

**THE ALEXANDER GROUP,
LLC**

Summary of Response

State and Public School Life and Health Insurance Task Force

Summary of Responses to RFP for Consultant Services

Responder: THE ALEXANDER GROUP, LLC

Evaluation Criteria:

Directly Related Experience:	None.
Price:	\$432,600 (for a 12-month period)
Plan/Schedule:	<p>1. <u>Supplemental Assistance Services</u>: provision of assistance to enhance the operation of the task force ("TF"), including research and activities relating to the preliminary and final reports.</p> <p>2. <u>Baseline Analysis and Review</u>: perform a baseline financial analysis and review of the current insurance programs and a due diligence review and survey of national and global best practices.</p> <p>3. <u>Ongoing Assistance and Support</u>: includes assisting the TF in providing strategic planning services, development of options, analyses of revenue streams and fiscal impacts, and use of actuarial data provided by other firms; attendance at TF meetings; and supplementation of research for preliminary and final reports of the TF.</p> <p>4. <u>Explore, Create and Design Reform Options Focused in Nine (9) Areas</u>.</p> <p>* With regard to timeframe, The Alexander Group ("TAG") states that it will "solidify the overall project timeline and key deliverables" with the TF at a "Kick-Off Meeting". TAG also states that it will "need approximately 30 hours per week of research, analysis and development, not including meetings or teleconferences."</p>
Availability:	Will meet with the TF and its designees "at the convenience of the TF." Available to begin work upon award of the contract. Main Business Office located in Rhode Island.
Personnel:	Lead Staffers: Gary Alexander, CEO and James Miller, Senior Project Manager and

	Researcher Finance, Budget, and Analytics: Murray Blitzer Research and Analytics Associate: To be named
Past Performance:	The Alexander Group was formed in February of 2013. Past Experience includes work for the Arkansas General Assembly to produce a Review of Arkansas's Medicaid and Public Welfare System; Current contract with the State of Maine's Dept. of Health and Human Services to perform a Medicaid expansion feasibility study, a baseline review and analysis of the entire health and human services system and assist the state with program integrity efforts.

Redacted Vendor Response



**State of
Arkansas
Bureau
of
Legislative
Research**

Marty Garrity, Director
Kevin Anderson, Assistant Director
for Fiscal Services
Matthew Miller, Assistant Director
for Legal Services
Richard Wilson, Assistant Director
for Research Services

REQUEST FOR PROPOSAL

RFP Number: BLR-130001	
Commodity: Health Information Management Consulting Services	Proposal Opening Date: December 30, 2013
Date: December 23, 2013	Proposal Opening Time: 4:30 P.M. CST

PROPOSALS WILL BE ACCEPTED UNTIL THE TIME AND DATE SPECIFIED ABOVE. THE PROPOSAL ENVELOPE MUST BE SEALED AND SHOULD BE PROPERLY MARKED WITH THE PROPOSAL NUMBER, DATE AND HOUR OF PROPOSAL OPENING, AND VENDOR'S RETURN ADDRESS. IT IS NOT NECESSARY TO RETURN "NO BIDS" TO THE BUREAU OF LEGISLATIVE RESEARCH.

Vendors are responsible for delivery of their proposal documents to the Bureau of Legislative Research prior to the scheduled time for opening of the particular proposal. When appropriate, Vendors should consult with delivery providers to determine whether the proposal documents will be delivered to the Bureau of Legislative Research office street address prior to the scheduled time for proposal opening. Delivery providers, USPS, UPS, FedEx, and DHL, deliver mail to our street address, State Capitol Building, Room 315, Little Rock, Arkansas 72201, on a schedule determined by each individual provider. These providers will deliver to our offices based solely on our street address.

MAILING ADDRESS: 500 Woodlane Street State Capitol Building, Room 315 Little Rock, Arkansas 72201	PROPOSAL OPENING LOCATION: Bureau of Legislative Research Director's Office State Capitol Building, Room 315
E-MAIL: janice@blr.arkansas.gov	
TELEPHONE: (501) 682-1937	

Company Name: The Alexander Group, LLC

Name (type or print): Gary D. Alexander

Title: CEO

Address: 22 Whispering Pine Terrace, Greenville, RI 02828

Telephone Number: 401-954-8288

Fax Number:

