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DOA-ID-25-026

AMENDMENT II

FY2026 GOVERNMENT OF GUAM GROUP HEALTH INSURANCE PROGRAM REQUEST FOR PROPOSAL (RFP) DOA/ID-RFP-GHI-26-001

This is in reference to the Government of Guam's Request for Proposal DOA/ID-RFP-GHI-26-001 issued on April 7, 2025 for the Government of Guam Group Health Insurance Program.

This Amendment addresses all inquiries submitted by 4:00 PM on April 18, 2025 via the Question Submission Link/QR Code. Relevant sections of the RFP have been amended accordingly.

EXHIBIT B- QUESTIONNAIRE

1. Exhibit B- FY2026 Reimbursement- Regarding the network analysis, it seems that one clinic is used as a benchmark for this analysis. Is there any reason why other large clinics on the island, such as AMC, SDA and IHP are not included?

RESPONSE: Exhibit B requests reimbursement rates for on-island physicians and separately requests reimbursement rates for one clinic - FHP. Other large clinics on the island, such as AMC, SDA, and IHP should be included with on-island physicians.

GovGuam holds a direct contract with FHP, so we wanted the ability to analyze networks with and without each vendor's FHP contract.

2. Questions 34 and 35: It appears that these questions are more relevant to a fully insured program. Please clarify the requirement for these questions

RESPONSE: You are correct that these questions are most relevant for a fully insured program. However, GovGuam would still like for TPA bidders to respond to this information. We expect, but do not require, that the companies bidding to provide GovGuam's TPA services are large enough that they provide a mix of TPA services and insured products. We would like to ensure that our TPA partner is stable as a health plan and business entity. If you are unwilling or unable to respond to these questions, please explain why in your response.

3. Questions 68 through 71: It appears that these questions are more relevant to a fully insured program. Please clarify?

RESPONSE: Please see our response to question #2 for a more detailed response to this question.

4. Regarding "Reimbursement" tab of Exhibit B, what is expected in responding to "Instructions" for each "Service Type"? Is the response supposed to be an "average" value for the listed "Service Type" or is the expectation of more detailed values (i.e., major procedure coding) that may vary within the "Service Type".

RESPONSE: In Exhibit B, on the Reimbursement tab, please provide an average value for the listed Service Type. If the value(s) vary materially from your prior year bid, please describe the methodology you used to set this value for the FY 2026 bid.

5. What was the criteria used to create the list of providers in Exhibit B "network" tabs? For example, were these the "most utilized" providers in each category?

RESPONSE: The list of providers in Exhibit B was created using the top 15 providers by claim count and the top 15 providers by plan paid.

6. What was the criteria used to create the list of drugs in Exhibit B "Rx disruption" tab? For example, were these drugs the most utilized?

RESPONSE: The list of drugs in Exhibit B was created as the drugs with the highest total plan paid.

EXHIBIT C- ENROLLMENT & CLAIMS

7. Is enrollment and/or demographic information available for individuals confined under DOC and are there any claim data for these individuals? If so, please provide any information/data available.

RESPONSE: Unfortunately, we do not have the requested information at this time. We will provide more information as it becomes available. For now, please see our response to question #21 for a high level overview of the coverage for inmates.

8. Is there a separate claims report available for prescription drugs listed in Exhibit B "Rx disruption" tab to include specifics on generic, brand, specialty, and mail order utilization to help with projecting claim costs, determination of discounts, and rebates? If so, please provide such a report.

RESPONSE: GovGuam is not providing a separate claims report for prescription drugs with detail about generic, brand, specialty, and mail order utilization to help with projecting claim costs, determination of discounts, and rebates. It is the responsibility of the TPA to provide general pricing and rebate information for pharmacy, but it is not the responsibility of the TPA to project claim costs or to calculate funding rates.

We will prepare an additional exhibit with the requested information about prescription drug utilization by generic, brand, and specialty. The current

level of utilization at mail order is very low.

