

Summary of RFP SP-15-0062 (Population Health Management Vendor), Concerns with the Award & Recommendations Moving Forward

Summary

On January 22nd, 2015, the Employee Benefits Division, in conjunction with the Office of State Procurement, issued RFP SP-15-0062 for a Population Health Management Vendor. The goal of the RFP was to combine certain programs (3 total contracts) offered to the State and Public School Employee Benefit Plans under the purview of one Vendor. Not only would it provide continuity but combining the services would also bring a measure of cost savings to the plans.

In addition to combining those programs currently offered, the RFP sought to bring additional services to the plan so a much larger percentage of the population can be managed than what is currently being done. Key components of the additional services required the Vendor to utilize an Advanced Claims Analytics & Predictive Modeling Program as well as be able to promote the principles of Evidenced & Outcome-Based Medicine to the care of the population.

It is also important to note that this RFP is a huge leap forward from what the plan is utilizing now. The services asked for in this RFP represent the very latest in the field of Population Health Management and unlike now, place a vast emphasis on technology to provide these services. The RFP was complex and required that those who scored it to possess an understanding of the different components and why the questions were asked in the manner they were.

In order to address the concerns of the scoring, winner, why it was pulled, the controversy surrounding it and the recommendations moving forward, it is first important to understand what a true Population Health Management (PHM) Program is.

What is Population Health Management?

Population Health Management (PHM) is generally defined as a holistic approach which uses a variety of individual, organizational and cultural interventions to help improve the physical and mental health of populations by using a single point of contact and coordination.

PHM combines all known “wellness type” practices which traditionally have been utilized in separate environments. Recent advances in technology have discovered that combining each practice onto a single platform with one point of contact not only enhances the customer experience but also produces a healthier, happier and a more engaged member. Another positive aspect of this approach is lower Vendor costs as well as increased cost savings to the plan by either preventing or lowering the frequency/manageability of claims.

PHM lowers the overall cost trend of a population through the use of such tools as Advanced Claims Analytics, Evidenced-Based Medicine, Predictive Modeling, and Intensive Care Management across multiple conditions for members that are at the highest level of risk as well as creating and implementing personal health management programs for those at lower levels of risk. It also identifies any gaps in and/or barriers to care a member may be experiencing and works with the member to eliminate those.

Traditional Wellness/Disease/Case Management programs traditionally limit their focus to a certain segment of the population and typically only address the 10 most commonly known conditions (i.e. Diabetes, High Blood Pressure, etc.). A good PHM program encompasses the entire population and takes a holistic approach by covering all known chronic diseases, physical and behavioral conditions of each member. This approach allows the PHM Vendor and Providers to tailor the care specific to the individual instead of using a “one size fits all” approach.

Components of an Effective Population Health Management Program

- **Care Management:** Care Management programs apply systems, science, incentives, and information to improve medical practice and assist consumers and their support system to become engaged in a collaborative process designed to manage medical/social/mental health conditions more effectively. The goal of care management is to achieve an optimal level of wellness and improve coordination of care while providing cost effective, non-duplicative services;
- **Case Management:** Case Management is the process of assessment, planning, facilitation, care coordination, evaluation, and advocacy in a large claim situation. A quality Case Management program will develop options for providing services that meet the members medical needs through quality cost-effective care all the while achieving a positive outcome for the member;
- **Disease or Condition Management:** Disease Management is a system of coordinated interventions and communications for defined patient populations with conditions where self-care efforts can be implemented. The goal of Disease Management is to empower the individual to engage with their providers to manage their condition(s) proactivity so as to prevent any further and potentially more costly complications;
- **Utilization Management:** Utilization Management is the evaluation of the appropriateness and medical necessity of health care services and/or procedures according to the latest Evidence-Based Guidelines while adhering to the provisions of the health plan;
- **Health Coaching:** Also referred to as Wellness Coaching, Health Coaching is a process that promotes healthy, sustainable behavior changes in an individual by motivating them with such principles as positive psychology through the practices of motivational interviewing and goal setting. The goal is to reach those who are showing early symptoms of a chronic condition and motivating them to change their behaviors before the condition(s) becomes more serious;
- **Maternity Management:** Maternity Management is the practice of working with expectant mothers during the pregnancy to ensure that both mother and baby are healthy and the pregnancy has every possible chance to make it to term;
- **Behavioral Management:** Realizing that a person’s mental wellbeing is as important as their physical health, a good PHM Vendor will work with the member and, where appropriate, assist them in meeting with an accredited mental health provider. This ensures the member can make decisions which are personally fulfilling, productive, and socially acceptable;
- **Claims Analysis & Predictive Modeling:** Through the use of an advanced analytics software platform, the PHM Vendor, Plan Actuaries and Managers can see what is happening to the plan on a real-time basis. This empowers them to take a proactive approach in managing the plan, its components as well as allow for a more accurate prediction of future activity;