E-Mail Address: gary@alexandergroupco.com

Signature: Raymond D. Alexander

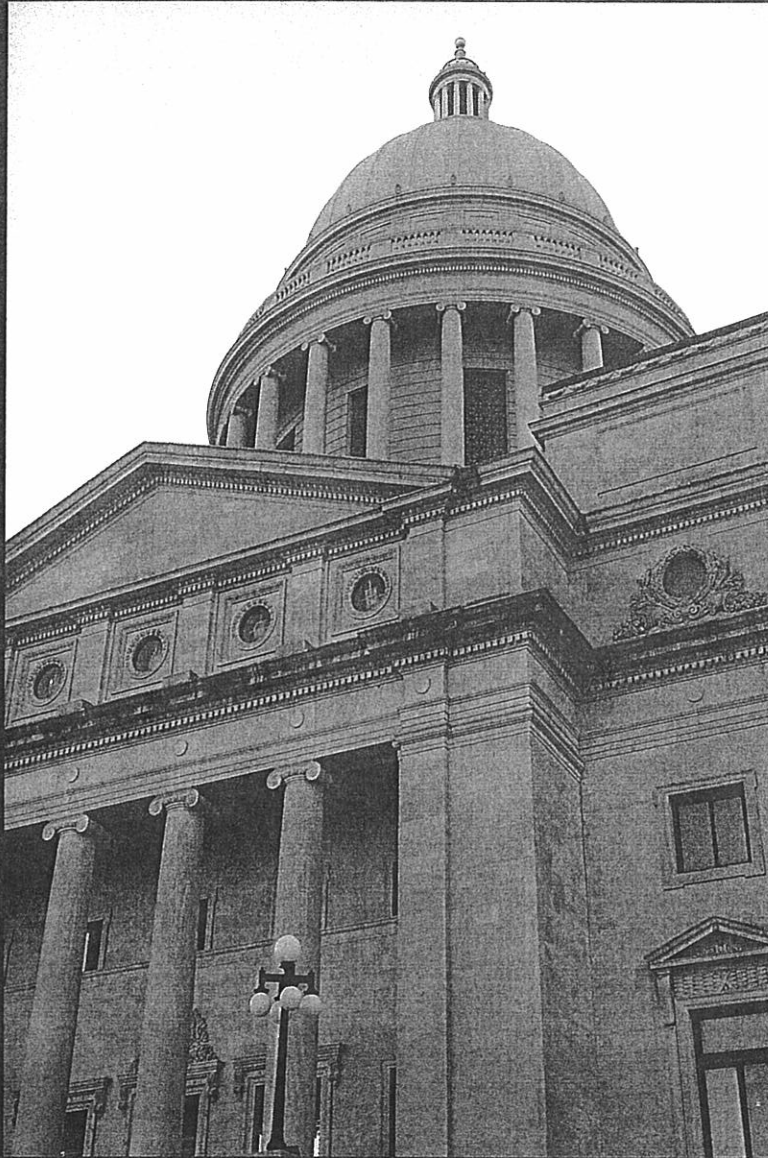
USE INK ONLY; UNSIGNED PROPOSALS WILL NOT BE CONSIDERED

Identification:	Please contact me for this. I would rather read it to you
for security purposes	
Federal Employer ID Number	Social Security Number

**FAILURE TO PROVIDE TAXPAYER IDENTIFICATION NUMBER MAY
RESULT IN PROPOSAL REJECTION**

Business Designation	Individual [X] LLC	Sole Proprietorship []	Public Service Corp []
(check one):	Partnership []	Corporation []	Government/ Nonprofit []

GENERAL DESCRIPTION:	Health Information Management Consulting Services
TYPE OF CONTRACT:	Term



The Alexander Group, LLC

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State and Public School Life and Health Insurance Program Health Management Consultant Services

Submitted to:
The Arkansas Legislature
State and Public School
Life and Health Insurance
Program Legislative Task
Force

December 30, 2013

The Alexander Group, LLC

Providence, R.I.
Philadelphia, Pa.
Washington, D.C.

THE ALEXANDER GROUP
Innovative Solutions for State Governments

RFP Number: BLR-130001

December 30, 2013

To Whom It May Concern:

The Alexander Group (AG) is pleased to offer its services as health management consultants to the State of Arkansas to assist the State and Public School Life and Health Insurance Program Legislative Task Force in providing research, analysis and solutions to redesign its State and Public School Life and Health Insurance Program.

The Alexander Group possesses unique expertise in health management consulting to assist Arkansas in this important work. AG's principal, Gary D. Alexander is a nationally known expert in health care and health plan design, Medicaid, state-level health coverage designs and state-customized modeling of enrollment, cost, and financing and well as public-welfare programs. AG, led by Mr. Alexander, is the only firm to create, implement and manage a global Medicaid waiver—a landmark health program that has lowered costs, improved quality, provided consumer engagement and personal responsibility and been cited as a model of health care and Medicaid reform by various experts and publications, including the *Wall Street Journal* and the *Providence Journal*. AG's team has a proven track record of developing unique solutions that have positively turned around large underperforming health care systems. Additionally, utilizing the totality of AG's overall experience in the health care system, it has recently designed a unique plan to bend the cost curve in the private health care market—especially self-insured plans; something that the Affordable Care Act (ACA) failed to accomplish.

Importantly, AG possesses vast expertise with the entire Arkansas system—its administration, budget, and health and welfare programs, having just recently performed a baseline analysis of strengths and weaknesses of its health and human services operation and offering pragmatic efficiency and improvement recommendations in a number of key cost driver areas including programs like the state and public school life and health insurance program and Medicaid. AG's assessment and recommendations to the Arkansas Legislature have been called the building blocks and blueprint for reform in a number of these key areas by senior members of the legislature and the work called for in this RFP is a natural progression on one these recommendations; the reform of the state employee and teachers health plan.

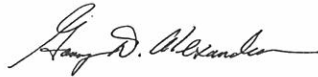
Further, AG has the necessary acumen of the legal underpinnings of the entire continuum of care—including the Affordable Care Act, the interplay between federal and state law, and state and self-insured (ERISA) plans, that will ensure that the reform of the Arkansas State Employee and Teacher health plan is cost effective, lowers expenditures and improves quality while placing the least amount of burden on the employees and disruption to the current level of benefit offered. AG offers the expertise necessary not only to explore practical solutions for Arkansas but also produce actionable and realistic implementation plans to solve the current challenge.

