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Amendment I
FY2023 Government of Guam Group Health Insurance Program
Request for Proposal DOA/HRD/EB-RFP-GHI-23-001
(RFP)

The Government of Guam is in receipt of inquiries received as of May 24, 2022. This is in reference to the Government of Guam's Request for Proposal DOA/HRD/EB-RFP-GHI-23-001 issued on May 19, 2022 for the Government of Guam Group Health Insurance Program.

This Amendment reflects responses to all inquiries received by the May 24, 2022 deadline date. Specific sections of the RFP are amended as applicable.

Data Request

1. Can you please provide the amount of pharmacy rebates for FY20 and FY21 by plan.

RESPONSE: We are unable to provide this data by plan. At a total level, the pharmacy rebates for FY 2020 and FY 2021 are as follows:

Fiscal year	Pharmacy rebates
2020	\$5.08 million
2021	\$7.99 million

Exhibit C

1. Regarding tab [Claims Lag RSP] in Exhibit C – The claim amounts incurred Oct 2021 – Mar 2022 in the combined lag triangle are less than the sum of the claim amounts in the 'Medical Only' and 'Rx Only' lag triangles for those incurral months. Please confirm that the correct combined amounts are equal to the sum of the medical and Rx components.

RESPONSE: We confirm that the correct combined amount is the sum of the medical and pharmacy components. We have corrected the issue with the Combined triangle for the [Claims Lag RSP] tab and issued a revised Exhibit C.

2. Regarding the PPO Active and Retiree claim lags – The Oct 2021 incurred claims paid through Mar 2022 appear low compared to the Nov-Dec 2021 incurred claims paid through Mar 2022, as shown in the table below. The Oct 2021 amounts appear low especially considering that Oct 2021 has observed more run-out months than Nov & Dec 2021. Please confirm the correct amounts were provided for Oct 2021 PPO incurred claims paid through Mar 2022.

Incurral Month	PPO Active Incurred PMPM	PPO Retiree Incurred PMPM
Oct-21	\$708	\$957
Nov-21	\$835	\$1,130
Dec-21	\$840	\$999

RESPONSE: The amounts provided match the data reported by the carriers for claims incurred in October 2021 and paid through March 2022 for the PPO Active and Retiree plans. The fluctuations observed could be due to a number of reasons including random variation, the start of a new plan year and transition to new carriers in October 2021, and COVID-related disruptions among other reasons.

3. What measures has GovGuam taken to validate claims, premium, and enrollment data provided in the RFP (financial statements, experience refund submissions, loss ratios, other sources, etc.)?

RESPONSE: The Government of Guam relies on data provided by the carriers. The data is reviewed for reasonableness and consistency but if the underlying data or information provided by the carriers is inaccurate or incomplete, there is a risk that the data held by the Government of Guam may likewise be incomplete. To mitigate this risk, the claims, premium, and enrollment data included in Exhibit C has been compared to available reconciliation points to check for consistency. Examples of reconciliation points include Exhibit C from the FY 2022 RFP, claims lag triangles from multiple time periods, and other summary reports provided by the carriers. The Government of Guam relies on the data provided by the carriers.

4. Please provide pharmacy claims for all individuals with Rx claims totaling \$10,000 or more including the following data fields: Employee or Dependent - Fill Date - Paid Date - Total Paid Amount - Drug Amount - Drug Name - NDC (National Drug Code) - GCN (Generic Code Number) - Cumulative Paid Amount Per Claimant.

RESPONSE: The requested information is not available.

5. Has the experience refund information been updated? It seems to be the same as in last year's RFP.

RESPONSE: The "Refunds" tab in Exhibit C has been updated for FY 2021. There was no participating contract refund for the new time period added since last year's RFP.

6. Please provide the plan (HSA, PPO or RSP) and employee status (Active or Retiree) of each of the high-cost claims listed in the [HCC] tab of Exhibit C.

RESPONSE: The requested information is not available at this level of detail.

