose an item.

reserves and claim reserves, performing in-depth analysis of historical morbidity and persistency experience for various blocks of business, completing annual statements of actuarial opinion regarding insurance companies' statutory / GAAP liabilities, and helped a company develop framework and projections to illustrate LTC costs in retirement planning for consumers. In addition to LTC programs, Chris has assisted healthcare program including supporting benefits administration firm to develop cost estimates used in helping employees decide among plan options during open enrolment, performing comprehensive analysis for employer on quarterly basis to identify and prioritize individuals for proactive outreach as part of its population health management, measuring healthcare costs versus regional and national benchmarks, and assisting entities in developing a multi-year strategic plan in response to the Affordable Care Act.

Chris is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a B.S. in Mathematics from Carroll College.

Luke Roth

Project Role: Senior Healthcare Consultant and Secondary Project Contact

Luke Roth is a Principal and Senior Healthcare Consultant in the Seattle office of Milliman. He rejoined the firm in 2018.

Luke has over 15 years of experience providing strategic guidance and transformative solutions to healthcare leaders and policy makers as they have navigated the unique risks and opportunities facing their organizations. As a member of Milliman's Medicaid Finance and Policy practice, he primarily supports state agencies in the areas of:

- Long-term services and supports (LTSS) payment system design and rate setting, including nursing home services and home- and community-based services.
- Hospital inpatient and outpatient payment system design and rate setting, including inpatient DRG-based payment systems, outpatient EAPG-based payment systems, and outcomes-based incentive payments.

- Medicaid program funding strategies, including development and implementation of health care-related taxes, intergovernmental transfer (IGT) programs, and certified public expenditure (CPE) programs.
- Supplemental payments strategy, including development and implementation of FFS supplemental (UPL) payments, managed care pass-through payments, state directed 438.6(c) payments, uncompensated care pool (UCP) payments, and disproportionate share hospital (DSH) payments.

Within the past year, Luke has provided provider payment policy and rate setting support to state agencies in Arizona, Illinois, Nebraska, Oklahoma, Florida, and Washington. He also recently co-authored a whitepaper with ADvancing States, the association representing the nation’s 56 state and territorial agencies on aging and disabilities and long-term services and supports directors, on strategies to address challenges related to financing for nursing facility services during MLTSS program implementation.

Luke holds a bachelor’s degree in Mathematics from the University of Washington.

Jill Bruckert, FSA, MAAA

Project Role: Senior Medicaid / LTC Consultant and Secondary Project Contact

Jill Bruckert, FSA, MAAA, is a Principal and Consulting Actuary. She joined Milliman in 2007 and has spent her career providing actuarial support and consulting services to state Medicaid agencies, governmental organizations, and Medicaid health plans. In addition, Jill has experience providing strategic and actuarial services to LTC insurance companies and has been involved in LTC reform analyses.

Jill has worked extensively with state Medicaid agencies to develop and certify acute care and LTC managed care capitation rates, develop HCBS and behavioral health fee schedules, budget analyses and expenditure projections, custom risk adjustment methodologies, waiver support, legislative studies and fiscal impact analyses, and many other ad hoc projects.

Relevant to this solicitation, Jill has led developing fee schedules for HCBS and behavioral health services in the state of Mississippi since 2015, including a current project to rebase all HCBS fee schedules.

Jill is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor's degree in Actuarial Science and Finance from the Drake University.

Annie Gunnlaugsson, ASA, MAAA

Project Role: Oversee Calculations and Deliverable Development

Annie Gunnlaugsson, ASA, MAAA, is a Consulting Actuary. She joined Milliman in 2012. Annie has served many types of clients in her time with Milliman. Her areas of focus include LTC insurance and the group and individual commercial health markets. Annie has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016.

Annie has assisted clients in the areas of ACA pricing and rate filings, year-end statements of actuarial opinions, state insurance department LTC rate filings, and reserve estimation for medical and long-term care products. Most recently, Annie helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.

Annie is an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor's degree in Actuarial Science from the University of Wisconsin Madison.

Evan Pollock, FSA, MAAA

Project Role: Lead Technical Calculations

Evan Pollock, FSA, MAAA, is a Senior Actuarial Manager. He joined Milliman in August 2015. Over the past eight years, Evan has focused on three main market areas: LTC insurance,

Medicaid, and group and individual commercial health insurance. Evan has worked on various projects supporting the State of Washington and the WA Cares Fund since 2020.

Evan has worked on projects ranging from pricing, reserving, and experience review to feasibility studies, capitation rate setting, and options analysis. Recently, his focus has been private LTC insurance, LTC reform, and Medicaid LTC rate development for a large state client. Relevant to this solicitation, Evan helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.

Evan is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a bachelor's degree in Actuarial Science from the University of Wisconsin Madison.

Jennifer Gerstorff, FSA, MAAA

Project Role: Peer Review and Support with WA Medicaid Program

Jenny Gerstorff, FSA, MAAA, is a principal and consulting actuary with Milliman's Seattle office. She joined the firm in 2006. Jenny has spent her entire actuarial career working primarily with state Medicaid agencies, working on programs in over half of the states across the years. With a wealth of experience in Medicaid actuarial and policy consulting, Jenny specializes in working closely with state Medicaid agencies on a diverse range of critical topics. Her extensive expertise encompasses capitation rate development, new policy feasibility analysis, program integrity monitoring and improvement, state budget forecasting, healthcare delivery system integration, customized risk adjustment, health disparity evaluations, risk mitigation mechanisms, and encounter data monitoring.

Jenny's proficiency extends across various benefit types, including Medicaid acute care, community behavioral health, long-term care, dental, and other ancillary benefits. She has also worked with a wide array of populations, including traditional Medicaid, ACA Expansion

		<p>adults, Medicare-Medicaid dual-eligibles, non-qualified non-citizen expansions, and other specialized program populations.</p> <p>Beyond her work with state Medicaid agencies, Jenny has been a trusted consultant to independent provider organizations, non-national health plans serving Medicaid and Medicare populations, Medicaid health plan associations, and safety net healthcare providers. Her extensive background includes conducting financial and utilization-based analyses to support the development of historical experience studies, proforma projections, risk mitigation strategies, provider reimbursement rates, grant funding applications, and value-based contracting model implementation.</p> <p>She volunteers with the Society of Actuaries (SOA) and the American Academy of Actuaries (AAA), participating in research efforts and developing content for continuing education opportunities for over a decade. In 2022, Jenny was appointed as a commissioner at the Medicaid and CHIP Payment and Access Commission (MACPAC), a non-partisan government advisory body that plays a pivotal role in shaping Medicaid and CHIP policy through its guidance and recommendations to policymakers.</p> <p>Jenny is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a B.S. in Applied Mathematics from Columbus State University.</p>		
C	<p>Please describe your method for assuring that your services and deliverables are provided in accordance with high quality standards and for immediately correcting any deficiencies. What data would you propose to report to DSHS which would permit verification of your quality assurance activity, findings and actions?</p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>Milliman employs a strong ethic of peer review in all its projects. This process requires a secondary review of the work performed, reports prepared, and overall project management. The reviewer is selected as someone familiar with the project, but who has not performed significant work on the specific project. This allows for impartial review and the opportunity for additional insights. The review is structured to identify any outstanding issues that were not addressed, to ensure that the information is presented in a logical and complete manner,</p>	20	Choose an item.

		<p>and to ensure that the overall quality of the work meets Milliman’s high standards. This process adds an additional level of security for our clients. Should any deficiencies be discovered, we will work together with the State to ensure concerns are addressed in a timely manner.</p> <p>Accuracy and client satisfaction are our highest priorities in any engagement. At the individual client level, we tailor our procedures to your needs. Our consultants monitor client satisfaction through various informal contacts (e.g., in-person, virtual) on a continuous basis. Our high client retention ratios attest to the satisfaction of our clients.</p>		
D	<p>Please describe the measures you employ to assure that your services and deliverables are provided in a cost-effective manner that is consistent with quality outcomes and fair employment practices.</p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>Our fees reflect the estimated actual time spent on a project and related expenses. Our work is completed at the lowest hourly billing rate level possible while still providing the expertise required by our clients. Thus, technical work is often completed by analysts. Alternatively, planning, project design, assumption setting, and peer review are completed by more experienced consultants.</p>	20	Choose an item.
E	<p>Please provide a work sample of a like project completed in the past that demonstrates the gathering of data necessary to evaluate current rates, potential rate fluctuation and/or a study demonstrating a similar data and study structure. Please include all work samples in a single PDF attachment. Submissions received in alternate formats may not receive a score. <i>Please ensure all proprietary material is clearly marked in accordance with RFP Document Section D.5.</i></p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>Please see “RFP2334-830_Supplement D.5.e - SD1_Rate Study.pdf” for a work sample.</p>	50	Choose an item.
F	<p>Please provide a narrative explaining how you plan to complete this project, inclusive of a proposed timeline in alignment with the deliverables table in the RFP and sample contract.</p>		50	

	COMMENT:	<p>ANSWER:</p> <p>The focus of our engagement will be to provide guidance on how to utilize, maintain, and update rates as WA Cares program experience emerges. We will provide considerations and data points to assist WA Cares Fund in developing a structure for adapting to a dynamic marketplace for long-term care services. Below we provide a work plan for achieving these goals.</p> <p>Data Collection</p> <p>Between October 2023 and January 2024, we will largely focus on data collection and summarization. Specifically, we plan to gather information on current and historical rates for the LTSS service categories outlined in the solicitation for this engagement. The sources will vary for each applicable service, but in general we expect to leverage the following data sources.</p> <ul style="list-style-type: none"> • Washington Medicaid data provided by the State of Washington (e.g., utilization of services and rates paid out to providers in Medicaid LTSS). This data will inform Medicaid rates for many of the WA Cares Fund services. We will supplement with CMS Transformed Medicaid Statistical Information System (T-MSIS) data if applicable. • Milliman proprietary databases, namely the Long-Term Care Guidelines Database, which includes data from the commercial market, and the Consolidated Health Cost Guidelines Sources Database, which covers other lines of business. These sources represent tens of millions of life years of claim experience and will provide another benchmark for the major WA Cares Fund services. • Public sources, including the Genworth cost of care survey, Bureau of Labor Statistics, review of reports / literature of LTSS service costs, etc. Genworth’s cost of care survey is published publicly on an annual basis and contains information about average costs of care by service and geographic region for a commercial population. We will perform a thorough search for other relevant publicly available information to estimate and project average LTSS costs for the applicable population. 		Choose an item.
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- **Other interviews and surveys** of long-term care providers. We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study (i.e., weigh the costs and benefits of gathering information from this particular channel). If an interview or survey is determined to be worthwhile, Milliman will provide guidance and support to DSHS on how to conduct the interview and survey. Once interview and survey responses are collected by DSHS, Milliman will compile and analyze the results.

Study Analysis

Analysis of the collected information will be both quantitative and qualitative.

From a quantitative perspective, we will use gathered data to produce rate ranges by service category and project how those ranges may change over time (e.g., be adjusted for inflation). Given the detailed models we already have created to project WA Cares Fund cash flows, we can also perform quantitative analysis on how different rates may impact projections of the financial outlook of the program.

From a qualitative perspective, we will leverage our expertise in LTC, Medicaid, and the WA Cares Fund to advise on rate-related topics such as:

- Policy options for the rates and how the rates can be utilized by various stakeholders.
- How reimbursement for these services may impact provider availability.
- Guidance on how DSHS can adapt to maintain appropriate reimbursement as WA Cares program experience emerges.

Presentation of Findings

Between January 2024 and August 2024, we will develop focused reports for each project phase (1 through 4) that will provide the following information:

		<p>a) Results from our qualitative and quantitative analyses. b) Methodology and assumptions used in our study. c) Considerations for engaging with the results and guidance on next steps for the program.</p> <p>Our work will culminate with a final report before May 2025.</p> <p>Throughout the engagement we will provide needed expertise, guidance, education, and consultation to support WA Cares Fund staff, stakeholder groups, and the LTSS Trust Commission in areas associated with this Contract and attend ongoing meetings with these groups as is helpful.</p>		
G	<p>Please describe current or prior projects that demonstrate a like process and product. Please explain challenges and how they were overcome. Where do you foresee similar or different challenges with this study?</p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>We list below projects that demonstrate our experience and challenges encountered for analyzing rates. We see similar challenges for this study, but expect the framework used to complete prior projects and overcome any challenges will also be effective for conducting this study. We expect this study will face new challenges since the WA Cares program is first-of-its-kind with no direct program experience to use for obtaining data. We expect some service categories will have more robust data to analyze (pulling from existing public and private program experience), while other categories may have very limited data to analyze. We envision our final deliverable for the study will establish a process for overcoming these challenges, including considerations of how to reflect actual program data as it emerges.</p> <p>Current / Prior Projects with Like Process and Product</p>	20	Choose an item.