EXHIBIT D – PLAN DESIGN & NETWORK

9. Please confirm no benefit changes are being requested for FY26 when compared to FY25.

RESPONSE: The only benefit change is to HSA2000 plan design. The embedded deductible for an individual in a family plan increased to \$3,300, which is the minimum deductible for an individual in a family plan as required by the IRS for the plan to be considered HSA-compatible.

EXHIBIT E – PREMIUM QUOTATION

10. In Exhibit E, under a three-year contract, there is a scenario for pharmacy carve-out in years 2 and 3. Will GovGuam require the TPA to coordinate with the pharmacy benefits provider?

RESPONSE: If GovGuam chooses to carve-out pharmacy in years 2 and 3, yes, the TPA will be required to coordinate with the pharmacy benefits provider.

RFP REQUIREMENTS

11. Is it possible to submit several questions under one category as opposed to having to do individual questions per category. Can multiple questions be placed under the applicable category?

RESPONSE: Yes.

12. Is it possible to allow multiple questions under each category, as opposed to having to identify each question under a category?

RESPONSE: Yes.

13. Will GovGuam seek reinsurance coverage if so, what levels of coverage is GovGuam seeking?

RESPONSE: GovGuam will request reinsurance quotes for various individual attachment points including \$500,000, \$750,000, and \$1 million.

14. Will GovGuam expect the TPA to serve as broker, advisor, or simply liaison, if seeking reinsurance coverage?

RESPONSE: It is our understanding that GovGuam is not able to purchase reinsurance directly because it is not an insurance company and will need to purchase it through its TPA partner. GovGuam is entertaining alternate approaches for future years, such as setting up a captive insurance company. For now, GovGuam will rely on its vendor partner to act as an intermediary with the reinsurer.

15. Will the TPA be responsible for negotiating terms and pricing with reinsurers? Or will GovGuam select and engage a reinsurance broker separately?

RESPONSE: GovGuam works with both its actuarial consultant and TPA partner to negotiate terms and pricing with reinsurers.

16. It appears that GovGuam funds member claims up to \$1 million and cedes claims over this to the stop loss carrier (with the exception of one member who starts at \$2.5 million). All claim risk is borne by GovGuam and the stop loss carrier, with no risk going to the third party administrator. Is this a correct understanding?

RESPONSE: Your interpretation of the attachment point and laser are correct. GovGuam's contract for stoploss is with the TPA. The TPA then contracts separately with the reinsurance carrier.

17. Will the TPA be liable in any way if the reinsurance fails to perform or doesn't cover a loss?

RESPONSE: GovGuam's contract for stoploss is with the TPA. The TPA then contracts separately with the reinsurance carrier.

18. Who signs the reinsurance agreement - GovGuam, the TPA, or both?

RESPONSE: GovGuam's contract for stoploss is with the TPA. The TPA then contracts separately with the reinsurance carrier.

19. What documentation or compliance reporting will the TPA be required to provide to support reinsurance?

RESPONSE: The contract between GovGuam and the TPA outlines these documentation and compliance reporting requirements. Of note is that the agreement requires the TPA to report aggregate costs for members exceeding 50% of the individual attachment point within 30 days of reaching this threshold.

20. Will the TPA be expected to monitor and track claims against reinsurance thresholds and submit reimbursement requests?

RESPONSE: Yes.

21. "Regarding Government of Guam's interest in extending coverage to individuals confined under the Department of Corrections (DOC).

- a) When would coverage begin and end? Upon confinement and release?
- b) How would they access providers?
- c) What is the subscriber estimate?
- d) Will member cards be issued to covered inmates?
- e) Will coverage include dental?"

RESPONSE: DOC currently provides medical and pharmacy services

through a combination of a memorandum of understanding (MOU) with GMH and fee-for-service (FFS) reimbursement with other providers. The MOU covers an onsite clinic staffed by GMH and prescription drugs dispensed by GMH. The FFS services include dialysis clinics, GRMC, other physicians, vision, and dental. While the details are not fully defined at this time, we at least expect that the fee-for-service claims will be transitioned to GovGuam's TPA.

There are at least 900 inmates at any given time subject to this arrangement.

