



STATE OF INDIANA

Michael R. Pence, Governor

Department of Administration
Procurement Division

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Award Recommendation Letter

Date: June 10, 2016

To: Mark Hempel, Director of Account Management
Indiana Department of Administration

From: Jennifer Michael, CPPB, Account Manager, Indiana Department of Administration

Subject: Recommendation of Selection for RFP 16-035,
Risk-Based Managed Care Services for Medicaid Beneficiaries (Hoosier Healthwise/HIP)

Based on the evaluation of responses to RFP 16-035, Anthem Blue Cross and Blue Shield (Anthem), CareSource Indiana, Inc. (CareSource), MDwise, Inc. (MDwise), and Coordinated Care Corporation dba Managed Health Services (MHS) are recommended to begin contract negotiations to provide Risk-Based Managed Care Services for Medicaid Beneficiaries (Hoosier Healthwise/HIP) for the Indiana Family & Social Services Administration.

*Anthem has committed to subcontract 6.10% of the administrative contract value to **A.I. King Insurance Agency, Inc.** (a certified Minority-owned Business (MBE)), 0.11% to **BCforward** (MBE), 0.32% to **Fineline Printing Group** (MBE), 0.04% to **RCR Technology Corporation** (MBE), 4.54% to **LCP Transportation LLC** (MBE), 0.65% to **RepuCare, Inc.** (a certified Woman-owned Business (WBE)), 2.08% to **Cabello Associates, Inc.** (WBE), 0.17% to **netlogx, LLC** (WBE), 0.28% to **MG Consulting** (WBE), 1.03% to **SmartIT, Inc.** (WBE), 0.11% to **CulturaLink** (WBE), 0.73% to **Briljent, LLC** (WBE), 2.77% to **Engaging Solutions, LLC** (WBE), 0.26% to **Bulldog Consulting Services, LLC** (WBE), 0.61% to **One Point** (a certified Indiana Veteran Business Enterprise (IVBE)), 0.15% to **After Action Medical and Dental Supply, LLC** (IVBE), 2.13% to **Professional Management Enterprises, Inc.** (IVBE), 0.02% to **Veteran Strategies, Inc.** (IVBE), and 0.13% to **Team Quality Services, Inc.** (IVBE).*

*CareSource has committed to subcontract 0.60% of the administrative contract value to **netlogx, LLC** (WBE), 0.65% to **BCforward** (MBE), 0.26% to **The Indiana Minority Health Coalition, Inc.** (MBE), 0.37% to **Engaging Solutions, LLC** (MBE), 0.43% to **Perna Design & Advertising, LLC** (WBE), 0.01% to **MBP Distinctive Catering** (WBE), 0.62% to **CSpring** (WBE), 1.59% to **SmartIT** (WBE), 0.03% to **Rite Quality Office Supplies, Inc.** (MBE), 0.52% to **Fineline Graphics, Inc.** (MBE), 5.38% to **LCP Transportation LLC** (MBE), 4.25% to **Ride Right, LLC** (WBE), 0.22% to **CulturaLink LLC** (MBE), 0.13% to **SHI International Corp.** (MBE), 0.01% to **Language Directions, LLC** (WBE), 0.17% to **One Point** (IVBE), 0.69% to **Esource Resources, LLC** (IVBE), and 2.16% to **Professional Management Enterprises, Inc.** (IVBE).*

*MDwise has committed to subcontract 5.31% of the administrative contract value to **A.I. King Insurance Agency, Inc.** (MBE), 2.26% to **BC Forward** (MBE), 0.03% to **Borshoff, Inc.** (WBE), 0.36% to **Communications Products, Inc.** (MBE), 0.01% to **Eloquence Language Services LLC** (WBE), 0.22% to **ESG Technical Services** (MBE), 0.03% to **Impact Specialties & Promotions, LLC** (MBE), 0.27% to **Indiana Wellness Consultants, LLC** (WBE), 0.24% to **MG***

Consulting (WBE), 0.01% to *Officeworks Services, LLC (MBE), 3.03% to *Ride Right, LLC (WBE), 0.01% to *Rite Quality Office Supplies, Inc. (MBE), 4.59% to *Vision Financial Services (WBE), 0.89% to *Professional Management Enterprises, Inc. (IVBE), and 2.12% to *Fat Atom (IVBE).******