		<p>Milliman has assisted numerous state Medicaid agencies and other entities with the design, implementation, evaluation, and monitoring of payment systems and rate-setting methods for all types of services:</p> <ul style="list-style-type: none"> • Long-term supports and services, including nursing facility services, residential services, and other HCBS provided to the aged and disabled populations, as well as to persons with intellectual or developmental disabilities. • Behavioral health services, including HCBS and other services that are unique to persons requiring these services, such as partial hospitalization, intensive outpatient and substance use disorder services • Inpatient and outpatient hospital services, including acute services, both short-term psychiatric care and long-term civil commitment services, rehabilitation, long-term acute care, and other types of hospital settings • Professional and clinic services, including physician, nursing, therapy, and other services • Other unique services provided by state Medicaid agencies, including services provided under authority granted through CMS waiver programs <p>With respect to rates for long term services and supports, Milliman understands the challenges and opportunities facing states like Washington as they develop public policy that impacts payment for and access to long-term services and supports, which can have implications for individuals receiving these services to live healthy, safe, meaningful, and self-determined lives that include the ability to fully engage in community living.</p> <p>Milliman recently assisted the Washington State Health Care Authority (HCA) with developing comparison rates intended to provide transparent benchmark estimates of Medicaid payment rates to providers for behavioral health services, using methodologies consistent with CMS approved HCBS rate structures. These comparison rates comprise all significant behavioral health services, including mental health and substance use disorder (SUD) outpatient services and SUD residential care and withdrawal management. The Milliman team used an independent rate model approach consistent with methodologies used for HCBS payment,</p>		
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		<p>informed by analyses of independent data sources (e.g., Bureau of Labor Statistics wage data), and State program staff and provider subject matter expertise. Milliman developed and implemented a stakeholder engagement strategy including all-provider meetings, three stakeholder workgroups (specific to service type) and ad hoc subgroups for intensive team-based services for adults and youth. Rate assumptions include the identification of wage levels by type of behavioral health professional, employee-related benefits and taxes, supervisor span of control, turnover, training, paid time off, administrative costs, transportation, residential facility staffing, and facility overhead costs, among others.</p> <p>Community residential agencies are facing immense pressures, ranging from workforce competition to making sure that services are person-centered. These unique business challenges that providers face can primarily be grouped into two buckets, which can sometimes overlap: financial challenges and service challenges.</p> <p>FINANCIAL CHALLENGES</p> <p>Community residential agencies require sufficient rates to hire and maintain a skilled workforce that is able to deliver person-centered services. Per a 2019 Report to the Legislature, <i>Rethinking Intellectual and Developmental Disability Policy to Empower Clients, Develop Providers, and Improve Services</i>, “Feedback from contracted providers consistently indicates that they are unable to recruit and retain sufficient numbers of skilled direct care professional under the current rate.” Financial pressures have only increased since 2019 due to the pandemic, workforce competition, and the global financial landscape. Below are considerations of key financial challenges that providers are facing.</p> <p>Wage pressures and staff retention</p> <p>Washington, like many states, faces challenges supporting residential care workforce recruitment, training, development, and retention. Community residential agencies will face challenges building a high-quality workforce that is able to provide continued access to services with high turnover and vacancy rates. High turnover and vacancy rates not only</p>		
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impact the delivery of services to clients, but also leads to higher costs to providers as they spend more time on training, getting staff oriented with their job duties, and longer service time as they build a relationship with their clients.

Milliman brings an in-depth understanding of the workforce challenges that states face when ensuring access to high-quality services, which have been exacerbated by the COVID-19 pandemic's impact on the economy. We regularly gather feedback from stakeholders regarding state-specific labor market dynamics and wage levels and have extensive experience collecting and analyzing a wide variety of national and state wage data when developing payment rates. This experience includes developing and administering state-specific cost and wage surveys that identify wages by staff level and employee-related benefit costs and conducting stakeholder interviews.

We also work with states to address workforce challenges more broadly. For example, in Rhode Island, we are supporting the State in the implementation of a temporary increase in Medicaid fee-for-service rates with specific requirements to pass the extra funds through to direct care workers in the HCBS provider organizations, while in Florida we conducted an assessment of the state's increased minimum wage and its impact on reimbursement rates for HCBS providers and residential care facilities among others. Our support to our clients has included identifying included providers, drafting program guidance, assisting in stakeholder meeting facilitation, and researching policy alternatives consistent with regulatory guidance and operational needs.

Additional challenges

In addition to minimum wage adjustments, providers are feeling wage pressures due to inflation, demand for services, and the public health emergency for COVID-19. Some of these wage pressures are temporary and will be replaced by other pressures. As such, payment rates must be flexible and transparent to incorporate mid-stream adjustments to account for these unanticipated pressures.

SERVICE CHALLENGES

Community residential agencies are adapting to evolving service requirements as states are moving towards paying for outcomes, providers are complying with the HCBS Setting Rule, and temporary service standards implemented during the pandemic are becoming permanent (e.g., virtual service delivery). Below are considerations of key service challenges that providers are facing:

Compliance with HCBS Setting Rule

Providers must follow the requirements of the HCBS Setting Rule (under 42 CFR § 441.301(c)(4)(5) and § 441.710(a)(1)(2)) by providing integrated service options and both choices and rights within a residential setting (e.g., choice of a private room, roommate, schedule, etc.) Residential providers must not only comply with these requirements but must also report their compliance to Residential Care Services (RCS) Contracted Evaluators and RCS Investigators. Providers must continue to emphasize and train their staff on person-centered care planning that supports a person's choice and preferences.

Quality and outcomes reporting

States are requiring the delivery of and outcome and quality reporting to support the delivery and payment for services, especially as states are reinforcing person-centered services and meeting the requirements of the HCBS Settings Rule. Providers, and their direct support professionals, need to learn how to report outcomes and quality measures. These reporting requirements can increase both indirect service time and administrative costs for providers, as well as payments, if quality and outcomes reporting is tied to payments.

Culturally specific services

Washington is a geographically and culturally diverse state, which can cause challenges with delivering person-centered services that are impactful and meet the needs of an individual.

		Community residential agencies will need to hire and retain staff that can build relationships and deliver services with people that may be non-verbal, speak languages other than English, suffer from homelessness, are Indian tribal members, have dual-diagnoses and require mental health services, or some other need that will require the support of a workforce that is responsive to an individual's values, beliefs, health literacy, preferred language, and other communication needs. Providers are facing challenges building a workforce that is able to deliver culturally specific services, and in a language that a person can understand, which requires a tenured workforce that is appropriately trained and can build relationships with the people they serve. Hiring and retaining culturally specific practitioners will require a provider to pay a premium wage to retain a direct care provider that can deliver culturally specific services.		
H	Please provide an explanation of methodologies and strategies while gathering necessary data for this project.	<p>COMMENT: ANSWER:</p> <p>We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study. Obtaining data through a survey process is one of the common strategies we use when conducting rate studies and developing rate recommendations. We often rely on surveys to collect additional information and data from stakeholders that will provide important insights in the process. Milliman staff have extensive experience in designing and administering surveys, reviewing the information reported, and processing and analyzing the data received. Conducting interviews and workgroup meetings with stakeholders is another common strategy for collecting information to consider when conducting rate studies and developing rate recommendations. Our staff also have experience in conducting interviews and interactive meetings with various stakeholders to gather important feedback and information, and to better understand the challenges faced by stakeholders.</p> <p>As an example, Milliman was recently retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental disabilities. As part of this rate study, the Milliman team coordinated and</p>	20	Choose an item.

		<p>facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce.</p>		
6.	Budget and Reporting (10 points)			
A	<p>Please complete Attachment F: Budget Response Template, detailing all costs to provide the services as outlined in this Competitive Solicitation, including the Sample Contract set forth on Attachment A. Please include the completed form as a separate document in your bid response. Please provide a general budget narrative below that describes in detail how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document.</p>		10	Choose an item.
COMMENT:	<p>Bidders are to complete the Attachment F: Budget Response Template spreadsheet and submit it in Excel format with your bid response. Your responses in Attachment F will be scored in this section of Attachment D: Bidder Response Form.</p> <p>ANSWER:</p> <p>Please see “RFP2334-830_Attachment_F_Budget Template_Milliman_20230929.xlsx” for our completed Budget Response Template spreadsheet. Our professional fees will be based on the actual hours worked on the project multiplied times our consulting fee hourly rate, subject to the total maximum amount under this solicitation. The ‘Consulting Fees for Professional Services’ line item in Attachment F reflects all estimated costs to perform the services under this engagement.</p> <p>We include in the table below how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document. The estimated budget by deliverable / benchmark is based on the number of estimated hours and resulting professional fees to complete each task, subject to the overall total maximum amount under this solicitation.</p>			

Deliverables and Benchmarks		Estimated Budget
Introductory Meeting		\$25,000 upon completion of service group 1
Check-in and DSHS Approval		
Data Share Agreement		
Service Group 1 Meetings		
Service Group 1 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 2
Service Group 2 Meetings		
Service Group 2 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 3
Service Group 3 Meetings		
Service Group 3 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 4
Service Group 4 Meetings		
Service Group 4 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of report
Inflation Adjustment Meetings		
Inflation Adjustment Methodology Report and DSHS Approval		

NOTES:

WRITTEN RESPONSE SCORING
October 2-6, 2023
RFP 2334-830
Economic Rates Study

Vendor Name: Milliman, Inc.

Evaluator Number: WE7

General Guidelines:

- Please score each vendor's response without reference to the scores for other vendors. Each score should reflect your score based on the criteria only.
- Please note all scores and comments in the allotted sections. If you change a score, initial the change.
- Please include comments that will assist the vendor in understanding why the response did not get full points. Positive comments are also welcome.
- We would prefer that you leave a comment for each question scored, briefly explaining why you assigned that particular score.
- You may discuss the proposals among the evaluation team, but each evaluator should score independently. **We do not use consensus scoring.**
- Do not downgrade a proposal because it did not address something that was not asked for in the Solicitation.

Scoring of Proposals

The following available points will be assigned to the proposal for evaluation purposes:

Section 5 Bidder Qualifications & Experience	240 points
Section 6 Budget & Reporting	10 points

If you have questions, please direct them to Lauren Bragazzi, Solicitation Coordinator, phone 360-664-6047. All evaluations must be returned and reviewed by the Solicitation Coordinator at the end of the evaluation.

Score	Description	Discussion
90-100% of available points	Exceptional	Clearly superior to that which is average.
70-80%	Above Average	Better than that which is average.
50-60%	Average	Baseline score for each item with adjustments based upon the evaluator's interpretation of the Bidder's response.
30-40%	Below Average	Substandard to that which is average.
10-20%	Failing	Non-responsive or clearly inadequate to that which is average.
0%	No Experience	Response shows no experience in this skill or capability.

Evaluator Scoresheet for RFP 2334-830

You will be evaluating one part of the bidder’s submission: Section 5 and Section 6. If a question requires Bidders to submit additional documents, they will be included in an attached document.

5.	BIDDER Qualifications and Experience (240 Points)		240 MAX POINTS	SCORE
A	<p>Please provide the number of years of experience your organization has conducting rates studies and how many years specific to conducting rates studies regarding Long-Term Care services. Please describe the experiences, skills, and qualifications your organization possesses that are relevant to an evaluation of your ability to perform the Contract that is the subject of this Solicitation. Please ensure that your answer to this question includes all information that you wish DSHS to consider in determining whether you meet the minimum Bidder qualifications set forth in the Solicitation Document. Please include any relevant experience that distinguishes your organization or makes it uniquely qualified for the Contract.</p>			
	COMMENT:	<p>ANSWER:</p> <p>Milliman has 30+ years of experience in advising clients on a variety of areas related to analysis of LTSS services and rate studies. Our organization’s experience includes assisting LTSS / LTC programs in both the public and private sectors, experience that will be directly relevant for completing the rate study for this engagement.</p> <p>We have 30+ years of experience conducting rates studies and fee schedule analysis more broadly for commercial and government healthcare programs. We have 15+ years of direct experience assisting Medicaid programs in conducting rates studies regarding LTSS / LTC services.</p> <p>We highlight below relevant work experience and examples, including work to project service costs to support the actuarial analysis of premium rates, fund balance, and viability of program features for the WA Cares Fund program over the last 8 years.</p> <p>Milliman Experiences, Skills, and Qualifications</p> <p><u>Rate Setting for State Medicaid Agencies</u></p>	50	48