Finally, AG possesses specialized services to assist state legislatures, having a team of individuals that possess direct experience working in fiscal and policy leadership positions and key committees assignments for both the legislative and executive branches. These individuals are adept at research and offering various options and solutions to aid the Task Force in developing a framework for an actuarially sound, high-quality, low-cost health insurance program for state and public school employees and retirees that improves health, saves precious tax dollars and engages the consumer.

This document details AG's background and experience, a draft project plan, staffing, analytic models, and overall information on our team.

We look forward to working with you on this very important project. If you have any questions or require further information, please contact me at gary@alexandergroupco.com.

Sincerely,

A handwritten signature in black ink, reading "Gary D. Alexander". The signature is fluid and cursive, with the first name "Gary" and last name "Alexander" clearly legible.

Gary D. Alexander
President and CEO

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1. EXECUTIVE SUMMARY

Arkansas' existing state and teachers' life and health insurance program is a traditional program offering benefits to thousands of state employees, teachers and retirees. Over the years, the system has experienced incremental changes that have made modest improvements while still leaving the programs with unprecedented growth and no incentive to bend the cost curve. Due to the unprecedented budgetary growth rate of the plans, the Arkansas Legislature created the State and Public School Life and Health Insurance Program Legislative Task Force to review the current plan, analyze the root cause of the fiscal challenges, survey best practices and develop sound and cost-effective reform recommendations to the current system that drive down costs, improve quality, offer affordable options, ensure competition and engage the consumer to live healthier. Further, the Task Force is charged with reviewing the governance of the plan and potentially offering solutions to restructure its management to ensure sound administration.

The numbers reveal that immediate reform is imperative. On December 17 of this year, the Arkansas Legislative Digest reported that the State Employee Benefit Division (EBD) Director Bob Alexander said, that "the Public School Employee (PSE) plan is currently in the red by \$1.29 million, and that to sustain itself through the current calendar year it is dipping into reserve funds." Although it has been stated that the deficit (of the program) had been projected all along, Mr. Alexander also said, that "the PSE plan will have 1,446 fewer members in 2014 than in 2013, a decline of about 3% and a surprise to EBD." The State had actually expected membership to rise slightly for 2014, hoping that the mandate to buy insurance contained in the federal Affordable Care Act would drive greater participation in the system by school employees. Unfortunately, this has not been the case.¹

With PSE participation at just over 60% and other factors fueling a steady increase in rising premiums, more and more teachers are abandoning the system. This in turn has increased the rates for public school employees to rise by 10% above 2013 levels. And, with the ACA now in full implementation, the state will face even greater challenges attempting to control costs and engage consumers in a cost effective system.²

The recently formed Arkansas Legislative Task Force needs an experienced authority to assist in its efforts to review and analyze the current system and root problems, survey, examine and scrutinize best practices, and offer reform and redesign options to the system using novel approaches to contain costs, improve quality and increase competition.

¹ See <http://www.arlegislatedigest.com/blog/>

² IBID

To be effective for the long-term, coverage and system reforms must be sensitive to Arkansas' financial limitations, tax structure, unique history and circumstances. Those reforms must also anticipate future trends. This requires a deep understanding of Arkansas' entire infrastructure and financial capabilities – not just its state and teacher health plan.

The Alexander Group (AG) not only offers these vital qualifications, but also possesses the proven track record of creating, implementing, and managing some of the largest state and local health care- and human-services reforms in our nation's history as well as a unique method to dramatically improve underperforming self insured plans like the one Arkansas seeks to redesign. Analyzing and redesigning this health plan while taking into account the totality of Arkansas' budgetary challenges will allow the state to create a world-class, unique and innovative system for state employees and teachers that will drive costs down, improve service quality, satisfy the consumer and allow the state to repurpose revenue for other priorities. Our unparalleled experience in the health care arena coupled with our vast understanding of Arkansas' budget and fiscal structure and challenges make us uniquely positioned to offer The Task Force a superlative work product.

2. VENDOR PROFILE

- A. **Vendor Name:** The Alexander Group, LLC
- B. **Primary Contact Name:** Gary D. Alexander, CEO
- C. **Years in Business:** 10 months
- D. **Proof of Qualification:** The Alexander Group is qualified to perform business in the State of Arkansas
- E. **States in Business:** The Alexander Group, LLC is incorporated in the State of Rhode Island
- F. **States with Current Contracts:** State of Maine
- G. **Other Section 5.1 Information Requested:** None. N/A
- H. **Litigation:** None. N/A

3. Services Sought and Key Tasks and Activities (Section 3 of the RFP)

Rather than continue to remediate the current state and teacher health employee plan piecemeal, Arkansas is choosing to analyze the entire current system of care, seek best practices and consider reform options and a restructuring of the entire system to ensure fiscal solvency. Deploying cost-effective savings methodologies to ensure a value- and efficiency-based system, this future reform effort will enhance competition, drive innovation, improve service quality, incentivize accountability and personal responsibility, engage the consumer, modernize administration, and reduce costs, including waste and abuse.