7. Please confirm that the claims data and high cost claimants information under Exhibit C: Enrollment and Claims were not adjusted for any incurred but not yet paid (IBNP).

RESPONSE: The high-cost claimant data is intended to include claims processed during the stated reporting period with no IBNP adjustment. To our knowledge, the carriers have provided the data without IBNP adjustment.

8. Please affirm the enrollment information on Exhibit C: Enrollment and Claims is based on “subscriber” count, rather than “membership” count. If subscriber count, can you provide membership counts for the same periods?

RESPONSE: Exhibit C enrollment is based on subscriber count, which is consistent with the historical enrollment information provided for prior RFPs.

9. Are the premium information in Exhibit C: Enrollment and Claims based on “number of subscribers by class & by plan X the rates by class & by plan” or simply paid premiums?

RESPONSE: The premium information in Exhibit C is calculated as the product of the relevant premium rates from the “Rates” tab and subscriber count from the “Enrollment” tab.

10. Is it possible to receive high cost claimant data for October 1, 2019 to September 2020?

RESPONSE: High-cost claimant data for January through December 2020 has been added to the updated version of Exhibit C for the FY 2022 RFP.

11. Exhibit C: Since there are 2 carriers for FY22 with possibly different claims lag, can you please provide claims lag triangles separately for each carrier for incurred months October 2021 to March 2022 for each of the plans and separately for medical claims and pharmacy claims.

RESPONSE: Consistent with prior RFPs, we have included data that represents the covered GovGuam population as a whole and we do not share segregated data for individual carriers.

12. Exhibit C: Can you please provide the claims lag triangles for FY20 and FY21 separately for medical and pharmacy claims, for each of the plans.

RESPONSE: For each plan, the combined claims lag triangle is the sum of the medical and pharmacy claims lag triangles, which are shown below the combined view starting in rows 61 and 121 respectively.

13. Exhibit C: Can you please provide the monthly claims incurred for FY20, FY21 and first half of FY22 for vision claims as of 3.31.2022.

RESPONSE: The requested information is not available at this time. Self-funding vision benefits is an option that GovGuam is considering but this is exploratory at this stage. In order to respond to the self-funding vision portion of the RFP, please provide a manual rate.

Exhibit E

1. Regarding the [Dental] tab of Exhibit E: Are the amounts requested under the ‘Monthly Proposed EXCLUSIVE Funding Rate’ and ‘Monthly Proposed NON-EXCLUSIVE funding rate’ sections intended to be fully-insured monthly premium rates?

RESPONSE: No. These are intended to be self-funded funding rates rather than fully-insured monthly premium rates.

2. For Self-funded Administration Funding Rate in Exhibit E, where in Exhibit D is this defined? Can you provide a definition if none is found in Exhibit D?

RESPONSE: The funding rate refers to the premium equivalent amount that GovGuam would need to fund to cover the claims costs and any non-claims administrative costs or other non-benefit expenses. Please disregard the reference to a definition in Exhibit D.

3. Regarding item 4b in Exhibit E on tabs [1500], [2000], and [RSP], will this information remain confidential?

RESPONSE: Please refer to page 12 of the RFP, Section J. Confidentiality and Proprietary Information. Offerors must identify in their cover letter what items they deem proprietary and request that those items be maintained in confidence in addition to marking those specific items in their proposal.

4. Under Exhibit E: Premium Quotation, please confirm if the “amount per covered life per month (\$)” is net of any contractual adjustment, COB, discounts, member share and charges for non-covered services.

RESPONSE: The beginning part of the text in column H may not be visible when you view this table but this field is intended to capture the “Allowed amount”. This represents the paid amount plus member cost sharing.

5. Exhibit E: Can you please provide the claims data that will allow analyses by the service categories listed in Exhibit E for the 1500, 2000 and RSP plans for pricing.

RESPONSE: The requested information is not available. Potential new bidders are requested to provide a manual rate with a description of the assumptions and adjustments used to arrive at the proposed rate.