		<p>Milliman has vast experience advising states regarding Medicaid Long-Term Services and Supports (LTSS) rate-setting methodologies and related policies. Our team members also have significant experience with the regulatory and compliance considerations for implementing LTSS payment methodologies, as well as decades of experience managing stakeholder engagement (for providers, participants, managed care organizations, and advocates) throughout the rate development process. We also understand LTSS workforce challenges and opportunities facing state agencies and ensuring there are enough workers to meet beneficiaries' needs.</p> <p>In the past five years alone, we have assisted 12 Medicaid agencies, including Arkansas, Hawai'i, Indiana, Iowa, Michigan, Mississippi, New Hampshire, Ohio, Rhode Island, South Carolina, Washington, and Wisconsin with the development of provider fee schedules for LTSS services. We have also assisted with the development of tiered rates for LTSS services in Arkansas, Hawai'i, Indiana, Ohio, Iowa, Rhode Island, and Wisconsin; bundled rates for LTSS services in Indiana and Ohio; and negotiated market rates for LTSS services in Arkansas. As part of these projects, we have also assisted with calculations of cost neutrality, analyzed service utilization, conducted rate development projects, developed innovative managed care rate structures, and projected waiver program expenditures.</p> <p><u>Actuarial / Financial Modeling for WA Cares Fund</u></p> <p>Milliman has provided actuarial support and financial analysis and projections for WA Cares Fund since the program was enacted in 2019 (and feasibility studies before the program was enacted). The financial modeling includes the projection of estimated revenue and expenditures under WA Cares Fund for the next 75 years. The expenditures include estimates of service costs incurred by major site of care: nursing home, assisted living facility, and care at home. Our work for WA Cares Fund includes frequent meetings with WA DSHS and WA OSA and various workgroups responsible for recommending / clarifying program features. We also routinely present findings of our work at the LTSS Trust Commission public meetings.</p> <p><u>Private Market LTC Insurance Service Cost Data</u></p>		
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Milliman has significant experience in analyzing commercial service costs for Long-Term Care (LTC) Insurance programs. Milliman has developed a set of proprietary Long Term Care Guidelines (*LTC Guidelines*), which provide frequencies, continuance curves, utilization assumptions and claim costs from a large number of product designs over the past three decades. The Milliman *LTC Guidelines* incorporate both private and public sector data sources, and are periodically updated to reflect the most comprehensive and current information available in the market. The *LTC Guidelines* are one area of differentiation from other actuarial and consulting firms. The first set of *LTC Guidelines* was developed in 1992 and has been updated regularly, with the most recent edition completed in 2020. The breadth of underlying data and the comprehensiveness of analysis position the *LTC Guidelines* to be an unrivaled benchmark for LTC morbidity.

Milliman Relevant Experience

We list below recent relevant experience that distinguishes Milliman and makes us uniquely qualified to support the work requested under this Contract.

1. Feasibility Studies to Finance LTSS in Washington

Sponsor: Washington Department of Social and Human Services (DSHS)
Project Duration: February 2016 to January 2017, June 2018 to October 2018

In 2016, Milliman was engaged to study the feasibility of offering two unique LTSS financing options in the State of Washington. Various stakeholder interviews and discussions in the State of Washington helped determine the final scope of plan parameters to model for the project. The scope of our engagement included the evaluation and discussion of the following items:

- Expected costs and benefits for participants
- Total anticipated number of participants
- Financial and legal risks to the State

- Savings to the State Medicaid program

In 2018, Milliman was engaged to perform a follow-up study, in which we analyzed the expected costs of changing the plan parameters and sensitivities surrounding these parameters.

1. LTSS Trust / WA Cares Fund Actuarial Studies

Sponsor: Washington Office of the State Actuary (OSA)
Project Duration: February 2020 to Present

After the LTSS Trust Act was passed, Milliman was re-engaged by the OSA in 2020, working closely with WA DSHS, to assist in projecting the current program and modeling program alternatives / changes. Milliman continues to support the development and implementation of WA Cares Fund. Notable deliverables include the 2020 and 2022 Actuarial Study of WA Cares Fund, as well as other deliverables included in the Milliman Actuarial Studies / Reports on the OSA website.

Relevant to this solicitation, our engagement with OSA includes working with a government agency and other stakeholders to analyze LTC financing solutions and has required an understanding of the current LTC financing environment in Washington. Additionally, we gained experience presenting to the LTSS Trust Commission and assisting various legislative work groups.

3. HCBS Rate Study for Washington DSHS

Sponsor: Washington Department of Social and Health Services (DSHS)
Project Duration: June 2022 – Present

Milliman was retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental

disabilities. As part of this rate study, the Milliman team coordinated and facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce. Milliman is currently in the process of developing rate recommendations.

4. Nursing Facility Payment Transformation and Rate Setting for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)

Project Duration: May 2021 – Present

The State’s goals for updating Medicaid nursing facility reimbursement were as follows:

- Transition from a fully cost-based reimbursement model to a price-based model that pays for value provided rather than costs incurred.
- Remove retroactive cost settlements and design a prospective-only payment. This was in part needed to facilitate state-direction of the state nursing facility fee schedule to managed care providers.
- Alignment with reimbursement for HCBS and other Medicaid services. The prior reimbursement model, with quarterly updates and guaranteed reflection of any cost increases, was unique to nursing facilities. A level playing field for reimbursement is a key step towards rebalancing.
- Quality – Link provider payments to member outcomes by devoting a material portion of the payment to higher quality facilities and selecting meaningful metrics and relevant metrics on which to base payments.

It was decided at the outset that the reimbursement restructuring would be budget neutral – that is, target total funding in the system would be the same as under the legacy system. This was key to getting provider buy-in. It was understood that there would be “winners and losers”, but most were able to support the goal of reallocating funding to reward higher quality and more cost-effective facilities.

The Project was divided into three workstreams:

1. Nursing Facility Base Rates
2. Supplemental Nursing Facility Payments (Upper Payment Limit, supported by IGTs)
3. Restructure Quality Program

For each work stream, the state set up a series of meetings. Milliman prepared materials and led discussion, after first having internal meetings with the State of Indiana to confirm direction and content. We began by presenting background information, including state goals, regulatory constraints, and analysis related to shortcomings of the current system. For example, although there were large differences among the 500+ nursing facilities in per diem reimbursement under the legacy cost-based system, these differences had no statistical correlation with acuity (RUG scores) or quality scores, so it was difficult to justify the variation in payment. We also presented options for the new reimbursement model, offered advantages and disadvantages to each, and developed a series of facility-specific models to help stakeholders understand the initial proposal and subsequent refinements, and how it might affect them. Over the course of the project, we worked with the state, nursing facility industry and other stakeholders to build consensus on a new reimbursement structure, supplemental payment design, and quality program.

The State also prioritized working collaboratively with stakeholders and agreed to smooth the transition by offering a transition period. Milliman collaborated with the State and stakeholders to model and assess various transition plan options, aiming to strike a balance between introducing the new reimbursement system's goals and minimizing disruption to current operations. Communicating the options and the eventual chosen transition plan clearly to providers was essential to ensuring they had adequate time and information to

prepare for the new reimbursement structure. Milliman will continue to provide support to the State and stakeholders as the new system is implemented, ensuring a smooth transition and the successful implementation of the new system as intended.

5. HCBS Rate Setting and Development of MLTSS Quality Framework for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)
Project Duration 2019 – Present

Milliman is currently supporting a cross-agency effort under Indiana FSSA to establish HCBS rates, working with the Office of Medicaid Policy and Planning (OMPP), the Division of Aging (DA), and the Division of Disability and Rehabilitation Services (DDRS). One challenge with this project is coordinating multiple state agencies and their associated stakeholders through a rate setting process that was aligned, transparent, and towards the conclusion of the public health emergency. We are working with FSSA and the supporting agencies on:

- Goal setting and stakeholder engagement planning with the client
- Stakeholder engagement throughout the process in an inclusive and transparent framework
- Payment methodology, data options, and input
- Conceptual design, payment simulation, and refinement
- Public comment, state budget and legislative approval, CMS approval
- Stakeholders (internal and external) were included in project initiation all the way through the final vetting of all rate assumptions.

Related to this work, Milliman also played a stakeholder facilitation role to help the state develop its holistic LTSS quality strategy framework. The state sought to define its quality strategy to inform both its Master Plan on Aging and Medicaid Managed Care Quality Strategy, as well as leverage its purchasing power through specific MCO contract requirements and quality incentives through its upcoming MCO MLTSS procurement. For this project, we have conducted an extensive environmental scan and research, followed by a

series of stakeholder interviews (meeting with over 30 leaders across multiple agencies) to understand available data and performance measures, historical and recent performance including performance gaps, external stakeholder input received to date and other pertinent insights about the current landscape. We then facilitated a strategy session summit where we helped the group to establish a set of guiding MLTSS Quality Framework goals. Follow-up activities included working with a subgroup to establish foundational Year One objectives and metrics to monitor progress toward the goals. We also assisted with the development of managed care RFP language to outline the quality strategy and outline plan responsibilities to achieve the goals and objectives.

6. Residential Care and Behavioral Health Rate Setting for Michigan DHHS

Sponsor: Michigan Department of Health and Human Services
Project Duration: 2019 – Present

Milliman was retained by Michigan DHHS to provide actuarial and consulting services related to the development of a behavioral health and intellectual/developmental disabilities (BH I/DD) fee schedule for its specialty services managed care program (Note: MDHHS includes both BH and I/DD services in this program, which is often referred to as their Behavioral Health Program). This BH I/DD fee schedule was a system-wide project spanning multiple years and encompasses a wide range of services that are covered under the managed care capitation rates, including case management and treatment planning, community living supports, evaluation and management, outpatient services, psychiatric diagnostic evaluations, residential services, and skill building. Milliman is also supporting the development of tiered residential care payment rates for individuals with I/DD and individuals with serious mental illness. Milliman has facilitated a stakeholder workgroup to obtain feedback on tiering approaches, conducted provider interviews to obtain insights on residential care staffing and service delivery, conducted research on other state approaches, and performed an analysis of SIS-A assessment data to assess the relationship between SIS scores and HCBS service utilization.

7. HCBS Rate Setting and Stakeholder Support for Ohio DODD

Sponsor: Ohio Department of Developmental Disabilities
Project Duration: 2022 – Present

Milliman was retained by Ohio DODD to support the development of HCBS payment rates and the design of a quality program for Adult Day and Employment services for individuals served by the Department of Developmental Disabilities (DODD). Our team is currently working with stakeholders to establish HCBS rates that consider historical and future wages for HCBS providers and the potential downstream impact on services that are outside of the rate study. We have also been facilitating engagement with key stakeholders to solicit input and support regarding the implementation of two quality programs, which will include an ARPA supported pilot, capacity/infrastructure payments, and outcomes-based payments.

8. Provider Rate Review for Rhode Island OHIC

Sponsor: Rhode Island Office of the Health Insurance Commissioner
Project Duration: 2023 – Present

Milliman is currently engaged by Rhode Island OHIC to provide a comprehensive review of health and human services offered in the state, including both a financial and programmatic assessment. The financial assessment includes review of program rates, timing of last rate increase, utilization trends, and comparisons between Rhode Island and other regional states on these topics. Programmatic review includes assessment of eligibility standards, processes of program operations, access to programs, organizational structure, oversight of program providers, and accountability structures, including all programs funded by Medicaid and other funding sources in the following areas: social, mental health, aging, developmental disability, child welfare, juvenile justice, prevention services, habilitative, rehabilitative, substance use disorder treatment, residential care, adult or adolescent day services, employment and training, and vocational services. This work is overseen by the Office of the Insurance Commissioner and an advisory council created for this purpose and includes a series of

legislative reports summarizing the findings. Our work includes both conducting the independent research needed to provide full assessment and collaboration with the advisory council and other invested stakeholders. Our programmatic research has involved review of state administrative regulations, state program documents and web pages and applying our knowledge of federal regulations and processes. Drawing on Milliman’s expertise across the array of programmatic areas has allowed us to narrow focus to the most critical components of programming in each sub-population and provide the critical assessment required to bring meaningful insights and note best practices and perhaps areas that are ripe for improvement. This financial work likewise, has required the application of Milliman’s rate setting expertise and coordination with state agencies on rate information that is not within the public domain.

9. Rate Updates and Alignment for Mississippi Division of Medicaid

Sponsor: Mississippi Division of Medicaid

Project Duration: July 2011 - Present

As the consulting actuary for the State of Mississippi, Milliman routinely assists the Division to update the FFS rates for the HCBS waiver programs. Examples of services for which rates have been developed include attendant care, assisted living, adult day care, autism services, and case management.

The modeling approaches vary depending on the service but generally involves a “ground-up” build using wage and benefit data, productivity assumptions, industry staffing ratios, and related administration costs for the services provided. In certain situations, other ancillary services such as transportation were incorporated.

Stakeholder engagement has been a key part of each of the rate updates, consisting of survey tools, workgroups, and other feedback mechanisms.