First and foremost, the legislative leadership seeks a “roadmap,” an exhaustive plan containing strategic advice, assistance and analysis of the state and public life and health insurance plan which includes but is not limited to budgetary, fiscal and revenue analysis, a due diligence exercise to survey best practices nationally and globally, a comprehensive analysis of health care and health plan design and modeling options, analyzing actuarial data to ensure the soundness of methods and models and novel reform and redesigns solutions to ensure the long term viability of this plan. Further, the Task Force seeks an administrative audit of its operational structure and ideas to best ensure that the management of the plan and employee benefits is sound and viable to carry out the reform. This might require ideas to align all health care purchasing across the entire Arkansas government enterprise to ensure best price and best quality. Because the state employee and teacher plan is one of the largest plans in the state, options that show how it cost and care management structure interfaces with the entire health care system in Arkansas might provide the maximum flexibility to reform.

As demonstrated in the private sector, a flexible and transparent health care system improves care quality, creates private-sector type innovation, and drives cost savings. The State and Public School Life and Health Insurance Program Legislative Task Force seeks a uniquely experienced firm to oversee the analysis of and deliver reform recommendations on the State and Public School Life and Health Insurance Program. AG’s expertise is uniquely suited to lead this effort. AG’s team not only has a proven track record in multiple states of designing, implementing, and managing world class health systems and enterprise-wide program-integrity plans to reduce fraud, waste and abuse and restructuring archaic bureaucratic agencies but they also possess vast analytic, fiscal and policy expertise suited to work for the legislative branch. Further, our earlier analytic work and report of Arkansas’ Medicaid program, the state budget structure and financial challenges and other pertinent issues, make us uniquely positioned to deliver the best overall product, support and solutions to the Task Force.

If chosen for this project, AG’s principal, Mr. Gary D. Alexander and Senior Associate, James Miller will work as lead staffers and advisors to the Task Force to assist the state to create a world class and unique health plan that will improve quality, design efficiencies, engage the consumer and initiative cost effectiveness across the entire system with major disruptions to benefits and employee cost.

Based on the RFP, the AG interprets four (4) major interrelated tasks for which the Task Force seeks Vendor expertise to perform:

1. Supplemental Assistance Services: The Vendor will provide supplemental services, billed on an hourly basis, that enhance the efficient and effective operation of the Task Force while enhancing the overall thoroughness and scope of the analyses, findings, and recommendations of the Task Force. The Vendor will also play a significant role in its supplementation of the Task Force's research and activities relating to the preliminary and final reports the Task Force is required to submit.

2. Baseline Analysis and Review. To assist the Task Force in its objectives (See Section 2: 2.1), the Vendor may perform a baseline and financial analysis and review, of the State and Public School Life and Health Insurance Program and a due diligence review and survey of national and global best practices. This unique and tactical "first-step" examination of the entire program and available reforms will fully assist and prepare the Task Force to create a unique redesign aimed at its overall improvement. This will measure the degree—and identify root causes—of underperformance, actions that will enable the Task Force to design the most cost effective and comprehensive strategy to make its system more efficient and quality-based.³

2. Ongoing Assistance and Support. The Vendor will provide ongoing assistance to the Task Force in the analysis of the State and Public School Life and Health Insurance Program and the various options for improving the quality and actuarial soundness of the program. This includes assisting the Task Force in providing health information management consulting services to include, but not be limited to, the following in relation to the coverage and financial stability of the State and Public School Life and Health Insurance Program:

- Strategic planning services;
- The development of options that provide econometric or other models reflecting significant market drivers, their elasticity, and various outcomes and scenarios;
- Analyses of revenue streams and fiscal impacts based on the modeling services provided; and
- The use of actuarial data provided by other firms to help the Task Force understand the key issues involved in improving the quality and actuarial soundness of the program
- Supplementation of the Task Force's research and activities relating to the preliminary and

³ Section 2: 2.1 states the Objectives of the Task Force: Studying all aspects of the State and Public School Life and Health Insurance Program to recommend changes that will ensure the financial stability of the program while offering participants affordable healthcare coverage, including researching current insurance concepts, market conditions, regulatory issues, the effects of the federal Patient Protection and Affordable Care Act, and best practices from other states; exploring cost-containment measures and funding options for plan options offered under the program, ways to promote competition among vendors and the offering of competitive health insurance plan options that include quality-of-care delivery, portability, and accessible and affordable healthcare, and the role that the current structure of the program and its plan options has contributed to the volatility of the program; preparing a comprehensive analysis of recommended health insurance plan options to be offered under the program; and evaluating the governance and structure of the State and Public School Life and Health Insurance Board.

final reports the Task Force is required to submit.

- Attend various meetings of the Task Force.

3. Explore, create and design reform options focused in nine (9) areas:

- Care-management reforms
- Financial Stability
- Improved Quality
- Affordable Coverage
- Competition: Competitive and selective contracting and purchasing
- Consumer Engagement
- Cost transparency and reporting
- Cost effectiveness and the reduction of waste and abuse
- Management restructuring

4. Alexander Group Team and Experience (Qualifications)

The Alexander Group, LLC (AG) is a results-driven government and business consulting firm that creates and delivers cutting-edge data driven solutions, strategic business development and innovative health-care and technology platforms — to improve efficiency, effectiveness and quality for our clients. AG possesses unique and deep expertise in the government health-care marketplace, built upon two decades of operating large-scale health and human services programs and pioneering some of the most innovative entitlement reforms in the nation that have improved quality, saved money and reduced fraud, waste and abuse. AG's leaders have designed, implemented and managed nationally acclaimed, award winning and uniquely innovative global entitlement solutions like the *Rhode Island Global Medicaid Waiver* and in Pennsylvania, *The Enterprise Wide Program Integrity Plan* and *The Health and Human Services County Block Grant*.