6. Exhibit E: Can you please confirm that the request for the STAND ALONE self-funded administration of the pharmacy benefit means a single carrier and that the carrier can be different from the medical.

RESPONSE: Yes. The self-funded pharmacy is a single carrier. Members may be enrolled in a different medical plan from the self-funded STAND ALONE pharmacy carrier.

Exhibit F

1. Exhibit F states that exact specifications of the data structure can be discussed during negotiation meetings and agreed on. Will a uniform set of data structure and on a more granular level be required from all carriers? Will the data structure to be required for carriers for FY23 reporting be in support for pricing the envisioned self funding and stop loss for FY2024?

RESPONSE: The data specifications will be standardized for all carriers and the exact specification may be modified from the current version of Exhibit F following feedback from carriers during the negotiation process. The current proposed data structure could support exploratory pricing of FY 2024 benefits on a self-funded basis but that is not the primary objective for collecting this data.

Other exhibits

1. Please reformat and provide an updated Exhibit G to allow additional space, as it does not provide sufficient space to complete the information in the current format?

RESPONSE: This is a standard form. If more space if needed, please attach a separate sheet and advise accordingly.

2. Will DOA be providing a Word version of Exhibit L: Proposed Contract and Certificate of Insurance? This will facilitate redlining proposed changes.

RESPONSE: Yes, we will provide the Word version along with this Amendment 1.

SELF-FUNDING QUESTIONS

Please note that the potential self-funding arrangements that are discussed in the RFP documents are exploratory. With high premium trends in recent years, GovGuam is investigating options to provide the most economic and beneficial health benefits to the covered population. Our objective is to open a discussion with carriers about these options. Please see responses to specific self-funding related questions below.

1. Will GovGuam have a specific formulary requirement for the RX Self funded program?

RESPONSE: GovGuam does not have a specific formulary. We will rely on the awarded TPA's formulary listing.

2. What type of programs will GovGuam require from the self insured RX vendor; i.e.: Step therapy, Drug utilization review (DUR) program, Medication adherence and persistency program, Medication therapy management (MTM), Clinical patient support provided, rebate management?

RESPONSE: Ideally, GovGuam would like the least disruptive process for members to maintain their current medications. That said, we are looking for a partner to help us make changes that make sense for our members and for our long-term strategic goals.

3. Is GovGuam able to prefund anticipated RX claims on the self funded RX program?

RESPONSE: GovGuam could prefund Rx claims on a monthly basis based on an expected monthly pharmacy cost with true-ups performed on a quarterly and annual basis.

4. We noticed the name Navitus in the draft self-funded Rx contract; is this an error?

RESPONSE: Please disregard any reference to Navitus as this was an error.

5. Will GovGuam provide the draft Self-Funded Vision contract?

RESPONSE: The option of moving vision to a self-funded plan is an exploratory process and that if GovGuam does decide to self-fund this benefit, a contract will be made available.

6. For Self-funded Administration of Dental and Vision in Exhibit E, “Exclusive” is described as “bundled with same carrier as medical coverage”. Shouldn’t the correct term be Non-Exclusive?

RESPONSE: Exclusive in this case refers to the potential selection of a single TPA for dental coverage and a single TPA for vision coverage.

7. Will the Vision Plan described in Exhibit E for self-funded administration include coverage of vision/optical hardware only?

RESPONSE: Vision care is intended to maintain the same benefits as in FY22.

8. Is the separate fully insured or self-insured prescription drug and dental plan going to be awarded exclusively to one carrier or it will be split?

RESPONSE: GovGuam does not know at this point until all proposals are received, reviewed and negotiated.

9. Currently the pharmacy benefits are subject to deductible under the HSA plans. For the Stand Alone self-funded administration of the pharmacy benefit where the carrier can be different from the medical, can you please clarify how this will work with regards coordinating deductibles still to be met. Can you please clarify if the intent is to not have pharmacy drugs be subject to deductible if the pharmacy claims will be on self-funding.