		Currently Milliman is assisting the state with a full rebasing of all fee schedules for the assisted living, community support program, elderly disabled, intellectually and developmentally disabled, independent living, and traumatic brain injury waivers.		
B		Please provide the names of the key team members you will assign to this Contract, if you are the Successful Bidder, and provide their proposed roles and copies of resumes describing the relevant experience they possess. Bidder should note that if awarded a contract, it may not reassign its key personnel from the Project without prior approval of DSHS.		
	COMMENT:	<p>ANSWER:</p> <p>Key personnel providing assistance on the project are outlined below.</p> <p>Chris Giese, FSA, MAAA Project Role: Overall Project Responsibility and Primary Project Contact</p> <p>Chris Giese, FSA, MAAA, is a Principal and Consulting Actuary. He joined the firm in 2000. Chris has experience with healthcare and long-term care programs, with more than 20 years of experience in these areas. Chris has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016.</p> <p>Chris has assisted various entities, including insurance companies, health plans, employers, technology firms, and government programs. He has helped clients with a wide variety of projects such as financial projections and reporting, valuation of reserves, experience analysis, product development and pricing, appraisals, risk management, and evaluations of financing reform alternatives. Chris previously served as Chair of the Society of Actuaries (SOA) LTC Section Council and participated in various SOA and American Academy of Actuaries work groups.</p> <p>Most recently, Chris led projects gathering stakeholder feedback and analyzing various policy options to alternatively finance LTC for the states of Washington, California, Illinois, and Michigan. Chris has assisted LTC insurance carriers with evaluating the adequacy of active life</p>	10	9

reserves and claim reserves, performing in-depth analysis of historical morbidity and persistency experience for various blocks of business, completing annual statements of actuarial opinion regarding insurance companies' statutory / GAAP liabilities, and helped a company develop framework and projections to illustrate LTC costs in retirement planning for consumers. In addition to LTC programs, Chris has assisted healthcare program including supporting benefits administration firm to develop cost estimates used in helping employees decide among plan options during open enrolment, performing comprehensive analysis for employer on quarterly basis to identify and prioritize individuals for proactive outreach as part of its population health management, measuring healthcare costs versus regional and national benchmarks, and assisting entities in developing a multi-year strategic plan in response to the Affordable Care Act.

Chris is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a B.S. in Mathematics from Carroll College.

Luke Roth

Project Role: Senior Healthcare Consultant and Secondary Project Contact

Luke Roth is a Principal and Senior Healthcare Consultant in the Seattle office of Milliman. He rejoined the firm in 2018.

Luke has over 15 years of experience providing strategic guidance and transformative solutions to healthcare leaders and policy makers as they have navigated the unique risks and opportunities facing their organizations. As a member of Milliman's Medicaid Finance and Policy practice, he primarily supports state agencies in the areas of:

- Long-term services and supports (LTSS) payment system design and rate setting, including nursing home services and home- and community-based services.
- Hospital inpatient and outpatient payment system design and rate setting, including inpatient DRG-based payment systems, outpatient EAPG-based payment systems, and outcomes-based incentive payments.

- Medicaid program funding strategies, including development and implementation of health care-related taxes, intergovernmental transfer (IGT) programs, and certified public expenditure (CPE) programs.
- Supplemental payments strategy, including development and implementation of FFS supplemental (UPL) payments, managed care pass-through payments, state directed 438.6(c) payments, uncompensated care pool (UCP) payments, and disproportionate share hospital (DSH) payments.

Within the past year, Luke has provided provider payment policy and rate setting support to state agencies in Arizona, Illinois, Nebraska, Oklahoma, Florida, and Washington. He also recently co-authored a whitepaper with ADvancing States, the association representing the nation’s 56 state and territorial agencies on aging and disabilities and long-term services and supports directors, on strategies to address challenges related to financing for nursing facility services during MLTSS program implementation.

Luke holds a bachelor’s degree in Mathematics from the University of Washington.

Jill Bruckert, FSA, MAAA

Project Role: Senior Medicaid / LTC Consultant and Secondary Project Contact

Jill Bruckert, FSA, MAAA, is a Principal and Consulting Actuary. She joined Milliman in 2007 and has spent her career providing actuarial support and consulting services to state Medicaid agencies, governmental organizations, and Medicaid health plans. In addition, Jill has experience providing strategic and actuarial services to LTC insurance companies and has been involved in LTC reform analyses.

Jill has worked extensively with state Medicaid agencies to develop and certify acute care and LTC managed care capitation rates, develop HCBS and behavioral health fee schedules, budget analyses and expenditure projections, custom risk adjustment methodologies, waiver support, legislative studies and fiscal impact analyses, and many other ad hoc projects.

Relevant to this solicitation, Jill has led developing fee schedules for HCBS and behavioral health services in the state of Mississippi since 2015, including a current project to rebase all HCBS fee schedules.

Jill is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor's degree in Actuarial Science and Finance from the Drake University.

Annie Gunnlaugsson, ASA, MAAA

Project Role: Oversee Calculations and Deliverable Development

Annie Gunnlaugsson, ASA, MAAA, is a Consulting Actuary. She joined Milliman in 2012. Annie has served many types of clients in her time with Milliman. Her areas of focus include LTC insurance and the group and individual commercial health markets. Annie has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016.

Annie has assisted clients in the areas of ACA pricing and rate filings, year-end statements of actuarial opinions, state insurance department LTC rate filings, and reserve estimation for medical and long-term care products. Most recently, Annie helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.

Annie is an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor's degree in Actuarial Science from the University of Wisconsin Madison.

Evan Pollock, FSA, MAAA

Project Role: Lead Technical Calculations

Evan Pollock, FSA, MAAA, is a Senior Actuarial Manager. He joined Milliman in August 2015. Over the past eight years, Evan has focused on three main market areas: LTC insurance,

Medicaid, and group and individual commercial health insurance. Evan has worked on various projects supporting the State of Washington and the WA Cares Fund since 2020.

Evan has worked on projects ranging from pricing, reserving, and experience review to feasibility studies, capitation rate setting, and options analysis. Recently, his focus has been private LTC insurance, LTC reform, and Medicaid LTC rate development for a large state client. Relevant to this solicitation, Evan helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.

Evan is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a bachelor's degree in Actuarial Science from the University of Wisconsin Madison.

Jennifer Gerstorff, FSA, MAAA

Project Role: Peer Review and Support with WA Medicaid Program

Jenny Gerstorff, FSA, MAAA, is a principal and consulting actuary with Milliman's Seattle office. She joined the firm in 2006. Jenny has spent her entire actuarial career working primarily with state Medicaid agencies, working on programs in over half of the states across the years. With a wealth of experience in Medicaid actuarial and policy consulting, Jenny specializes in working closely with state Medicaid agencies on a diverse range of critical topics. Her extensive expertise encompasses capitation rate development, new policy feasibility analysis, program integrity monitoring and improvement, state budget forecasting, healthcare delivery system integration, customized risk adjustment, health disparity evaluations, risk mitigation mechanisms, and encounter data monitoring.

Jenny's proficiency extends across various benefit types, including Medicaid acute care, community behavioral health, long-term care, dental, and other ancillary benefits. She has also worked with a wide array of populations, including traditional Medicaid, ACA Expansion

		<p>adults, Medicare-Medicaid dual-eligibles, non-qualified non-citizen expansions, and other specialized program populations.</p> <p>Beyond her work with state Medicaid agencies, Jenny has been a trusted consultant to independent provider organizations, non-national health plans serving Medicaid and Medicare populations, Medicaid health plan associations, and safety net healthcare providers. Her extensive background includes conducting financial and utilization-based analyses to support the development of historical experience studies, proforma projections, risk mitigation strategies, provider reimbursement rates, grant funding applications, and value-based contracting model implementation.</p> <p>She volunteers with the Society of Actuaries (SOA) and the American Academy of Actuaries (AAA), participating in research efforts and developing content for continuing education opportunities for over a decade. In 2022, Jenny was appointed as a commissioner at the Medicaid and CHIP Payment and Access Commission (MACPAC), a non-partisan government advisory body that plays a pivotal role in shaping Medicaid and CHIP policy through its guidance and recommendations to policymakers.</p> <p>Jenny is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a B.S. in Applied Mathematics from Columbus State University.</p>		
C	<p>Please describe your method for assuring that your services and deliverables are provided in accordance with high quality standards and for immediately correcting any deficiencies. What data would you propose to report to DSHS which would permit verification of your quality assurance activity, findings and actions?</p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>Milliman employs a strong ethic of peer review in all its projects. This process requires a secondary review of the work performed, reports prepared, and overall project management. The reviewer is selected as someone familiar with the project, but who has not performed significant work on the specific project. This allows for impartial review and the opportunity for additional insights. The review is structured to identify any outstanding issues that were not addressed, to ensure that the information is presented in a logical and complete manner,</p>	20	16

		<p>and to ensure that the overall quality of the work meets Milliman’s high standards. This process adds an additional level of security for our clients. Should any deficiencies be discovered, we will work together with the State to ensure concerns are addressed in a timely manner.</p> <p>Accuracy and client satisfaction are our highest priorities in any engagement. At the individual client level, we tailor our procedures to your needs. Our consultants monitor client satisfaction through various informal contacts (e.g., in-person, virtual) on a continuous basis. Our high client retention ratios attest to the satisfaction of our clients.</p>		
D	<p>Please describe the measures you employ to assure that your services and deliverables are provided in a cost-effective manner that is consistent with quality outcomes and fair employment practices.</p> <p>COMMENT:</p>	<p>ANSWER: Our fees reflect the estimated actual time spent on a project and related expenses. Our work is completed at the lowest hourly billing rate level possible while still providing the expertise required by our clients. Thus, technical work is often completed by analysts. Alternatively, planning, project design, assumption setting, and peer review are completed by more experienced consultants.</p>	20	15
E	<p>Please provide a work sample of a like project completed in the past that demonstrates the gathering of data necessary to evaluate current rates, potential rate fluctuation and/or a study demonstrating a similar data and study structure. Please include all work samples in a single PDF attachment. Submissions received in alternate formats may not receive a score. <i>Please ensure all proprietary material is clearly marked in accordance with RFP Document Section D.5.</i></p> <p>COMMENT:</p>	<p>ANSWER: Please see “RFP2334-830_Supplement D.5.e - SD1_Rate Study.pdf” for a work sample.</p>	50	47
F	<p>Please provide a narrative explaining how you plan to complete this project, inclusive of a proposed timeline in alignment with the deliverables table in the RFP and sample contract.</p>		50	45

	COMMENT:	<p>ANSWER:</p> <p>The focus of our engagement will be to provide guidance on how to utilize, maintain, and update rates as WA Cares program experience emerges. We will provide considerations and data points to assist WA Cares Fund in developing a structure for adapting to a dynamic marketplace for long-term care services. Below we provide a work plan for achieving these goals.</p> <p>Data Collection</p> <p>Between October 2023 and January 2024, we will largely focus on data collection and summarization. Specifically, we plan to gather information on current and historical rates for the LTSS service categories outlined in the solicitation for this engagement. The sources will vary for each applicable service, but in general we expect to leverage the following data sources.</p> <ul style="list-style-type: none"> • Washington Medicaid data provided by the State of Washington (e.g., utilization of services and rates paid out to providers in Medicaid LTSS). This data will inform Medicaid rates for many of the WA Cares Fund services. We will supplement with CMS Transformed Medicaid Statistical Information System (T-MSIS) data if applicable. • Milliman proprietary databases, namely the Long-Term Care Guidelines Database, which includes data from the commercial market, and the Consolidated Health Cost Guidelines Sources Database, which covers other lines of business. These sources represent tens of millions of life years of claim experience and will provide another benchmark for the major WA Cares Fund services. • Public sources, including the Genworth cost of care survey, Bureau of Labor Statistics, review of reports / literature of LTSS service costs, etc. Genworth’s cost of care survey is published publicly on an annual basis and contains information about average costs of care by service and geographic region for a commercial population. We will perform a thorough search for other relevant publicly available information to estimate and project average LTSS costs for the applicable population. 		
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- **Other interviews and surveys** of long-term care providers. We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study (i.e., weigh the costs and benefits of gathering information from this particular channel). If an interview or survey is determined to be worthwhile, Milliman will provide guidance and support to DSHS on how to conduct the interview and survey. Once interview and survey responses are collected by DSHS, Milliman will compile and analyze the results.

Study Analysis

Analysis of the collected information will be both quantitative and qualitative.

From a quantitative perspective, we will use gathered data to produce rate ranges by service category and project how those ranges may change over time (e.g., be adjusted for inflation). Given the detailed models we already have created to project WA Cares Fund cash flows, we can also perform quantitative analysis on how different rates may impact projections of the financial outlook of the program.

From a qualitative perspective, we will leverage our expertise in LTC, Medicaid, and the WA Cares Fund to advise on rate-related topics such as:

- Policy options for the rates and how the rates can be utilized by various stakeholders.
- How reimbursement for these services may impact provider availability.
- Guidance on how DSHS can adapt to maintain appropriate reimbursement as WA Cares program experience emerges.