A national health-care consulting firm with a specialty in health care plan design, Medicaid, Medicare, long-term care, and human services programs, AG not only provides clients clarity at the intersection of business and policy but also identifies opportunities that enhances the bottom-line and improves the lives of people. With continued fiscal and operational challenges confronting local, state, and federal governments — especially driven by the implementation of the Affordable Care Act — AG brings needed clarity to both public and private sectors, helping them to implement pragmatic results-driven solutions that work.

AG is not just a dedicated firm — it's a team of nationally acclaimed skilled experts who have turned around large underperforming organizations by creating and implementing state of the art solutions to solve some of the most complex systems in the nation. Our expertise for developing proven and practical, on the ground outcomes based models in health-care, long-term care and in the vast world of human services is unparalleled. It is our people and passion

for our work—our talents and real-world experience of developing cost-effective quality driven plans that set AG apart from other consulting firms.

AG also saves our clients money and precious resources throughout the entire engagement. We have headed and worked in some of the largest organizations in the United States and know better than anyone how to utilize existing talent and keep costs low. Instead of charging enormous fees and overhead for a myriad of consultants, the AG will identify existing talent and resources in your operation to be a part of the “solutions” team to create change and drive innovation into your organization. Our team can quickly integrate with the client team, or work independently, to analyze the root issues and help devise innovative yet practical recommendations.

Unlike large firms, a senior and seasoned AG professional will lead the project because we are always vested in our clients’ success. Enhancing quality and fiscal solvency are first on our minds and we are determined to save our clients money, resources and time and make their operation PROSPER!

The firm, founded in February 2013 by Gary D. Alexander, offers **three** core areas of expertise to transform and help government agencies and organizations and private businesses:

1. Government Consulting and Solutions
2. Business Development
3. Transaction Assistance

Skills Pertinent to the Task Force

AG offers concept to completion services for creation, planning and management of high performing strategies under scrutiny of the public eye. With regards to the work of the Task Force, AG will provide pragmatic and innovative expertise and solutions at all levels. AG possesses a plethora of skills and expertise to staff a Task Force of this magnitude. A few examples of our expertise include:

1. Data Analytics
2. Economic Modeling
3. Budget and Fiscal
4. Financial Modeling
5. Writing and Researching
6. Health Care Plan Design and Managed Care
7. Regulatory Compliance
8. Strategic Planning
9. Project Management
10. Public Sector Organizational and Management Restructuring
11. Health Information Technology

To bring Arkansas Legislative Task Force the most qualified combination of expertise necessary to make comprehensive reform actionable and successful, Mr. Gary D. Alexander and Mr. James Miller will lead this effort supported by other key AG associates. Mr. Murray Blitzer will also work on this project and be fully engaged in the scope of work.

Gary D. Alexander is the founder, president, and CEO of the Alexander Group, a consulting firm that creates and delivers cutting-edge advocacy, data-driven solutions, strategic business-development and innovative-technology platforms, to improve efficiency, effectiveness and quality. He is a nationally recognized health-care and Medicaid expert, welfare reformer, and budget specialist. For more than 16 years, he has transformed underperforming state health programs and health and welfare agencies into accountable, value-oriented, and data and performance-driven systems. His pioneering structural reforms and state-of-the-art technology solutions have improved outcomes and quality, lowered health-care costs, reduced fraud and waste, re-engineered employment programs, modernized access, and eliminated budget deficits. A pragmatic and decisive leader, Alexander has a track record not only of identifying problems but also assembling the right mix of talent, policymakers, and stakeholders to generate solutions that solve the most vexing challenges facing federal, state, and local governments. By restructuring large and often unaccountable public agencies according to performance-based teams that produce measurable outcomes, he has earned a reputation for leadership excellence.

Prior to founding the Alexander Group, Mr. Alexander served as Pennsylvania's secretary of public welfare and Governor Tom Corbett's senior health and welfare advisor from 2011 to 2013. In that dual role, he oversaw overall operations, management, and policy development for one of the largest health and welfare agencies in the nation, a department with a budget of \$27.5 billion, 6 hospitals, 5 state intermediate facilities, 94 offices, 16,500 employees, and 2.2 million public-assistance recipients.