*MHS has committed to subcontract 0.73% of the administrative contract value to **CFA Staffing Inc. (WBE), 4.89% to *Coles Marketing Communications, Inc. (WBE), 0.04% to *Colored Threads (WBE), 0.55% to *Engaging Solutions, LLC (MBE), 6.96% to *LCP Transportation, LLC (MBE), 0.02% to *Indiana Minority Health Coalition (MBE), 0.04% to *Keith Marketing Group, Inc. (WBE), 0.52% to *Prairie Quest, Inc. (WBE), 1.29% to *RepuCare, Inc. (WBE), 2.19% to *MBC Group Inc. (IVBE), 0.35% to *Professional Management Enterprises Inc. (IVBE), and 0.47% to *Vespa Group (IVBE).**************

The terms of this recommendation are included in this letter.

Estimated First Year Contract Values:

- Anthem: \$822,163,303.57
- CareSource: \$822,163,303.57
- MDwise: \$831,191,428.77
- MHS: \$822,163,303.57

Estimated First Year Administrative Amount of Contracts (M/W/VBE commitment basis):

- Anthem: \$115,257,942.10
- CareSource: \$115,257,942.10
- MDwise: \$116,462,514.62
- MHS: \$115,257,942.10

The evaluation team received five (5) proposals from:

- Anthem Blue Cross and Blue Shield (Anthem)
- CareSource Indiana, Inc. (CareSource)
- MDwise, Inc. (MDwise)
- Coordinated Care Corporation dba Managed Health Services (MHS)
- UnitedHealthcare Community Plan (United)

The proposals were evaluated by FSSA and IDOA according to the following criteria established in the RFP:

Criteria	Points
1. Adherence to Mandatory Requirements	Pass/Fail
2. Management Assessment/Quality (Business and Technical Proposal)	55
3. Cost (Cost Proposal)	20
4. Indiana Economic Impact	5
5. Buy Indiana	5
6. Minority Business Enterprise Subcontractor Commitment	5 (1 bonus pt. available)
7. Women Business Enterprise Subcontractor Commitment	5 (1 bonus pt. available)
8. Indiana Veteran Business Enterprise Subcontractor Commitment	5 (1 bonus pt. available)
Total: 100 (103 if bonus awarded)	

The proposals were evaluated according to the process outlined in Section 3.2 (“Evaluation Criteria”) of the RFP. Scoring was completed as follows:

A. Adherence to Requirements

Each proposal was reviewed for adherence to mandatory requirements and deemed responsive.

B. Management Assessment/Quality

Each proposal was then evaluated based on its Business Proposal and Technical Proposal.

Business Proposal (8 points)

For the business proposal evaluation, the team considered the information each respondent provided in the business proposal. These areas were reviewed to assess the respondent’s ability to serve the State:

- Company Structure
- Financial Information
- Integrity of Company Structure
- References
- Subcontractors’ Experience
- Experience Serving State Government
- Experience Serving Similar Clients
- Evidence of Financial Responsibility
- State Licensure
- Evidence of Bid Bond

Technical Proposal (47 Points)

For the technical proposal evaluation, the team considered each respondent’s proposal in the following areas:

Common Components: Addresses overlapping requirements for both HHW and HIP

- Section 1.0 (HHW+HIP) Background
- Section 2.0 (HHW+HIP) Mandatory Care Entity Respondent Requirements
- Section 7.0 HHW, Section 10.0 HIP – Program Integrity
- Section 8.0 HHW, Section 11.0 HIP - Information Systems
- Section 9.0 HHW, Section 12.0 HIP - Performance Reporting and Incentives
- Section 10.0 HHW, Section 13.0 HIP - Failure to Perform/Non-compliance Remedies
- Section 11.0 HHW, Section 14.0 HIP - Termination Provisions

Hoosier Healthwise Components:

- Section 3.0 HHW: Covered Benefits and Services
- Section 4.0 HHW: Member Services
- Section 5.0 HHW: Provider Network Requirements
- Section 6.0 HHW: Quality Management and Utilization Management

HIP Components:

- Section 3.0 HIP: HIP Plan Design and Member Eligibility
- Section 4.0 HIP: Billing and Collections
- Section 5.0 HIP: Personal Wellness & Responsibility (POWER) Accounts
- Section 6.0 HIP: Covered Services and Benefits
- Section 7.0 HIP: Member Services