We do not have claims data or detailed census data available for the inmate population at this time. We are continuing to gather the information that we need to price this new coverage.

Our responses to your specific questions are below:

- a) Coverage would be in effect for the duration of DOC custody (i.e., begins upon confinement and ends upon release or transfer).
- b) Some services would be provided by an onsite clinic staffed by GMH. Other services would be paid through the TPA's network contracts.
- c) There are approximately 900-960 inmates (subscribers).
- d) No, member cards will not be issued to covered inmates.
- e) Yes, coverage includes vision and dental services.

22. Do the Medical/Rx triangles account for Rx rebates? If not, are the rebates for FY2024 available?

RESPONSE: The FY 2023 pharmacy arrangement included point-of-sale rebates, so the pharmacy rebates are already accounted for in the triangles for FY 2023. The FY 2024 and FY 2025 pharmacy arrangement included traditional rebates paid as a reimbursement to GovGuam and are therefore not accounted for in the triangles for FY2024 and FY2025. The FY 2024 rebates are approximately 25-30% of paid pharmacy spend.

23. What is the likelihood of the Government of Guam entering in to a multi-year contract for the GHI?

RESPONSE: The Government of Guam desires to enter into a multiyear contract, however, an amendment will be issued to only request for an annual quote at this time.

24. Please clarify item number 4 of the special reminder to prospective offerors.

RESPONSE: Only one proposal per company as a single bid shall be entered

25. Please clarify the proposal is to be submitted to the Department of Administration-Insurance division rather than the Director's office.

RESPONSE: This is to confirm proposals are to be submitted to the Department of Administration, Insurance Division located at the ITC Building Suite 142, 1st floor.

26. Please clarify the definition and expand about the most economical and beneficial exclusive self-funded health benefit proposal, especially the components of claims cost and other allowances.

RESPONSE: The most economical and beneficial exclusive self-funded health benefit proposal considers the total cost to GovGuam to administer the medical, pharmacy, and dental benefits. It includes estimated claims costs calculated by GovGuam's actuarial consultant using historical claims experience and estimated reimbursement rates provided by bidders in Exhibit B. It includes administrative expenses and performance guarantees.

The most economical and beneficial exclusive self-funded health benefit proposal considers references from employer group clients (including DOA) and providers. It also considers the vendor's ability to provide the requested third party administrator services, to be a good steward of GovGuam's resources, and to be a good partner to the DOA.

27. Please clarify item number 3 page 15 of the proposal contents of requirements and instructions as if for instance- if the negotiating team issues 20 responses do the questions by the offeror in the same document, is the offeror required to acknowledge each response.

RESPONSE: No, the offeror is not required to acknowledge each response to each question in the same document. The offerors are required to acknowledge receipt of each individual response in its cover letter. The questions received by the offerors will be combined and a response will be issued to all who registered. Offerors are required to acknowledge receipt of those responses in its cover letter.

28. Please clarify item 2 in page 20 of the RFP regarding proposal instructions. Some of the items stated seem to apply to an insurance company rather than a TPA will these factors still apply for a TPA.

RESPONSE: Item 2 on page 20 of the RFP states:

"2. Multiple representations of an insuring company. For the purposes of negotiating the costs and contractual terms, the insurance company shall designate a company representative who shall have full authority to make plan design and rating decisions at the negotiation table on behalf of the company."

You are correct that this still refers to an insurance company rather than a TPA. In this particular situation, bidder should designate a company representative who shall have full authority to represent the company and make decisions about administrative services, performance guarantees,

and administrative fees at the negotiation table on behalf of the company. The requirements should apply to TPA services rather than an insurance company.

29. On page 17 of the RFP, please clarify what the parameters are for the cost experience data and how the data are to be provided in Exhibit E.

RESPONSE: Please provide provider reimbursement information in Exhibit B on the Reimbursement tab. Please provide your administrative fee proposals in Exhibit E. GovGuam's consultant will use this information together with historical claims experience to calculate the estimated total cost to GovGuam. We will remove these instructions in future RFPs.