Presentation of Findings

Between January 2024 and August 2024, we will develop focused reports for each project phase (1 through 4) that will provide the following information:

		<p>a) Results from our qualitative and quantitative analyses.</p> <p>b) Methodology and assumptions used in our study.</p> <p>c) Considerations for engaging with the results and guidance on next steps for the program.</p> <p>Our work will culminate with a final report before May 2025.</p> <p>Throughout the engagement we will provide needed expertise, guidance, education, and consultation to support WA Cares Fund staff, stakeholder groups, and the LTSS Trust Commission in areas associated with this Contract and attend ongoing meetings with these groups as is helpful.</p>		
G	<p>Please describe current or prior projects that demonstrate a like process and product. Please explain challenges and how they were overcome. Where do you foresee similar or different challenges with this study?</p> <p>COMMENT:</p>	<p>ANSWER:</p> <p>We list below projects that demonstrate our experience and challenges encountered for analyzing rates. We see similar challenges for this study, but expect the framework used to complete prior projects and overcome any challenges will also be effective for conducting this study. We expect this study will face new challenges since the WA Cares program is first-of-its-kind with no direct program experience to use for obtaining data. We expect some service categories will have more robust data to analyze (pulling from existing public and private program experience), while other categories may have very limited data to analyze. We envision our final deliverable for the study will establish a process for overcoming these challenges, including considerations of how to reflect actual program data as it emerges.</p> <p>Current / Prior Projects with Like Process and Product</p>	20	19

		<p>Milliman has assisted numerous state Medicaid agencies and other entities with the design, implementation, evaluation, and monitoring of payment systems and rate-setting methods for all types of services:</p> <ul style="list-style-type: none"> • Long-term supports and services, including nursing facility services, residential services, and other HCBS provided to the aged and disabled populations, as well as to persons with intellectual or developmental disabilities. • Behavioral health services, including HCBS and other services that are unique to persons requiring these services, such as partial hospitalization, intensive outpatient and substance use disorder services • Inpatient and outpatient hospital services, including acute services, both short-term psychiatric care and long-term civil commitment services, rehabilitation, long-term acute care, and other types of hospital settings • Professional and clinic services, including physician, nursing, therapy, and other services • Other unique services provided by state Medicaid agencies, including services provided under authority granted through CMS waiver programs <p>With respect to rates for long term services and supports, Milliman understands the challenges and opportunities facing states like Washington as they develop public policy that impacts payment for and access to long-term services and supports, which can have implications for individuals receiving these services to live healthy, safe, meaningful, and self-determined lives that include the ability to fully engage in community living.</p> <p>Milliman recently assisted the Washington State Health Care Authority (HCA) with developing comparison rates intended to provide transparent benchmark estimates of Medicaid payment rates to providers for behavioral health services, using methodologies consistent with CMS approved HCBS rate structures. These comparison rates comprise all significant behavioral health services, including mental health and substance use disorder (SUD) outpatient services and SUD residential care and withdrawal management. The Milliman team used an independent rate model approach consistent with methodologies used for HCBS payment,</p>		
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		<p>informed by analyses of independent data sources (e.g., Bureau of Labor Statistics wage data), and State program staff and provider subject matter expertise. Milliman developed and implemented a stakeholder engagement strategy including all-provider meetings, three stakeholder workgroups (specific to service type) and ad hoc subgroups for intensive team-based services for adults and youth. Rate assumptions include the identification of wage levels by type of behavioral health professional, employee-related benefits and taxes, supervisor span of control, turnover, training, paid time off, administrative costs, transportation, residential facility staffing, and facility overhead costs, among others.</p> <p>Community residential agencies are facing immense pressures, ranging from workforce competition to making sure that services are person-centered. These unique business challenges that providers face can primarily be grouped into two buckets, which can sometimes overlap: financial challenges and service challenges.</p> <p>FINANCIAL CHALLENGES</p> <p>Community residential agencies require sufficient rates to hire and maintain a skilled workforce that is able to deliver person-centered services. Per a 2019 Report to the Legislature, <i>Rethinking Intellectual and Developmental Disability Policy to Empower Clients, Develop Providers, and Improve Services</i>, “Feedback from contracted providers consistently indicates that they are unable to recruit and retain sufficient numbers of skilled direct care professional under the current rate.” Financial pressures have only increased since 2019 due to the pandemic, workforce competition, and the global financial landscape. Below are considerations of key financial challenges that providers are facing.</p> <p>Wage pressures and staff retention</p> <p>Washington, like many states, faces challenges supporting residential care workforce recruitment, training, development, and retention. Community residential agencies will face challenges building a high-quality workforce that is able to provide continued access to services with high turnover and vacancy rates. High turnover and vacancy rates not only</p>		
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impact the delivery of services to clients, but also leads to higher costs to providers as they spend more time on training, getting staff oriented with their job duties, and longer service time as they build a relationship with their clients.

Milliman brings an in-depth understanding of the workforce challenges that states face when ensuring access to high-quality services, which have been exacerbated by the COVID-19 pandemic's impact on the economy. We regularly gather feedback from stakeholders regarding state-specific labor market dynamics and wage levels and have extensive experience collecting and analyzing a wide variety of national and state wage data when developing payment rates. This experience includes developing and administering state-specific cost and wage surveys that identify wages by staff level and employee-related benefit costs and conducting stakeholder interviews.

We also work with states to address workforce challenges more broadly. For example, in Rhode Island, we are supporting the State in the implementation of a temporary increase in Medicaid fee-for-service rates with specific requirements to pass the extra funds through to direct care workers in the HCBS provider organizations, while in Florida we conducted an assessment of the state's increased minimum wage and its impact on reimbursement rates for HCBS providers and residential care facilities among others. Our support to our clients has included identifying included providers, drafting program guidance, assisting in stakeholder meeting facilitation, and researching policy alternatives consistent with regulatory guidance and operational needs.

Additional challenges

In addition to minimum wage adjustments, providers are feeling wage pressures due to inflation, demand for services, and the public health emergency for COVID-19. Some of these wage pressures are temporary and will be replaced by other pressures. As such, payment rates must be flexible and transparent to incorporate mid-stream adjustments to account for these unanticipated pressures.

SERVICE CHALLENGES

Community residential agencies are adapting to evolving service requirements as states are moving towards paying for outcomes, providers are complying with the HCBS Setting Rule, and temporary service standards implemented during the pandemic are becoming permanent (e.g., virtual service delivery). Below are considerations of key service challenges that providers are facing:

Compliance with HCBS Setting Rule

Providers must follow the requirements of the HCBS Setting Rule (under 42 CFR § 441.301(c)(4)(5) and § 441.710(a)(1)(2)) by providing integrated service options and both choices and rights within a residential setting (e.g., choice of a private room, roommate, schedule, etc.) Residential providers must not only comply with these requirements but must also report their compliance to Residential Care Services (RCS) Contracted Evaluators and RCS Investigators. Providers must continue to emphasize and train their staff on person-centered care planning that supports a person's choice and preferences.

Quality and outcomes reporting

States are requiring the delivery of and outcome and quality reporting to support the delivery and payment for services, especially as states are reinforcing person-centered services and meeting the requirements of the HCBS Settings Rule. Providers, and their direct support professionals, need to learn how to report outcomes and quality measures. These reporting requirements can increase both indirect service time and administrative costs for providers, as well as payments, if quality and outcomes reporting is tied to payments.

Culturally specific services

Washington is a geographically and culturally diverse state, which can cause challenges with delivering person-centered services that are impactful and meet the needs of an individual.

		Community residential agencies will need to hire and retain staff that can build relationships and deliver services with people that may be non-verbal, speak languages other than English, suffer from homelessness, are Indian tribal members, have dual-diagnoses and require mental health services, or some other need that will require the support of a workforce that is responsive to an individual's values, beliefs, health literacy, preferred language, and other communication needs. Providers are facing challenges building a workforce that is able to deliver culturally specific services, and in a language that a person can understand, which requires a tenured workforce that is appropriately trained and can build relationships with the people they serve. Hiring and retaining culturally specific practitioners will require a provider to pay a premium wage to retain a direct care provider that can deliver culturally specific services.		
H	Please provide an explanation of methodologies and strategies while gathering necessary data for this project.			
	COMMENT:	ANSWER: We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study. Obtaining data through a survey process is one of the common strategies we use when conducting rate studies and developing rate recommendations. We often rely on surveys to collect additional information and data from stakeholders that will provide important insights in the process. Milliman staff have extensive experience in designing and administering surveys, reviewing the information reported, and processing and analyzing the data received. Conducting interviews and workgroup meetings with stakeholders is another common strategy for collecting information to consider when conducting rate studies and developing rate recommendations. Our staff also have experience in conducting interviews and interactive meetings with various stakeholders to gather important feedback and information, and to better understand the challenges faced by stakeholders. As an example, Milliman was recently retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental disabilities. As part of this rate study, the Milliman team coordinated and	20	18

		<p>facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce.</p>		
6.	Budget and Reporting (10 points)			
A	<p>Please complete Attachment F: Budget Response Template, detailing all costs to provide the services as outlined in this Competitive Solicitation, including the Sample Contract set forth on Attachment A. Please include the completed form as a separate document in your bid response. Please provide a general budget narrative below that describes in detail how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document.</p>			
	<p>COMMENT:</p> <p>Bidders are to complete the Attachment F: Budget Response Template spreadsheet and submit it in Excel format with your bid response. Your responses in Attachment F will be scored in this section of Attachment D: Bidder Response Form.</p> <p>ANSWER:</p> <p>Please see “RFP2334-830_Attachment_F_Budget Template_Milliman_20230929.xlsx” for our completed Budget Response Template spreadsheet. Our professional fees will be based on the actual hours worked on the project multiplied times our consulting fee hourly rate, subject to the total maximum amount under this solicitation. The ‘Consulting Fees for Professional Services’ line item in Attachment F reflects all estimated costs to perform the services under this engagement.</p> <p>We include in the table below how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document. The estimated budget by deliverable / benchmark is based on the number of estimated hours and resulting professional fees to complete each task, subject to the overall total maximum amount under this solicitation.</p>	10	5	

Deliverables and Benchmarks		Estimated Budget
Introductory Meeting		\$25,000 upon completion of service group 1
Check-in and DSHS Approval		
Data Share Agreement		
Service Group 1 Meetings		
Service Group 1 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 2
Service Group 2 Meetings		
Service Group 2 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 3
Service Group 3 Meetings		
Service Group 3 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 4
Service Group 4 Meetings		
Service Group 4 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of report
Inflation Adjustment Meetings		
Inflation Adjustment Methodology Report and DSHS Approval		

NOTES:

WRITTEN RESPONSE SCORING
October 2-6, 2023
RFP 2334-830
Economic Rates Study

Vendor Name: Milliman, Inc.

Evaluator Number: WE8

General Guidelines:

- Please score each vendor's response without reference to the scores for other vendors. Each score should reflect your score based on the criteria only.
- Please note all scores and comments in the allotted sections. If you change a score, initial the change.
- Please include comments that will assist the vendor in understanding why the response did not get full points. Positive comments are also welcome.
- We would prefer that you leave a comment for each question scored, briefly explaining why you assigned that particular score.
- You may discuss the proposals among the evaluation team, but each evaluator should score independently. **We do not use consensus scoring.**
- Do not downgrade a proposal because it did not address something that was not asked for in the Solicitation.

Scoring of Proposals

The following available points will be assigned to the proposal for evaluation purposes:

Section 5 Bidder Qualifications & Experience	240 points
Section 6 Budget & Reporting	10 points

If you have questions, please direct them to Lauren Bragazzi, Solicitation Coordinator, phone 360-664-6047. All evaluations must be returned and reviewed by the Solicitation Coordinator at the end of the evaluation.

Score	Description	Discussion
90-100% of available points	Exceptional	Clearly superior to that which is average.
70-80%	Above Average	Better than that which is average.
50-60%	Average	Baseline score for each item with adjustments based upon the evaluator's interpretation of the Bidder's response.
30-40%	Below Average	Substandard to that which is average.
10-20%	Failing	Non-responsive or clearly inadequate to that which is average.
0%	No Experience	Response shows no experience in this skill or capability.

Evaluator Scoresheet for RFP 2334-830

You will be evaluating one part of the bidder’s submission: Section 5 and Section 6. If a question requires Bidders to submit additional documents, they will be included in an attached document.