- **Biometric Screenings & Health Risk Assessments:** By integrating such tools as Biometric Screenings and Health Risk Assessments into the analysis of the member, the PHM Vendor will be able to find those who may be at risk but haven't yet presented in a medical setting;
- **Evidence Based Medicine:** A good PHM Vendor will use the latest in Evidence-Based Medicine to coordinate a high level of care across multiple providers and specialties;
- **Member Outreach & Engagement:** Instead of waiting on the member to become engaged, a quality PHM Vendor will proactively reach out and engage the member.

5 Steps to a Successful Population Health Management Program

- **Connect:** Acquire and aggregate from multiple sources such as the medical and pharmacy claims, health risk assessments and biometric screenings;
- **Analyze:** By reviewing the data through such tools as Predictive Modeling, Evidence Based Medicine, Member Characteristics, Comorbidities, Previous Diagnosis and Gaps in Care recommend the appropriate plan of action;
- **Intervene:** Reach out to the member, their families and physician providers to implement the appropriate plan of action;
- **Engage:** Engage those members who aren't at a high risk but exhibit early symptoms and motivate them to adapt a healthier lifestyle based on a program that is tailored to their needs. It is important to note that it will be critical to engage the Physicians so as to reinforce the message to the member;
- **Support:** Work with the Providers to transform the current model from just focusing on Disease Management to one that promotes lifestyle changes and prevention.

Lastly, an effective Population Health Management program does not distinguish between Case and Disease Management. The program looks at **all** conditions that are presented by **all** members. What is different is that more time would be spent on those who have a large ongoing claim as opposed to those who are just presenting symptoms of a chronic condition or some other illness/injury. Reaching every member in this fashion has been proven to be the only real way to control the cost trend on current and future claims.

About the RFP, Scoring & Respondents

- The RFP was written in November 2014 with revisions made to it in December 2014;
- The RFP placed a large emphasis on technology and its ability to help control the plan costs as well as the fees associated with these services;
- The RFP had two scoring components, Technical and Price. Technical was worth 60% and Price was worth 40%;
- The recommended scoring table was replaced with an "easier to understand" version;
 - Original Technical was 2450 (60%) and Price was 1635 (40%);
 - The revised Technical was worth 600 points and the Price was worth 400 points (60/40).
- The RFP was originally posted on 01/22/2015;
- On the questions asked by the Vendors, certain answers given by the consultant were replaced;
- The original due date or "Bid Opening" date was 03/07/2015 but was moved to 04/15/2015;
- The writer of the RFP had no involvement in the selection of the judges or the scoring process;

- EBD chose the judges for the technical scoring. Any assistance provided or insight given to the judges pertaining to the RFP and scoring was provided by EBD.
- There were 10 respondents to the RFP and ***none*** were disqualified which gave the assumption that the Office of State Procurement (OSP) determined that each respondent could in fact meet the requirements of the RFP;
- On the Technical, 40 points separated the winner from last place. That represented just under a 7% variation;
- The Pricing saw a staggering difference of over \$25 million between the lowest and highest bidders. Additionally, the low bidder was around \$7 million lower than the 2nd place finisher.