RESPONSE: We recognize the challenges associated with coordinating benefits, but no, it was not our intent to change the benefit design at this time. It is our understanding that one or more of the existing carriers use a third-party pharmacy benefits manager, so there are already mechanisms in place to coordinate deductibles that apply to both medical and pharmacy benefits.

10. Please confirm the intent of GovGuam to offer and provider a separate coverage for medical and prescription drug. How about vision services?

RESPONSE: GovGuam is exploring its options and requesting separate quotes for self-funded dental, prescription drug and vision benefits.

11. If the answer to number 3 above is yes (re-numbered as number 10), please confirm if the following will be the applicable deductible and out of pocket maximum for medical and prescription drugs

- a. PPO 1500 - Deductible
 - i. Medical
 - 1. In Network - \$1,500 single and \$3,000 family
 - 2. Out of Network - \$3,000 single and \$30,000 family
 - ii. Prescription Drug
 - 1. In Network - \$2,000 single and \$4,000 family
 - 2. Out of Network - \$4,000 single and \$12,000 family
- b. HSA 2000 - Deductible
 - i. Medical
 - 1. In Network - \$2,000 single and \$4,000 family
 - 2. Out of Network - \$4,000 single and \$30,000 family
 - ii. Prescription Drug
 - 1. In Network - \$2,000 single and \$4,000 family
 - 2. Out of Network - \$4,000 single and \$12,000 family
- c. PPO 1500 – Out of Pocket Maximum
 - i. Medical
 - 1. In Network - \$3,000 single and \$9,000 family
 - 2. Out of Network - \$9,000 single and \$90,000 family
 - ii. Prescription Drug
 - 1. In Network - \$4,000 single and \$12,000 family
 - 2. Out of Network - \$30,000 single and \$90,000 family
- d. HSA 2000 – Out of Pocket Maximum
 - i. Medical
 - 1. In Network - \$4,000 single and \$12,000 family
 - 2. Out of Network - \$12,000 single and \$90,000 family
 - ii. Prescription Drug
 - 1. In Network - \$4,000 single and \$12,000 family
 - 2. Out of Network - \$30,000 single and \$90,000 family

12. Are carriers required to follow the out of network out of pocket maximum amounts stated under number 4 above (re-numbered as number 11)? What if the prospective offeror has a different offering?

RESPONSE TO QUESTIONS 11 and 12: Carriers are required to follow the out of network out of pocket maximums. Carriers may also offer lower alternative options for consideration by GovGuam. Alternative options must be specifically stated as such. Please note that the current GovGuam plan designs do not have the separate prescription drug deductibles and out of pocket maximums indicated in this question.

13. Exhibit E: Can you please confirm how the Dental Exclusive Self-Funded scheme is intended to work - there can be multiple carriers for the self-funded administration of this benefit? What does Exclusive mean in this case? How does the Dental Exclusive Funding scheme intended to work?

RESPONSE: The self-funded Dental plan will be awarded on an Exclusive contract. Exclusive means one carrier will be awarded as the TPA for the dental plan.

14. How does Exclusive funding for the pharmacy benefit intended to work?

RESPONSE: GovGuam is considering its options and exploring the possibility of self-funding the pharmacy benefit. If this goes ahead, the structure of the arrangement will be similar to the current exclusive self-funded dental benefit.

OPERATIONAL AND OTHER QUESTIONS

1. What is more important to GovGuam: member choice and drug selection with less plan savings, or a more restrictive formulary with some member disruption to lower drug costs as much as possible?

RESPONSE: Similar to other public purchasers, GovGuam would prefer a member centric view to health and pharmacy benefits, but with several years of high trends, we think we will need to work with our health plan partners to understand the plan savings and member disruption associated with moving towards a more restrictive formulary. If you are an existing plan, please identify what type of approach you currently use and propose something similar. We can discuss further during the negotiations. Please come prepared to discuss the cost impact of various pharmacy options. If you are a new plan, please identify what type of approach you would recommend and price consistently.