5.	BIDDER Qualifications and Experience (240 Points)		240 MAX POINTS	SCORE
A	<p>Please provide the number of years of experience your organization has conducting rates studies and how many years specific to conducting rates studies regarding Long-Term Care services. Please describe the experiences, skills, and qualifications your organization possesses that are relevant to an evaluation of your ability to perform the Contract that is the subject of this Solicitation. Please ensure that your answer to this question includes all information that you wish DSHS to consider in determining whether you meet the minimum Bidder qualifications set forth in the Solicitation Document. Please include any relevant experience that distinguishes your organization or makes it uniquely qualified for the Contract.</p>			
	<p>COMMENT: answered all aspects of Q and has relevant exp.</p>	<p>ANSWER:</p> <p>Milliman has 30+ years of experience in advising clients on a variety of areas related to analysis of LTSS services and rate studies. Our organization’s experience includes assisting LTSS / LTC programs in both the public and private sectors, experience that will be directly relevant for completing the rate study for this engagement.</p> <p>We have 30+ years of experience conducting rates studies and fee schedule analysis more broadly for commercial and government healthcare programs. We have 15+ years of direct experience assisting Medicaid programs in conducting rates studies regarding LTSS / LTC services.</p> <p>We highlight below relevant work experience and examples, including work to project service costs to support the actuarial analysis of premium rates, fund balance, and viability of program features for the WA Cares Fund program over the last 8 years.</p> <p>Milliman Experiences, Skills, and Qualifications</p> <p><u>Rate Setting for State Medicaid Agencies</u></p>	50	49

		<p>Milliman has vast experience advising states regarding Medicaid Long-Term Services and Supports (LTSS) rate-setting methodologies and related policies. Our team members also have significant experience with the regulatory and compliance considerations for implementing LTSS payment methodologies, as well as decades of experience managing stakeholder engagement (for providers, participants, managed care organizations, and advocates) throughout the rate development process. We also understand LTSS workforce challenges and opportunities facing state agencies and ensuring there are enough workers to meet beneficiaries' needs.</p> <p>In the past five years alone, we have assisted 12 Medicaid agencies, including Arkansas, Hawai'i, Indiana, Iowa, Michigan, Mississippi, New Hampshire, Ohio, Rhode Island, South Carolina, Washington, and Wisconsin with the development of provider fee schedules for LTSS services. We have also assisted with the development of tiered rates for LTSS services in Arkansas, Hawai'i, Indiana, Ohio, Iowa, Rhode Island, and Wisconsin; bundled rates for LTSS services in Indiana and Ohio; and negotiated market rates for LTSS services in Arkansas. As part of these projects, we have also assisted with calculations of cost neutrality, analyzed service utilization, conducted rate development projects, developed innovative managed care rate structures, and projected waiver program expenditures.</p> <p><u>Actuarial / Financial Modeling for WA Cares Fund</u> Milliman has provided actuarial support and financial analysis and projections for WA Cares Fund since the program was enacted in 2019 (and feasibility studies before the program was enacted). The financial modeling includes the projection of estimated revenue and expenditures under WA Cares Fund for the next 75 years. The expenditures include estimates of service costs incurred by major site of care: nursing home, assisted living facility, and care at home. Our work for WA Cares Fund includes frequent meetings with WA DSHS and WA OSA and various workgroups responsible for recommending / clarifying program features. We also routinely present findings of our work at the LTSS Trust Commission public meetings.</p> <p><u>Private Market LTC Insurance Service Cost Data</u></p>		
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Milliman has significant experience in analyzing commercial service costs for Long-Term Care (LTC) Insurance programs. Milliman has developed a set of proprietary Long Term Care Guidelines (*LTC Guidelines*), which provide frequencies, continuance curves, utilization assumptions and claim costs from a large number of product designs over the past three decades. The Milliman *LTC Guidelines* incorporate both private and public sector data sources, and are periodically updated to reflect the most comprehensive and current information available in the market. The *LTC Guidelines* are one area of differentiation from other actuarial and consulting firms. The first set of *LTC Guidelines* was developed in 1992 and has been updated regularly, with the most recent edition completed in 2020. The breadth of underlying data and the comprehensiveness of analysis position the *LTC Guidelines* to be an unrivaled benchmark for LTC morbidity.

Milliman Relevant Experience

We list below recent relevant experience that distinguishes Milliman and makes us uniquely qualified to support the work requested under this Contract.

1. Feasibility Studies to Finance LTSS in Washington

Sponsor: Washington Department of Social and Human Services (DSHS)
Project Duration: February 2016 to January 2017, June 2018 to October 2018

In 2016, Milliman was engaged to study the feasibility of offering two unique LTSS financing options in the State of Washington. Various stakeholder interviews and discussions in the State of Washington helped determine the final scope of plan parameters to model for the project. The scope of our engagement included the evaluation and discussion of the following items:

- Expected costs and benefits for participants
- Total anticipated number of participants
- Financial and legal risks to the State

- Savings to the State Medicaid program

In 2018, Milliman was engaged to perform a follow-up study, in which we analyzed the expected costs of changing the plan parameters and sensitivities surrounding these parameters.

1. LTSS Trust / WA Cares Fund Actuarial Studies

Sponsor: Washington Office of the State Actuary (OSA)
Project Duration: February 2020 to Present

After the LTSS Trust Act was passed, Milliman was re-engaged by the OSA in 2020, working closely with WA DSHS, to assist in projecting the current program and modeling program alternatives / changes. Milliman continues to support the development and implementation of WA Cares Fund. Notable deliverables include the 2020 and 2022 Actuarial Study of WA Cares Fund, as well as other deliverables included in the Milliman Actuarial Studies / Reports on the OSA website.

Relevant to this solicitation, our engagement with OSA includes working with a government agency and other stakeholders to analyze LTC financing solutions and has required an understanding of the current LTC financing environment in Washington. Additionally, we gained experience presenting to the LTSS Trust Commission and assisting various legislative work groups.

3. HCBS Rate Study for Washington DSHS

Sponsor: Washington Department of Social and Health Services (DSHS)
Project Duration: June 2022 – Present

Milliman was retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental

disabilities. As part of this rate study, the Milliman team coordinated and facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce. Milliman is currently in the process of developing rate recommendations.

4. Nursing Facility Payment Transformation and Rate Setting for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)

Project Duration: May 2021 – Present

The State’s goals for updating Medicaid nursing facility reimbursement were as follows:

- Transition from a fully cost-based reimbursement model to a price-based model that pays for value provided rather than costs incurred.
- Remove retroactive cost settlements and design a prospective-only payment. This was in part needed to facilitate state-direction of the state nursing facility fee schedule to managed care providers.
- Alignment with reimbursement for HCBS and other Medicaid services. The prior reimbursement model, with quarterly updates and guaranteed reflection of any cost increases, was unique to nursing facilities. A level playing field for reimbursement is a key step towards rebalancing.
- Quality – Link provider payments to member outcomes by devoting a material portion of the payment to higher quality facilities and selecting meaningful metrics and relevant metrics on which to base payments.

It was decided at the outset that the reimbursement restructuring would be budget neutral – that is, target total funding in the system would be the same as under the legacy system. This was key to getting provider buy-in. It was understood that there would be “winners and losers”, but most were able to support the goal of reallocating funding to reward higher quality and more cost-effective facilities.

The Project was divided into three workstreams:

1. Nursing Facility Base Rates
2. Supplemental Nursing Facility Payments (Upper Payment Limit, supported by IGTs)
3. Restructure Quality Program

For each work stream, the state set up a series of meetings. Milliman prepared materials and led discussion, after first having internal meetings with the State of Indiana to confirm direction and content. We began by presenting background information, including state goals, regulatory constraints, and analysis related to shortcomings of the current system. For example, although there were large differences among the 500+ nursing facilities in per diem reimbursement under the legacy cost-based system, these differences had no statistical correlation with acuity (RUG scores) or quality scores, so it was difficult to justify the variation in payment. We also presented options for the new reimbursement model, offered advantages and disadvantages to each, and developed a series of facility-specific models to help stakeholders understand the initial proposal and subsequent refinements, and how it might affect them. Over the course of the project, we worked with the state, nursing facility industry and other stakeholders to build consensus on a new reimbursement structure, supplemental payment design, and quality program.

The State also prioritized working collaboratively with stakeholders and agreed to smooth the transition by offering a transition period. Milliman collaborated with the State and stakeholders to model and assess various transition plan options, aiming to strike a balance between introducing the new reimbursement system's goals and minimizing disruption to current operations. Communicating the options and the eventual chosen transition plan clearly to providers was essential to ensuring they had adequate time and information to

prepare for the new reimbursement structure. Milliman will continue to provide support to the State and stakeholders as the new system is implemented, ensuring a smooth transition and the successful implementation of the new system as intended.

5. HCBS Rate Setting and Development of MLTSS Quality Framework for Indiana FSSA

Sponsor: State of Indiana, Family and Social Services Administration (FSSA)
Project Duration 2019 – Present

Milliman is currently supporting a cross-agency effort under Indiana FSSA to establish HCBS rates, working with the Office of Medicaid Policy and Planning (OMPP), the Division of Aging (DA), and the Division of Disability and Rehabilitation Services (DDRS). One challenge with this project is coordinating multiple state agencies and their associated stakeholders through a rate setting process that was aligned, transparent, and towards the conclusion of the public health emergency. We are working with FSSA and the supporting agencies on:

- Goal setting and stakeholder engagement planning with the client
- Stakeholder engagement throughout the process in an inclusive and transparent framework
- Payment methodology, data options, and input
- Conceptual design, payment simulation, and refinement
- Public comment, state budget and legislative approval, CMS approval
- Stakeholders (internal and external) were included in project initiation all the way through the final vetting of all rate assumptions.

Related to this work, Milliman also played a stakeholder facilitation role to help the state develop its holistic LTSS quality strategy framework. The state sought to define its quality strategy to inform both its Master Plan on Aging and Medicaid Managed Care Quality Strategy, as well as leverage its purchasing power through specific MCO contract requirements and quality incentives through its upcoming MCO MLTSS procurement. For this project, we have conducted an extensive environmental scan and research, followed by a

series of stakeholder interviews (meeting with over 30 leaders across multiple agencies) to understand available data and performance measures, historical and recent performance including performance gaps, external stakeholder input received to date and other pertinent insights about the current landscape. We then facilitated a strategy session summit where we helped the group to establish a set of guiding MLTSS Quality Framework goals. Follow-up activities included working with a subgroup to establish foundational Year One objectives and metrics to monitor progress toward the goals. We also assisted with the development of managed care RFP language to outline the quality strategy and outline plan responsibilities to achieve the goals and objectives.

6. Residential Care and Behavioral Health Rate Setting for Michigan DHHS

Sponsor: Michigan Department of Health and Human Services

Project Duration: 2019 – Present

Milliman was retained by Michigan DHHS to provide actuarial and consulting services related to the development of a behavioral health and intellectual/developmental disabilities (BH I/DD) fee schedule for its specialty services managed care program (Note: MDHHS includes both BH and I/DD services in this program, which is often referred to as their Behavioral Health Program). This BH I/DD fee schedule was a system-wide project spanning multiple years and encompasses a wide range of services that are covered under the managed care capitation rates, including case management and treatment planning, community living supports, evaluation and management, outpatient services, psychiatric diagnostic evaluations, residential services, and skill building. Milliman is also supporting the development of tiered residential care payment rates for individuals with I/DD and individuals with serious mental illness. Milliman has facilitated a stakeholder workgroup to obtain feedback on tiering approaches, conducted provider interviews to obtain insights on residential care staffing and service delivery, conducted research on other state approaches, and performed an analysis of SIS-A assessment data to assess the relationship between SIS scores and HCBS service utilization.

7. HCBS Rate Setting and Stakeholder Support for Ohio DODD

Sponsor: Ohio Department of Developmental Disabilities
Project Duration: 2022 – Present

Milliman was retained by Ohio DODD to support the development of HCBS payment rates and the design of a quality program for Adult Day and Employment services for individuals served by the Department of Developmental Disabilities (DODD). Our team is currently working with stakeholders to establish HCBS rates that consider historical and future wages for HCBS providers and the potential downstream impact on services that are outside of the rate study. We have also been facilitating engagement with key stakeholders to solicit input and support regarding the implementation of two quality programs, which will include an ARPA supported pilot, capacity/infrastructure payments, and outcomes-based payments.

8. Provider Rate Review for Rhode Island OHIC

Sponsor: Rhode Island Office of the Health Insurance Commissioner
Project Duration: 2023 – Present

Milliman is currently engaged by Rhode Island OHIC to provide a comprehensive review of health and human services offered in the state, including both a financial and programmatic assessment. The financial assessment includes review of program rates, timing of last rate increase, utilization trends, and comparisons between Rhode Island and other regional states on these topics. Programmatic review includes assessment of eligibility standards, processes of program operations, access to programs, organizational structure, oversight of program providers, and accountability structures, including all programs funded by Medicaid and other funding sources in the following areas: social, mental health, aging, developmental disability, child welfare, juvenile justice, prevention services, habilitative, rehabilitative, substance use disorder treatment, residential care, adult or adolescent day services, employment and training, and vocational services. This work is overseen by the Office of the Insurance Commissioner and an advisory council created for this purpose and includes a series of

legislative reports summarizing the findings. Our work includes both conducting the independent research needed to provide full assessment and collaboration with the advisory council and other invested stakeholders. Our programmatic research has involved review of state administrative regulations, state program documents and web pages and applying our knowledge of federal regulations and processes. Drawing on Milliman’s expertise across the array of programmatic areas has allowed us to narrow focus to the most critical components of programming in each sub-population and provide the critical assessment required to bring meaningful insights and note best practices and perhaps areas that are ripe for improvement. This financial work likewise, has required the application of Milliman’s rate setting expertise and coordination with state agencies on rate information that is not within the public domain.