Upon arrival in Pennsylvania, Mr. Alexander faced double-digit growth, an uncoordinated service structure, and a fragmented organization. To fix these problems, he crafted and implemented a cutting-edge plan to eradicate fraud and waste called the *Enterprise-wide Program Integrity and Improvement Initiative*. This reform reduced fraud, waste, and abuse across all programs by creating system-wide, cross-functional client teams and implementing project management to re-engineer business processes, focus leadership, and transform systems to ensure accountability. His efforts upended the Department of Public Welfare's entrenched culture of unlimited spending, making the department more efficient and accountable. This program-integrity initiative has been lauded by Medicaid and welfare-reform experts and earned the department the national innovation award for Excellence and Best Practice from the Council of State Governments. By transforming a reactive bureaucracy into a proactive organization, Alexander's efforts saved taxpayers more than \$1 billion dollars overall while delivering a \$141-million surplus in 2012. Alexander also redesigned the department's health care and employment programs' payment-and-contracting methodologies to focus on performance-based outcomes. He also created a streamlined county health and welfare payment system and implemented service enhancements for the intellectually disabled

Prior to his tenure in the Keystone State, Mr. Alexander created and implemented similar reforms as Rhode Island's secretary of health and human services and human-services director from 2006 to 2011. He is the author and architect of the 2009 landmark Rhode Island Global Medicaid Waiver that, for the first time, delivered unprecedented flexibility to a state to redesign the largest health plan in the state – the Medicaid Program. Relieving the state of burdensome federal mandates and requirements, this reform improved care quality, outcomes and access, lowered public costs, engaged consumers and created more choices for them—including more appropriate care settings—and properly aligned services and benefits and created the first health savings type account for the entire Medicaid population. The waiver's long-term care redesign is being used as a model of reform around the nation. In its first two years, the waiver not only saved the state approximately \$100 million but also kept total Medicaid spending at billions of dollars below the agreed-upon spending limit. Yielding budget surpluses to this day, the waiver helped Rhode Island eradicate its structural deficit. By upending the welfare culture that favors unlimited spending, introducing accountability into Medicaid, and improving care quality, Alexander's initiative has been cited as a model of Medicaid and health care reform by various experts and publications, including the *Wall Street Journal* and the *Providence Journal*.

He has also worked as a budget analyst for the Massachusetts Senate Committee on Ways and Means.

Mr. Alexander is taking his creative ideas to new levels. He has recently designed a new health plan design geared to self-insured entities that connects the payer to the provider using a unique capitated model in a transparent manner that dramatically reduces cost. He is also in the midst of crafting a front-end solution to reduce fraud, waste and abuse in the health care system.

Having worked as a budget analyst and researcher in different government capacities over the years prior to assuming cabinet level positions, Mr. Alexander possesses significant experience in health information management, analyzing revenue streams and fiscal and policy impacts of various health care models and methodologies, writing on all aspects of health issues and health related economic research.

He holds a B.A. from Northeastern University and a J.D. from Suffolk University School of Law.

James Miller. Jim is a Senior Associate at the Alexander Group and has been active in the field of health care benefit planning, Employee Benefits and Group Insurance since 1999. Prior to his work at the Alexander Group, Jim worked for a National Agency where he was instrumental in designing and implementing a Population Risk Management Program for large employers. The program allowed employer groups the ability to proactively manage their employee health risk profile while reducing the effects of medical trend on their insurance rates.

As a consultant, Jim combines a diverse work experience with technical expertise and creativity offering organizations unique benefit programs that align corporate values with employee awareness, thus maximizing the investment an organization makes in its human capital. The companies that typically engage Jim do so because of the following: Cost Management – they are having difficulty managing the cost of their benefit plan and are looking to add some predictability to their budgeting. Support – something has changed in their business and their current relationship's expertise doesn't fall into the scope of those changes. Communication – organizations are frustrated that their employees don't appreciate, understand, or correctly utilize the benefits that the organizations are struggling so hard to provide. Compliance and Research – they have struggled to understand the ever-changing regulatory issues and their impact on benefit plan options.

In addition to his analytic skills listed above, Jim possesses vast experience analyzing fiscal data and regulations—especially hospitals and cost-structures, developing health care modeling and performing economic research as well as general research and analysis on the health care industry.

Murray Blitzer is a Senior Associate member of The Alexander Group's Team with over 30 years of experience in public administration and finance with a specialty in health care, Medicaid and human services. Most recently, he began advising individuals and families on how to maximize their available retirement resources. He was the Chief Financial Officer of the Rhode Island Department of Human Services, overseeing a \$1.5 billion budget and over 1000 employees. He also served in the Rhode Island Legislature as Deputy to the Senate Fiscal Officer. In the Senate, as an advisor to the Majority Leader, he implemented a budget hearing and review process that allowed the membership equal participation in formulating policy.

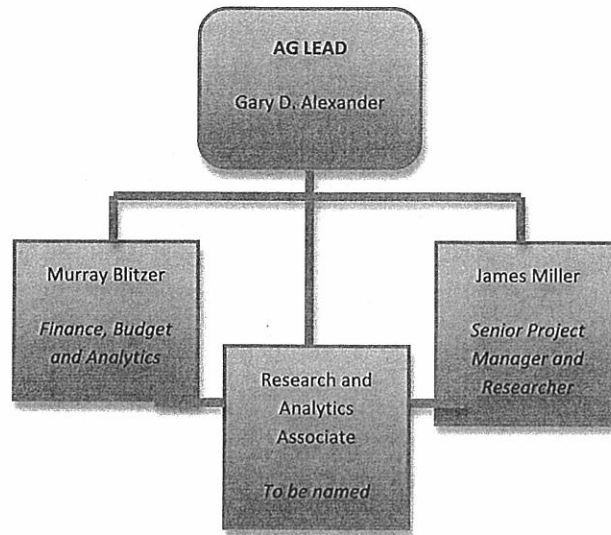
Murray began his career in the Rhode Island State Budget Office where he designed and implemented the structure for the state's Consensus Medical Assistance and Caseload Estimating Conference, applying professional forecasting tools to over \$2 billion in health Care and Welfare spending.