Concerns with the RFP & Scoring

EBD expressed concern about the variance in price and if the overall winner was capable of handling the requirements of the contract. They said the overall winner did not perform some of the requirements listed in the RFP. In a meeting on 06-09-2015, it was recommended to have an unbiased review of the responses to confirm if that was true. It never happened. It was also recommended to have the responses “rescored” using the original format to see if the outcome might have been different. It never happened. Both recommendations easily could have been completed well before the RFP was officially pulled on 07/02/2015.

Each respondent is fully capable of handling the requirements of the RFP. That is reinforced by the small margin between the first and last place on the Technical Scoring. Regardless of any confusion that may have occurred during the Technical Scoring, each Vendor was capable of providing the services requested. Had they not been able to their response would most likely have been thrown out by OSP.

The main reason for the large variance in price is due to the use of technology. That’s it. It was communicated to EBD even before the responses were due that it was going to be the “difference maker”.

Again, the RFP is solid. It reflects the current market trends while allowing for modifications as advances in this field are made. It works. Trust the process.

Short & Long-Term Recommendations

The recommendations will address what is needed both for the interim and will provide two potential solutions for choosing a Vendor for a multi-year contract. These recommendations may have to be modified to comply with any applicable State Procurement Laws.

Short-Term:

For the short-term, and regardless of what feelings may exist regarding the Sole-Source extension of the American Health Holding contract(s), it must to be executed so as to be able to provide Case, Disease and Utilization Management for both the ASE and PSE plans.

One of the functions of the above services includes the Legislatively Mandated Bariatric Pilot Program. Whereas the savings estimates may not be as great as claimed the fact remains that both the Case and Disease Management programs are crucial to the plan and they do save money.

Long-Term:

Two potential solutions exist for choosing a Population Health Management Vendor. Again these solutions are contingent upon compliance with State Procurement Law.

First Solution:

Take the current responses and using a new committee, rescore each response using the original scoring components. Those scores would then be added to the score from the pricing and the winner awarded the contract. This would be the fairest way for the following reasons...

First, it would take into account the time, effort and capital expended by the original respondents. Second, it would take out any potential impropriety of the original scores being discussed to any of the original respondents or others who may stand to gain financially. Third, it would be the quickest way to award the contract as it will take at least 6-months to be ready for the 2017 plan year. Lastly, it would allow for the new Vendor to make any recommendations to the Board.

Second Solution:

Use the original RFP and scoring that was originally written and recommended by the consultant, post it, get the responses and score it. Additionally, add a component that EBD or its designated representatives reserve the right to interview the top two respondents (in the event the scoring is close) before making the final award.

This would need to happen immediately so the award can happen no later than June 1, 2016 so as to allow plenty of time for the Vendor to be ready to go January 1, 2017.

Final Thoughts

This RFP is incredibly complex and represents a huge leap forward from what the plan is utilizing now. The services asked for in this RFP embody the very latest in the field of Population Health Management. It places a huge emphasis on technology. Before it was written, countless hours were spent researching and interviewing the leaders in the field. It was tailored to fit the needs of the ASE and PSE plans both short and long-term. Once implemented, it has the opportunity to save both plans tens of millions of dollars.

What is required in this situation is that all involved **must** trust the process. Even with the last minute changes that were made to the RFP and the perceived problems on the technical scoring, the "checks and balances" system that OSP has in place still kept the process fair. OSP did a commendable job making sure everything was handled "by the book". They properly vetted the respondents before the technical was scored. They withheld the scoring on the price until they received the scores on the technical. It worked. The biggest problem that arose was that the people who scored the technical portion weren't adequately briefed on how to score the questions. Again, the process worked.

The State has a wonderful opportunity to become the model for which others will want to emulate. Just trust the process and you will be provided with a solution that will transform both the ASE and PSE plans into a proactive, forward-thinking program of which the greatest beneficiaries will be the plan members.