9. Rate Updates and Alignment for Mississippi Division of Medicaid

Sponsor: Mississippi Division of Medicaid

Project Duration: July 2011 - Present

As the consulting actuary for the State of Mississippi, Milliman routinely assists the Division to update the FFS rates for the HCBS waiver programs. Examples of services for which rates have been developed include attendant care, assisted living, adult day care, autism services, and case management.

The modeling approaches vary depending on the service but generally involves a “ground-up” build using wage and benefit data, productivity assumptions, industry staffing ratios, and related administration costs for the services provided. In certain situations, other ancillary services such as transportation were incorporated.

Stakeholder engagement has been a key part of each of the rate updates, consisting of survey tools, workgroups, and other feedback mechanisms.

		Currently Milliman is assisting the state with a full rebasing of all fee schedules for the assisted living, community support program, elderly disabled, intellectually and developmentally disabled, independent living, and traumatic brain injury waivers.		
B	Please provide the names of the key team members you will assign to this Contract, if you are the Successful Bidder, and provide their proposed roles and copies of resumes describing the relevant experience they possess. Bidder should note that if awarded a contract, it may not reassign its key personnel from the Project without prior approval of DSHS.			
	COMMENT: did not provide resumes as requested. Like the longevity w/ the firm, great exp.	ANSWER: Key personnel providing assistance on the project are outlined below. Chris Giese, FSA, MAAA Project Role: Overall Project Responsibility and Primary Project Contact Chris Giese, FSA, MAAA, is a Principal and Consulting Actuary. He joined the firm in 2000. Chris has experience with healthcare and long-term care programs, with more than 20 years of experience in these areas. Chris has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016. Chris has assisted various entities, including insurance companies, health plans, employers, technology firms, and government programs. He has helped clients with a wide variety of projects such as financial projections and reporting, valuation of reserves, experience analysis, product development and pricing, appraisals, risk management, and evaluations of financing reform alternatives. Chris previously served as Chair of the Society of Actuaries (SOA) LTC Section Council and participated in various SOA and American Academy of Actuaries work groups. Most recently, Chris led projects gathering stakeholder feedback and analyzing various policy options to alternatively finance LTC for the states of Washington, California, Illinois, and Michigan. Chris has assisted LTC insurance carriers with evaluating the adequacy of active life	10	6

reserves and claim reserves, performing in-depth analysis of historical morbidity and persistency experience for various blocks of business, completing annual statements of actuarial opinion regarding insurance companies' statutory / GAAP liabilities, and helped a company develop framework and projections to illustrate LTC costs in retirement planning for consumers. In addition to LTC programs, Chris has assisted healthcare program including supporting benefits administration firm to develop cost estimates used in helping employees decide among plan options during open enrolment, performing comprehensive analysis for employer on quarterly basis to identify and prioritize individuals for proactive outreach as part of its population health management, measuring healthcare costs versus regional and national benchmarks, and assisting entities in developing a multi-year strategic plan in response to the Affordable Care Act.

Chris is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a B.S. in Mathematics from Carroll College.

Luke Roth

Project Role: Senior Healthcare Consultant and Secondary Project Contact

Luke Roth is a Principal and Senior Healthcare Consultant in the Seattle office of Milliman. He rejoined the firm in 2018.

Luke has over 15 years of experience providing strategic guidance and transformative solutions to healthcare leaders and policy makers as they have navigated the unique risks and opportunities facing their organizations. As a member of Milliman's Medicaid Finance and Policy practice, he primarily supports state agencies in the areas of:

- Long-term services and supports (LTSS) payment system design and rate setting, including nursing home services and home- and community-based services.
- Hospital inpatient and outpatient payment system design and rate setting, including inpatient DRG-based payment systems, outpatient EAPG-based payment systems, and outcomes-based incentive payments.

- Medicaid program funding strategies, including development and implementation of health care-related taxes, intergovernmental transfer (IGT) programs, and certified public expenditure (CPE) programs.
- Supplemental payments strategy, including development and implementation of FFS supplemental (UPL) payments, managed care pass-through payments, state directed 438.6(c) payments, uncompensated care pool (UCP) payments, and disproportionate share hospital (DSH) payments.

Within the past year, Luke has provided provider payment policy and rate setting support to state agencies in Arizona, Illinois, Nebraska, Oklahoma, Florida, and Washington. He also recently co-authored a whitepaper with ADvancing States, the association representing the nation’s 56 state and territorial agencies on aging and disabilities and long-term services and supports directors, on strategies to address challenges related to financing for nursing facility services during MLTSS program implementation.

Luke holds a bachelor’s degree in Mathematics from the University of Washington.

Jill Bruckert, FSA, MAAA

Project Role: Senior Medicaid / LTC Consultant and Secondary Project Contact

Jill Bruckert, FSA, MAAA, is a Principal and Consulting Actuary. She joined Milliman in 2007 and has spent her career providing actuarial support and consulting services to state Medicaid agencies, governmental organizations, and Medicaid health plans. In addition, Jill has experience providing strategic and actuarial services to LTC insurance companies and has been involved in LTC reform analyses.

Jill has worked extensively with state Medicaid agencies to develop and certify acute care and LTC managed care capitation rates, develop HCBS and behavioral health fee schedules, budget analyses and expenditure projections, custom risk adjustment methodologies, waiver support, legislative studies and fiscal impact analyses, and many other ad hoc projects.

		<p>Relevant to this solicitation, Jill has led developing fee schedules for HCBS and behavioral health services in the state of Mississippi since 2015, including a current project to rebase all HCBS fee schedules.</p> <p>Jill is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor’s degree in Actuarial Science and Finance from the Drake University.</p> <p>Annie Gunnlaugsson, ASA, MAAA Project Role: Oversee Calculations and Deliverable Development</p> <p>Annie Gunnlaugsson, ASA, MAAA, is a Consulting Actuary. She joined Milliman in 2012. Annie has served many types of clients in her time with Milliman. Her areas of focus include LTC insurance and the group and individual commercial health markets. Annie has worked on various projects supporting the State of Washington and the WA Cares Fund since 2016.</p> <p>Annie has assisted clients in the areas of ACA pricing and rate filings, year-end statements of actuarial opinions, state insurance department LTC rate filings, and reserve estimation for medical and long-term care products. Most recently, Annie helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.</p> <p>Annie is an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a bachelor’s degree in Actuarial Science from the University of Wisconsin Madison.</p> <p>Evan Pollock, FSA, MAAA Project Role: Lead Technical Calculations</p> <p>Evan Pollock, FSA, MAAA, is a Senior Actuarial Manager. He joined Milliman in August 2015. Over the past eight years, Evan has focused on three main market areas: LTC insurance,</p>		
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Medicaid, and group and individual commercial health insurance. Evan has worked on various projects supporting the State of Washington and the WA Cares Fund since 2020.

Evan has worked on projects ranging from pricing, reserving, and experience review to feasibility studies, capitation rate setting, and options analysis. Recently, his focus has been private LTC insurance, LTC reform, and Medicaid LTC rate development for a large state client. Relevant to this solicitation, Evan helped assist in projects analyzing various policy options to alternatively finance LTSS for the states of Washington, California, Illinois, and Michigan.

Evan is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He holds a bachelor's degree in Actuarial Science from the University of Wisconsin Madison.

Jennifer Gerstorff, FSA, MAAA

Project Role: Peer Review and Support with WA Medicaid Program

Jenny Gerstorff, FSA, MAAA, is a principal and consulting actuary with Milliman's Seattle office. She joined the firm in 2006. Jenny has spent her entire actuarial career working primarily with state Medicaid agencies, working on programs in over half of the states across the years. With a wealth of experience in Medicaid actuarial and policy consulting, Jenny specializes in working closely with state Medicaid agencies on a diverse range of critical topics. Her extensive expertise encompasses capitation rate development, new policy feasibility analysis, program integrity monitoring and improvement, state budget forecasting, healthcare delivery system integration, customized risk adjustment, health disparity evaluations, risk mitigation mechanisms, and encounter data monitoring.

Jenny's proficiency extends across various benefit types, including Medicaid acute care, community behavioral health, long-term care, dental, and other ancillary benefits. She has also worked with a wide array of populations, including traditional Medicaid, ACA Expansion

		<p>adults, Medicare-Medicaid dual-eligibles, non-qualified non-citizen expansions, and other specialized program populations.</p> <p>Beyond her work with state Medicaid agencies, Jenny has been a trusted consultant to independent provider organizations, non-national health plans serving Medicaid and Medicare populations, Medicaid health plan associations, and safety net healthcare providers. Her extensive background includes conducting financial and utilization-based analyses to support the development of historical experience studies, proforma projections, risk mitigation strategies, provider reimbursement rates, grant funding applications, and value-based contracting model implementation.</p> <p>She volunteers with the Society of Actuaries (SOA) and the American Academy of Actuaries (AAA), participating in research efforts and developing content for continuing education opportunities for over a decade. In 2022, Jenny was appointed as a commissioner at the Medicaid and CHIP Payment and Access Commission (MACPAC), a non-partisan government advisory body that plays a pivotal role in shaping Medicaid and CHIP policy through its guidance and recommendations to policymakers.</p> <p>Jenny is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. She holds a B.S. in Applied Mathematics from Columbus State University.</p>		
C	<p>Please describe your method for assuring that your services and deliverables are provided in accordance with high quality standards and for immediately correcting any deficiencies. What data would you propose to report to DSHS which would permit verification of your quality assurance activity, findings and actions?</p> <p>COMMENT: I like the review process but they did not provide an answer to</p>	<p>ANSWER:</p> <p>Milliman employs a strong ethic of peer review in all its projects. This process requires a secondary review of the work performed, reports prepared, and overall project management. The reviewer is selected as someone familiar with the project, but who has not performed significant work on the specific project. This allows for impartial review and the opportunity for additional insights. The review is structured to identify any outstanding issues that were not addressed, to ensure that the information is presented in a logical and complete manner,</p>	20	12

	the second half of the Q	<p>and to ensure that the overall quality of the work meets Milliman’s high standards. This process adds an additional level of security for our clients. Should any deficiencies be discovered, we will work together with the State to ensure concerns are addressed in a timely manner.</p> <p>Accuracy and client satisfaction are our highest priorities in any engagement. At the individual client level, we tailor our procedures to your needs. Our consultants monitor client satisfaction through various informal contacts (e.g., in-person, virtual) on a continuous basis. Our high client retention ratios attest to the satisfaction of our clients.</p>		
D	<p>Please describe the measures you employ to assure that your services and deliverables are provided in a cost-effective manner that is consistent with quality outcomes and fair employment practices.</p> <p>COMMENT: Not a complete answer</p>	<p>ANSWER: Our fees reflect the estimated actual time spent on a project and related expenses. Our work is completed at the lowest hourly billing rate level possible while still providing the expertise required by our clients. Thus, technical work is often completed by analysts. Alternatively, planning, project design, assumption setting, and peer review are completed by more experienced consultants.</p>	20	10
E	<p>Please provide a work sample of a like project completed in the past that demonstrates the gathering of data necessary to evaluate current rates, potential rate fluctuation and/or a study demonstrating a similar data and study structure. Please include all work samples in a single PDF attachment. Submissions received in alternate formats may not receive a score. <i>Please ensure all proprietary material is clearly marked in accordance with RFP Document Section D.5.</i></p> <p>COMMENT:</p>	<p>ANSWER: Please see “RFP2334-830_Supplement D.5.e - SD1_Rate Study.pdf” for a work sample.</p>	50	45
F	<p>Please provide a narrative explaining how you plan to complete this project, inclusive of a proposed timeline in alignment with the deliverables table in the RFP and sample contract.</p>		50	45

	COMMENT:	<p>ANSWER:</p> <p>The focus of our engagement will be to provide guidance on how to utilize, maintain, and update rates as WA Cares program experience emerges. We will provide considerations and data points to assist WA Cares Fund in developing a structure for adapting to a dynamic marketplace for long-term care services. Below we provide a work plan for achieving these goals.</p> <p>Data Collection</p> <p>Between October 2023 and January 2024, we will largely focus on data collection and summarization. Specifically, we plan to gather information on current and historical rates for the LTSS service categories outlined in the solicitation for this engagement. The sources will vary for each applicable service, but in general we expect to leverage the following data sources.</p> <ul style="list-style-type: none"> • Washington Medicaid data provided by the State of Washington (e.g., utilization of services and rates paid out to providers in Medicaid LTSS). This data will inform Medicaid rates for many of the WA Cares Fund services. We will supplement with CMS Transformed Medicaid Statistical Information System (T-MSIS) data if applicable. • Milliman proprietary databases, namely the Long-Term Care Guidelines Database, which includes data from the commercial market, and the Consolidated Health Cost Guidelines Sources Database, which covers other lines of business. These sources represent tens of millions of life years of claim experience and will provide another benchmark for the major WA Cares Fund services. • Public sources, including the Genworth cost of care survey, Bureau of Labor Statistics, review of reports / literature of LTSS service costs, etc. Genworth’s cost of care survey is published publicly on an annual basis and contains information about average costs of care by service and geographic region for a commercial population. We will perform a thorough search for other relevant publicly available information to estimate and project average LTSS costs for the applicable population. 		
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- **Other interviews and surveys** of long-term care providers. We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study (i.e., weigh the costs and benefits of gathering information from this particular channel). If an interview or survey is determined to be worthwhile, Milliman will provide guidance and support to DSHS on how to conduct the interview and survey. Once interview and survey responses are collected by DSHS, Milliman will compile and analyze the results.