Murray's vast experience as a budget analyst, deputy fiscal officer and chief financial officer makes him uniquely positioned to perform economic research, health care modeling and methodologies, develop econometric and other models reflecting significant market drivers, their elasticity, and various outcomes and scenarios and analyze all aspects of fiscal policy including revenues and expenditures.

Throughout his public career Murray has successfully worked with private entities to reduce the cost of government and deliver services that have had a positive impact on the lives of many consumers. Murray holds a Bachelor of Science Degree in Resource Technology and Economics from the University of Rhode Island.

Additionally, AG will make its health care research team available if necessary to accomplish this assignment.

AG Organizational Structure to Staff the TASK FORCE



5. Project Approach

AG will support the Task Force and advise it on how to create practical, real-world solutions based on our extensive and unique working knowledge of health-care, self-insured plans, and government systems as well as our vast experience working for state legislatures. AG will apply practical experience to this effort and an unparalleled ability to staff large projects such as the State and Public School Life and Health Insurance Program Legislative Task Force, with superb data analytics, research capabilities and consulting services.

AG's team will be available to advise the Task Force, fulfill the scope of work and complete any necessary assignment. AG uses a project management style in its approach to work so that the assignments and research are uniform, succinct and precise with clear deliverable dates. The progress on AG's work may be shared with the Task Force on a weekly basis if not more and AG will assist the Task Force in using a consistent analytic process this process.

Kick-Off Meeting and Client Communications. Mr. Alexander and Mr. Miller will meet with the Task Force, and other designees at the convenience of the Task Force. At this meeting, Gary D. Alexander and James Miller, the proposed lead project directors and advisors, will, in conjunction with the Task Force, begin to explore the objectives and the content of each key element, and solidify the overall project timeline and key deliverables. The project managers/advisors (PM/A) will maintain regular contact with the project officer (appointed by the Task Force) through weekly calls and/or in-person meetings, regularly reporting progress and any related issues.

The Alexander Group Team is ready to work on this project immediately.

6. ADDITIONAL INFORMATION

Timeframe

AG will need approximately 30 hours per week of research, analysis and development, not including meetings or teleconferences.

Most Recent Contracts

AG has only been in existence for approximately 10 months. As a small boutique firm, we focus our time on a limited number of engagements to ensure a superior work product.

1. State of Arkansas Legislature, Committee on Public Health: March 2013-July 2013. AG just recently performed a baseline review and analysis of the Department of Human Services and in particular its Medicaid program. In addition, AG developed savings initiatives for the state that totaled well over \$200 million dollars.

2. State of Maine, Department of Health and Human Services: Currently, AG is engaged on a large assignment for the State of Maine's Department of Health and Human Services to perform a Medicaid expansion feasibility study, a baseline review and analysis of the entire health and human services system and assist the state with program integrity efforts.

Please NOTE

The Alexander Group has only been in existence for approximately 10 months. AG has only one writing sample on point and another that will be released on January 7, 2014.

Writing Samples

1. **ARKANSAS REPORT** – Analysis and Review of the Arkansas Human Services and Medicaid System. Work accomplished for the Arkansas Legislature. Delivered on July 6, 2013 to the Public Health, Welfare and Labor Committee. Report was attached to submission.
2. **Maine Medicaid Feasibility Study** – Alexander Group engaged by the State of Maine's Department of Health and Human Services. Release date scheduled for January 2014.

References

Senator Cecile Bledsoe, Chair, Public Health, Welfare and Labor Committee, Arkansas,
Cecile.Bledsoe@senate.ar.gov

Senator David J. Sanders, davidjamessanders@gmail.com

Representative Bruce Westerman, House Majority Leader, Arkansas,
WestermanBruce@arkleg.state.ar.us

The Honorable Donald Carcieri, Former Governor of Rhode Island (2003-2011),
donandsue1965@gmail.com

7. PROJECT STAFFING NECESSARY

OFFICIAL PROPOSAL PRICE SHEET – *Submitted separately*

Note: The Official Proposal Price Sheet must be submitted in a separate envelope or e-mail and not part of the technical evaluation. Any reference to pricing in the technical proposal shall be cause for disqualification from further considerations for award.

1. Any cost not identified on this schedule but subsequently incurred will be the responsibility of the Vendor.
2. Bids should provide at least a 180-day acceptance period.
3. By submission of a proposal, the proposer certifies the following:
 - A. Prices in this proposal have been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition;
 - B. No attempt has been made nor will be by the proposer to induce any other person or firm to submit a proposal for the purpose of restricting competition;
 - C. The person signing this proposal is authorized to represent the company and is legally responsible for the decision as to the price and supporting documentation provided as a result of this RFP; and
 - D. Prices in this proposal have not been knowingly disclosed by the proposer and will not be prior to award to any other proposer.

The Official Price Proposal Sheet must be submitted in the following form, allowing for the inclusion of specific information regarding positions, goods, services, etc., and signed by an official authorized to bind the Vendor to a resultant contract.