- Section 8.0 HIP: Provider Network Requirements
- Section 9.0 HIP: Quality Management and Utilization Management

The evaluation team’s scoring is based on a review of the Respondents’ proposed approach to each section of the technical proposal, as well as specific questions that respondents were asked to respond to in the RFP and clarifications. The results of the management assessment/quality evaluation are shown below:

Table 1: Initial Management Assessment/Quality Scores

RESPONDENT	MAQ SCORE 55 pts.
Anthem	35.71
CareSource	36.49
MDwise	37.15
MHS	34.75
United	38.40

All Respondents were asked to respond to clarification questions and invited to oral presentations. Respondents’ MAQ scores were updated based on clarification responses and oral presentations. The final MAQ scores for the Respondents after these updates are as follows:

Table 2: Final Management Assessment/Quality Scores

RESPONDENT	MAQ SCORE 55 pts.
Anthem	35.71
CareSource	36.80
MDwise	37.15
MHS	34.75
United	37.90

C. Cost Proposal (20)

Price points were awarded on each Respondent’s Annual Total Contract Value as follows:

$$\text{Score} = 20 - 20 * \frac{(\text{Respondent's Annual Total Contract Value} - \text{Low Annual Total Contract Value})}{(\text{High Annual Total Contract Value} - \text{Low Annual Total Contract Value})}$$

The cost scoring as a result of Respondents’ proposals is as follows:

Table 3: Cost Scores

RESPONDENT	COST SCORE 20 pts.
Anthem	20.00
CareSource	20.00
MDwise	15.08
MHS	20.00
United	0.00

D. Combined MAQ and Cost Scores and Shortlisting

The combined MAQ and Cost scores from the evaluations are listed below.

Table 4: Total MAQ + Cost Scores

RESPONDENT	MAQ SCORE 55 pts.	COST SCORE 20 pts.	TOTAL MAQ + COST SCORE 75 pts.
Anthem	35.71	20.00	55.71
CareSource	36.80	20.00	56.80
MDwise	37.15	15.08	52.23
MHS	34.75	20.00	54.75
United	37.90	0.00	37.90

Based on the combined MAQ and Cost scores from the evaluations, the following Respondent was removed from consideration:

- United

The remaining four Respondents were short-listed for further consideration. The short-listed Respondents are listed below:

- Anthem
- CareSource
- MDwise
- MHS

E. IDOA Scoring

IDOA scored the short-listed Respondents in the following areas: Buy Indiana (5 points), Indiana Economic Impact (IEI) (5 points), MBE Subcontractor Commitment (5 points + 1 available bonus point), WBE Subcontractor Commitment (5 points + 1 available bonus point), and IVBE Subcontractor Commitment (5 points + 1 available bonus point) using the criteria outlined in the RFP. When necessary, IDOA clarified certain Buy Indiana, IEI, MWBE, and IVBE information with the Respondents. Once the final MWBE, IVBE and IEI forms were received from the Respondents, the total scores out of 103 possible points were tabulated and are as follows:

Table 5: Final Evaluation Scores

Respondent	MAQ Score	Cost Score	Buy IN	IEI	MBE*	WBE*	IVBE*	Total Score
Points Possible	55	20	5	5	5 (+1 bonus pt.)	5 (+1 bonus pt.)	5 (+1 bonus pt.)	100 (+3 bonus pt.)
Anthem	35.71	20.00	5.00	4.82	6.00	5.00	6.00	82.53
CareSource	36.80	20.00	5.00	1.90	5.00	5.00	6.00	79.70
MDwise	37.15	15.08	5.00	3.41	5.00	6.00	5.00	76.64
MHS	34.75	20.00	5.00	5.00	5.00	5.00	5.00	79.75

* See Sections 3.2.6 and 3.2.7 of the RFP for information on available M/W/VBE bonus points.

Award Summary

During the course of evaluation, the State scrutinized all proposals to determine the viability of the proposed business solutions' ability to meet the goals of the program and the needs of the State. The team evaluated proposals based on the stipulated criteria outlined in the RFP document.

The term of the contract shall be for a period of four (4) years from the date of contract execution. There may be two (2) one-year renewals for a total of six (6) years at the State's option.