2. How does GovGuam anticipate being able to allow vendors, insurer and a separate RX-TPA vendor, to communicate and coordination care management?

RESPONSE: Carriers who are contracted for the fully insured medical plan will have to report membership enrollment information to the carrier awarded the RX TPA contract. We welcome any input from the carriers as part of their proposals.

3. How does GovGuam anticipate having drugs outside of the USA, Asia, be covered if they are not included in the drug formulary?

RESPONSE: We are looking to our health plan partners to propose solutions to these types of operational challenges. If you are an existing plan, please identify what type of approach you currently use and propose something similar. We can discuss further during the negotiations. If you are a new plan, please identify what type of approach you would recommend and price consistently.

4. How will enrollment be provided and updated to the RX vendor?

RESPONSE: GovGuam will require all carriers to report membership (subscriber and dependents) to the carrier awarded the Rx TPA contract. Completion of a separate enrollment form will not be required for subscribers. Enrollment into the medical plan will include coverage for the Rx benefit.

5. We assume GovGuam will provide additional time to seek clarifications to the answers that will be provided.

RESPONSE: The deadline date has been extended to 12:00 P.M., June 17, 2022, CHamoru Standard Time.

6. Please provide information on possible negotiation dates.

RESPONSE: Negotiations are tentatively scheduled for July 11th through July 13th, with subsequent meetings to be scheduled as necessary through July 22nd. Pre-Negotiation communications to include questions regarding your submissions will be sent to you by July 1st with written responses due prior to negotiations.

7. GRT is paid directly to the Government of Guam. Will carriers be allowed to offset experience refund due to the government with GRT payments?

RESPONSE: No.

8. Under “Submission of cost proposal”, instructions indicate the Price Proposal should be submitted separately from the written proposal. Does this imply that a hard copy of Exhibit E: Premium Retention Quotation should be submitted in its own envelope in addition to soft copies (Excel, PDF) of Exhibit E being included in the thumb drives? Please clarify.

RESPONSE: See amendment below to SPECIAL REMINDER TO PROSPECTIVE OFFERORS, item 1.

1. Carriers are advised to produce proposals as follows:

- a. One (1) original hard copy of proposal with original notarized affidavits and sealed cost proposal.
- b. Fourteen (14) password protected thumb drives containing the entire proposal.
 - Exhibit E: Cost Proposals should have a separate password.
 - Two (2) of which will be in its original workbook formats (MS Excel, not PDF) and both labeled as “Original Proposal.”
 - Twelve (12) of which will be in a read only format. The 12 thumb drives must be labeled as copies and numbered as 1 of 12, 2 of 12, etc.
 - All Fourteen (14) password protected thumb drives must be submitted to the Director, Department of Administration.
 - Excel files should be included in all fourteen (14) thumb drives and the SFTP submission to the consultants.
- c. Electronic transfer of files via SFTP. Transfer details to be shared with the contact person named in the Acknowledgement of Receipt of RFP.
- d. Offerors are advised to refer to notarized affidavit and audited financial statement requirements.

9. Are the wellness programs being offer and provided separately from the medical plans?

RESPONSE: The wellness program is part of the plan design and is included with the medical plan.

10. Is it possible to propose a different performance guarantee?

RESPONSE: No.

11. Will GovGuam consider an extension of the deadline considering the complexity of the information that is being requested under this RFP?

RESPONSE: The deadline date has been extended to 12:00 P.M., June 17, 2022, CHamoru Standard Time.

Carriers are advised that amended Exhibit C and Exhibit L - Draft Contracts for Medical (includes Foster clauses), Dental, and Pharmacy in word format are attached. Please note that specific sections of the draft contracts cannot be changed or deleted; these sections have been locked from changes, deletions, and/or edits. All other parts of the contract are unlocked.

EDWARD M. BIRN, Director
Department of Administration