Description	Price Per Hour	Number of Positions

Travel

Description	Price	Total

8. MODELING EXAMPLE

It takes a great deal of work to restructure a state employee health plan. Because this work is not simply a targeted project, the state will need a highly skilled team that can hit the ground running. Having designed, implemented and managed major health care reforms in multiple states, the AG leadership, offers the practical experience necessary to perform the correct due diligence and ensure that the state's modeling is not only technically sound and efficiently designed but also accurately reflects Arkansas' system, programs, and benefits.

The State will help build a model that is customized to Arkansas and leverages the building blocks of national and private sector successes. Indigenous Arkansas data must be used as the primary (or "root") data for all models, as well as a detailed understanding of the state's current program rules, to estimate key parameters, such as the demand for services and historic enrollment. The following four activities will be key to creating a highly customized and efficient process and plan while delivering a product that reflects the program's unique circumstances, population, and benefits.

1. **Construct baseline consumer-and-expenditures data.** Constructing a 2012-baseline database may be necessary. This would be constructed by conducting a statistical match of Arkansas expenditure records. Match several years of expenditure data to the baseline.
2. **Develop Arkansas-specific parameters.** During a due diligence exercise sketching out different reform designs to identify key behavioral parameters required to drive innovation into the program might prove essential. The team will rely primarily on Arkansas data; only when parameters cannot be estimated from Arkansas-specific data will the strongest and most recent available estimates from other states and/or research literature be incorporated. By estimating Arkansas-specific parameters, the team will ensure that the models produce results that accurately represent Arkansas' population.
3. **Develop and program model logic.** The team next may develop detailed programming logic for Arkansas in each of the key reform areas articulated in the RFP. The team will not retrofit an existing model merely to "look like" the specific reform of interest, but instead will bring the skills, knowledge, and experience necessary to produce the most accurate reforms for Arkansas.
4. **Develop estimates of budget utilization, and cost variation.** AG may also develop a set of standard budget and financial models, PMPM costs, member months, benefit designs and potential cost-sharing that will be included in the financial models. Using the models and actuarial estimates, the team will be able to validate against experience following implementation of similar reforms in other states and localities (and the private sector) if necessary. PMPM expenditures will be projected to 2019 using state projections (if available) or by extrapolating from past growth, modified as may be indicated in consultation with Arkansas staff.
5. **Gain Sharing and Risk Sharing.**

Within the financial modeling, the AG team will create a gain sharing and risk-sharing model that may reflect future changes to the state employee program.

Data Availability

The Team will need access to all state data in order to accomplish the goals of the Task Force.



The Alexander Group, LLC (AG) is a government and business consulting firm that delivers cutting-edge data-driven solutions, strategic business development, and innovative health-care and technology platforms—to improve efficiency, effectiveness, and quality for our clients. AG possesses unique expertise in the government health-care marketplace, built upon two decades of not only operating large-scale health and human-services agencies but also pioneering reforms that saved states billions of dollars and improved service quality. Founded in 2013 by reformer Gary D. Alexander, the firm is the only group of public officials who have designed, implemented, and managed nationally acclaimed reforms like the *Rhode Island Global Medicaid Waiver* and, in Pennsylvania, *The Enterprise-Wide Program Integrity Plan* and *The Health and Human Services County Block Grant*.

The firm's specialties range from health care and social welfare to management consulting — including but not limited to health care plan design, Medicaid, Medicare, long-term care and accreditation services — to organizational design and restructuring, transportation, transaction assistance, and legislative and fiscal analysis. AG helps states and localities navigate the intersection of business and public policy while identifying opportunities that enhance the bottom-line and advance the health and well-being of citizens. Rather than remediate complex and outdated health care plans or assistance programs piecemeal, we help states and localities reform and restructure their entire health and human services systems. Deploying cost-effective savings methodologies to ensure a value-, transparent-, and efficiency-based system, our reforms drive innovation, improve service quality and performance, incentivize accountability and consumer engagement, modernize operations, and root out fraud, waste, and abuse.

Creating and Delivering Innovative Global Solutions

THE ALEXANDER GROUP LLC

■ Providence, R.I. ■ Philadelphia, Pa. ■ Washington, D.C.

Official Price Proposal

OFFICIAL PROPOSAL PRICE SHEET

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 - D. Prices in this proposal have not been knowingly disclosed by the proposer and will not be prior to award to any other proposer.

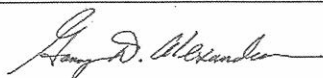
The Official Price Proposal Sheet must be submitted in the following form, allowing for the inclusion of specific information regarding positions, goods, services, etc., and signed by an official authorized to bind the Vendor to a resultant contract.

Description	Price Per Hour	Number of Positions
Supervisor	\$300.00	1
Senior Consultant	\$285.00	1
Senior Consultant	\$285.00	1
Research Assistant	\$50.00	1

Travel

AG seeks approximately \$15,000 per year for travel as per page 11 section 4.2. AG will most likely need more than \$15,000 for one calendar year, however page 11 indicates that \$15,000 will be the limit.

Description	Price	Total
Travel	\$15,000 for one calendar year	\$15,000
Total Maximum Bid for salary	30 hours per week. Average price per hour \$290.00 Average per month = \$34,800 Subtotal = \$417,600 Total = \$432,600	



Gary D. Alexander, CEO, the Alexander Group, LLC