30. Please provide census for individuals confined under the Department of Corrections. Please list eligibility rules for coverage of these individuals.

RESPONSE: Unfortunately, we do not have the requested information at this time. We will provide more information as it becomes available. For now, please see our response to question #21 for a high level overview of the coverage for inmates.

31. "Is the Government of Guam open to other formats of pharmacy admin fees (PMPM, PNPC, or PMPY etc.) rather than a PEPM admin fee?"

Additional request for the prison population

Minimum Data Elements

- Fill Date
- NDC
- Quantity Dispensed
- Days Supply
- NABP/NPI (Pharmacy Identifier)
- Retail/Mail Flag (If they want us to not change RM Flag) Otherwise Additional like below
- Brand/Generic Indicator (If they want us to use Original BG Flag) Otherwise Additional like below
- Compound Flag
- Formulary Indicator – Required for Formulary Disruption Analysis
- DAW Code if Custom BG and definition has DAW Code in it
- Member ID (can be de-identified ID) – Required for UM Analysis

Additional Fields useful to provide more detailed Re-Pricing Analysis:

- Date Submitted
- Original AWP
- Original Ingredient Cost
- Original Dispensing Fee
- Original Copay Amount
- Original Plan Pay Amount
- Original Price Type
- Usual and Customary Amount (U&C)"

RESPONSE: Yes, GovGuam would consider other formats of pharmacy admin fees (PMPM, PNPC, or PMPY) rather than a PEPM admin fee. Please note that we have a strong preference for fee transparency. Neither the PBM nor the TPA should retain a slice of the pharmacy rebates or spread in traditional pricing discounts.

Unfortunately, we do not have the requested information about DOC pharmacy utilization at this time. We will provide more information as it becomes available.

32. Regarding the prison population, can GovGuam provide the follow:

1. Detailed Medical and Rx utilization for the past two years to include the details in your email
2. Top 10 utilizers with data on ICD's and prescription drugs
- 3 Demographics (prison)
4. Any data on top illnesses
5. Information on off island care if any
6. Does the Department of Corrections (DOC) have an internal medical clinic for the inmates. If so, will this be excluded from the clinical network?"

RESPONSE: Unfortunately, we do not have the requested information at this time. We will provide more information as it becomes available. For now, please see our response to question #21 for a high-level overview of the coverage for inmates.

In response to your specific sub question #6, yes, there is an onsite clinic for inmates staffed by GMH. Please see our response to #33 for a more complete response.

33. Are there medical staff or facilities at the DOC jails or operations? Are they excluded from the program? This should not be part of the benefit plan.

RESPONSE: Yes, the DOC inmates receive services from an onsite clinic that is staffed by GMH. We expect that GovGuam will take over this memorandum of understanding (MOU) with GMH, but have not yet finalized these details.

34. A multi-year (3 year) contract option is requested in this RFP. Is such a contract permitted under Guam law?

RESPONSE: Guam law does allow for multi-year contracts.

35. Since the RFP is for Admin Services Only, please explain why submission of an insurance company's current Certificate of Authority is required?

RESPONSE: While this request may be more relevant for a fully insured program, GovGuam would still like for TPA bidders to respond to this

information. We expect, but do not require, that the companies bidding to provide GovGuam's TPA services are large enough that they provide a mix of TPA services and insured products. We would like to ensure that our TPA partner is stable as a health plan and business entity. If you are unwilling or unable to respond to these questions, please explain why in your response.

36. What is the Government's intent regarding a stop-loss reinsurance contract in FY26? Is such a contract in place for FY25? If so, will a separate RFP be issued?

RESPONSE: Please see our responses to questions #13-20 for more information about the stoploss arrangement that is currently in force.

37. What is the definition or qualification criteria of a Third Party Administrator?

RESPONSE: The RFP overview document includes the definition of a Third Party Administrator that is shown below:

"Third Party Administrator" or "TPA" means the organization under contract to GovGuam responsible for providing member services, claims administration and Provider network services.

*All other portions of the RFP remain unchanged.



EDWARD M. BIRN
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