Study Analysis

Analysis of the collected information will be both quantitative and qualitative.

From a quantitative perspective, we will use gathered data to produce rate ranges by service category and project how those ranges may change over time (e.g., be adjusted for inflation). Given the detailed models we already have created to project WA Cares Fund cash flows, we can also perform quantitative analysis on how different rates may impact projections of the financial outlook of the program.

From a qualitative perspective, we will leverage our expertise in LTC, Medicaid, and the WA Cares Fund to advise on rate-related topics such as:

- Policy options for the rates and how the rates can be utilized by various stakeholders.
- How reimbursement for these services may impact provider availability.
- Guidance on how DSHS can adapt to maintain appropriate reimbursement as WA Cares program experience emerges.

Presentation of Findings

Between January 2024 and August 2024, we will develop focused reports for each project phase (1 through 4) that will provide the following information:

		<p>a) Results from our qualitative and quantitative analyses. b) Methodology and assumptions used in our study. c) Considerations for engaging with the results and guidance on next steps for the program.</p> <p>Our work will culminate with a final report before May 2025.</p> <p>Throughout the engagement we will provide needed expertise, guidance, education, and consultation to support WA Cares Fund staff, stakeholder groups, and the LTSS Trust Commission in areas associated with this Contract and attend ongoing meetings with these groups as is helpful.</p>		
G	<p>Please describe current or prior projects that demonstrate a like process and product. Please explain challenges and how they were overcome. Where do you foresee similar or different challenges with this study?</p> <p>COMMENT: Incomplete answer, didn't address how they were overcome. Liked inclusion of cultural differences and person-centeredness</p>	<p>ANSWER:</p> <p>We list below projects that demonstrate our experience and challenges encountered for analyzing rates. We see similar challenges for this study, but expect the framework used to complete prior projects and overcome any challenges will also be effective for conducting this study. We expect this study will face new challenges since the WA Cares program is first-of-its-kind with no direct program experience to use for obtaining data. We expect some service categories will have more robust data to analyze (pulling from existing public and private program experience), while other categories may have very limited data to analyze. We envision our final deliverable for the study will establish a process for overcoming these challenges, including considerations of how to reflect actual program data as it emerges.</p> <p>Current / Prior Projects with Like Process and Product</p>	20	12

		<p>Milliman has assisted numerous state Medicaid agencies and other entities with the design, implementation, evaluation, and monitoring of payment systems and rate-setting methods for all types of services:</p> <ul style="list-style-type: none"> • Long-term supports and services, including nursing facility services, residential services, and other HCBS provided to the aged and disabled populations, as well as to persons with intellectual or developmental disabilities. • Behavioral health services, including HCBS and other services that are unique to persons requiring these services, such as partial hospitalization, intensive outpatient and substance use disorder services • Inpatient and outpatient hospital services, including acute services, both short-term psychiatric care and long-term civil commitment services, rehabilitation, long-term acute care, and other types of hospital settings • Professional and clinic services, including physician, nursing, therapy, and other services • Other unique services provided by state Medicaid agencies, including services provided under authority granted through CMS waiver programs <p>With respect to rates for long term services and supports, Milliman understands the challenges and opportunities facing states like Washington as they develop public policy that impacts payment for and access to long-term services and supports, which can have implications for individuals receiving these services to live healthy, safe, meaningful, and self-determined lives that include the ability to fully engage in community living.</p> <p>Milliman recently assisted the Washington State Health Care Authority (HCA) with developing comparison rates intended to provide transparent benchmark estimates of Medicaid payment rates to providers for behavioral health services, using methodologies consistent with CMS approved HCBS rate structures. These comparison rates comprise all significant behavioral health services, including mental health and substance use disorder (SUD) outpatient services and SUD residential care and withdrawal management. The Milliman team used an independent rate model approach consistent with methodologies used for HCBS payment,</p>		
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		<p>informed by analyses of independent data sources (e.g., Bureau of Labor Statistics wage data), and State program staff and provider subject matter expertise. Milliman developed and implemented a stakeholder engagement strategy including all-provider meetings, three stakeholder workgroups (specific to service type) and ad hoc subgroups for intensive team-based services for adults and youth. Rate assumptions include the identification of wage levels by type of behavioral health professional, employee-related benefits and taxes, supervisor span of control, turnover, training, paid time off, administrative costs, transportation, residential facility staffing, and facility overhead costs, among others.</p> <p>Community residential agencies are facing immense pressures, ranging from workforce competition to making sure that services are person-centered. These unique business challenges that providers face can primarily be grouped into two buckets, which can sometimes overlap: financial challenges and service challenges.</p> <p>FINANCIAL CHALLENGES</p> <p>Community residential agencies require sufficient rates to hire and maintain a skilled workforce that is able to deliver person-centered services. Per a 2019 Report to the Legislature, <i>Rethinking Intellectual and Developmental Disability Policy to Empower Clients, Develop Providers, and Improve Services</i>, “Feedback from contracted providers consistently indicates that they are unable to recruit and retain sufficient numbers of skilled direct care professional under the current rate.” Financial pressures have only increased since 2019 due to the pandemic, workforce competition, and the global financial landscape. Below are considerations of key financial challenges that providers are facing.</p> <p>Wage pressures and staff retention</p> <p>Washington, like many states, faces challenges supporting residential care workforce recruitment, training, development, and retention. Community residential agencies will face challenges building a high-quality workforce that is able to provide continued access to services with high turnover and vacancy rates. High turnover and vacancy rates not only</p>		
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impact the delivery of services to clients, but also leads to higher costs to providers as they spend more time on training, getting staff oriented with their job duties, and longer service time as they build a relationship with their clients.

Milliman brings an in-depth understanding of the workforce challenges that states face when ensuring access to high-quality services, which have been exacerbated by the COVID-19 pandemic's impact on the economy. We regularly gather feedback from stakeholders regarding state-specific labor market dynamics and wage levels and have extensive experience collecting and analyzing a wide variety of national and state wage data when developing payment rates. This experience includes developing and administering state-specific cost and wage surveys that identify wages by staff level and employee-related benefit costs and conducting stakeholder interviews.

We also work with states to address workforce challenges more broadly. For example, in Rhode Island, we are supporting the State in the implementation of a temporary increase in Medicaid fee-for-service rates with specific requirements to pass the extra funds through to direct care workers in the HCBS provider organizations, while in Florida we conducted an assessment of the state's increased minimum wage and its impact on reimbursement rates for HCBS providers and residential care facilities among others. Our support to our clients has included identifying included providers, drafting program guidance, assisting in stakeholder meeting facilitation, and researching policy alternatives consistent with regulatory guidance and operational needs.

Additional challenges

In addition to minimum wage adjustments, providers are feeling wage pressures due to inflation, demand for services, and the public health emergency for COVID-19. Some of these wage pressures are temporary and will be replaced by other pressures. As such, payment rates must be flexible and transparent to incorporate mid-stream adjustments to account for these unanticipated pressures.

SERVICE CHALLENGES

Community residential agencies are adapting to evolving service requirements as states are moving towards paying for outcomes, providers are complying with the HCBS Setting Rule, and temporary service standards implemented during the pandemic are becoming permanent (e.g., virtual service delivery). Below are considerations of key service challenges that providers are facing:

Compliance with HCBS Setting Rule

Providers must follow the requirements of the HCBS Setting Rule (under 42 CFR § 441.301(c)(4)(5) and § 441.710(a)(1)(2)) by providing integrated service options and both choices and rights within a residential setting (e.g., choice of a private room, roommate, schedule, etc.) Residential providers must not only comply with these requirements but must also report their compliance to Residential Care Services (RCS) Contracted Evaluators and RCS Investigators. Providers must continue to emphasize and train their staff on person-centered care planning that supports a person's choice and preferences.

Quality and outcomes reporting

States are requiring the delivery of and outcome and quality reporting to support the delivery and payment for services, especially as states are reinforcing person-centered services and meeting the requirements of the HCBS Settings Rule. Providers, and their direct support professionals, need to learn how to report outcomes and quality measures. These reporting requirements can increase both indirect service time and administrative costs for providers, as well as payments, if quality and outcomes reporting is tied to payments.

Culturally specific services

Washington is a geographically and culturally diverse state, which can cause challenges with delivering person-centered services that are impactful and meet the needs of an individual.

		Community residential agencies will need to hire and retain staff that can build relationships and deliver services with people that may be non-verbal, speak languages other than English, suffer from homelessness, are Indian tribal members, have dual-diagnoses and require mental health services, or some other need that will require the support of a workforce that is responsive to an individual's values, beliefs, health literacy, preferred language, and other communication needs. Providers are facing challenges building a workforce that is able to deliver culturally specific services, and in a language that a person can understand, which requires a tenured workforce that is appropriately trained and can build relationships with the people they serve. Hiring and retaining culturally specific practitioners will require a provider to pay a premium wage to retain a direct care provider that can deliver culturally specific services.		
H	Please provide an explanation of methodologies and strategies while gathering necessary data for this project.			
	COMMENT:	ANSWER: We will work with DSHS to determine if conducting a new interview or survey of LTSS providers in Washington is a worthwhile endeavor as part of this study. Obtaining data through a survey process is one of the common strategies we use when conducting rate studies and developing rate recommendations. We often rely on surveys to collect additional information and data from stakeholders that will provide important insights in the process. Milliman staff have extensive experience in designing and administering surveys, reviewing the information reported, and processing and analyzing the data received. Conducting interviews and workgroup meetings with stakeholders is another common strategy for collecting information to consider when conducting rate studies and developing rate recommendations. Our staff also have experience in conducting interviews and interactive meetings with various stakeholders to gather important feedback and information, and to better understand the challenges faced by stakeholders. As an example, Milliman was recently retained by Washington DSHS to conduct a legislatively-mandated HCBS rate study specific to community residential services for individuals with developmental disabilities. As part of this rate study, the Milliman team coordinated and	20	20

		<p>facilitated key informant interviews with national and state associations (representing providers, state agencies, and HCBS workers), community residential care providers, and clients. We also researched and summarized a multistate comparison of residential care payment rate approaches (with particular focus on behavioral supports), conducted analyses of provider cost report data, and collected staffing and 2022 wage data directly from providers. We have also reviewed a wide variety of HCBS worker wage data and compared wage levels to industries competing for the same workforce.</p>		
6.	Budget and Reporting (10 points)			
A	<p>Please complete Attachment F: Budget Response Template, detailing all costs to provide the services as outlined in this Competitive Solicitation, including the Sample Contract set forth on Attachment A. Please include the completed form as a separate document in your bid response. Please provide a general budget narrative below that describes in detail how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document.</p>			
	<p>COMMENT: did not complete template</p>	<p>Bidders are to complete the Attachment F: Budget Response Template spreadsheet and submit it in Excel format with your bid response. Your responses in Attachment F will be scored in this section of Attachment D: Bidder Response Form.</p> <p>ANSWER:</p> <p>Please see “RFP2334-830_Attachment_F_Budget Template_Milliman_20230929.xlsx” for our completed Budget Response Template spreadsheet. Our professional fees will be based on the actual hours worked on the project multiplied times our consulting fee hourly rate, subject to the total maximum amount under this solicitation. The ‘Consulting Fees for Professional Services’ line item in Attachment F reflects all estimated costs to perform the services under this engagement.</p> <p>We include in the table below how the budget will be associated with benchmarks and deliverables referenced in Section A(7) of the solicitation document. The estimated budget by deliverable / benchmark is based on the number of estimated hours and resulting professional fees to complete each task, subject to the overall total maximum amount under this solicitation.</p>	10	7

Deliverables and Benchmarks		Estimated Budget
Introductory Meeting		\$25,000 upon completion of service group 1
Check-in and DSHS Approval		
Data Share Agreement		
Service Group 1 Meetings		
Service Group 1 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 2
Service Group 2 Meetings		
Service Group 2 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 3
Service Group 3 Meetings		
Service Group 3 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of service group 4
Service Group 4 Meetings		
Service Group 4 Rate Recommendations Report and DSHS Approval		\$25,000 upon completion of report
Inflation Adjustment Meetings		
Inflation Adjustment Methodology Report and DSHS Approval		

NOTES: