

**Multi-State Plan
Request for Information:
Nationwide Insurance Plans
Offered Through Exchanges**

Purpose

The Patient Protection and Affordable Care Act of 2010 (Pub. L. 111-148 and Pub. L. 111-152, collectively referred to as the Affordable Care Act or the Act), creates State-based Health Insurance Exchanges (Exchanges) and Small Business Health Options Program (SHOP) Exchanges as marketplaces for individuals and small groups to purchase health insurance. These Exchanges will offer qualified health plans to eligible individuals and small employers.

Section 1334 of the Affordable Care Act directs the United States Office of Personnel Management (OPM) to contract with health insurance issuers to offer multi-State qualified health plans through Exchanges. The OPM will contract with at least two multi-State qualified health plans (Multi-State Plans) that will offer health insurance coverage for purchase to individuals and small employers through Exchanges beginning in 2014. (In this Request for Information (RFI) “State” refers to the 50 States and the District of Columbia.)

The OPM is issuing this RFI to gather information related to section 1334 of the Affordable Care Act. The goal of the RFI is to better understand potential offerors’ interests and capabilities. The RFI also provides background information on the statutory requirements for Multi-State Plans.

In addition, the RFI poses specific questions to aid us in the development of our procurement documents. The questions specifically address 1) Background and Interest, 2) Network and Quality Measures, 3) Enrollment, 4) Operations and 5) Pricing and Reserving. Please see page 7 for more detailed information on the requested content and format for your response.

DISCLAIMER AND IMPORTANT NOTES: This RFI is not a Request for Proposals (RFP). In accordance with FAR 15.201(e), responses to this notice are not offers and cannot be accepted by the Government to form a binding contract. This is an RFI issued solely for information and program planning purposes. This RFI does not constitute a formal solicitation for proposals or abstracts. Your response to this notice will be treated as information only. The OPM will not provide reimbursement for costs incurred in responding to this RFI. Any information you submit in response to this RFI is voluntary.

BURDEN STATEMENT: The public reporting burden for this information collection is estimated to be 3 hours. This burden estimate includes time for reviewing instructions, researching existing data sources, gathering and maintaining the needed data, and completing and submitting the information. Send comments regarding the accuracy of this burden estimate and any suggestions for reducing the burden to: U.S. Office of Personnel Management, Planning and Policy Analysis, Attn: OMB Number (3206-NEW), 1900 E Street NW, Room 3415 Washington, DC 20415-7900. You are not required to respond to this collection of information unless a valid OMB control number is displayed.

PROPRIETARY INFORMATION: Patentable ideas, trade secrets, proprietary or confidential commercial or financial information, may be included in responses to this RFI.

The use and disclosure of such data may be restricted, provided the respondent includes the following legend on the first page of the response narrative and specifies the pages of the response which are to be restricted:

“The data contained in pages _____ of this response have been submitted in confidence and contain trade secrets or proprietary information, and such data shall be used or disclosed only for information and program planning purposes. This restriction does not limit the government’s right to use or disclose data obtained without restriction from any source, including the respondent, consistent with applicable law.”

To protect such data, each line or paragraph on the pages containing such data must be specifically identified and marked with a legend similar to the following:

“The following contains proprietary information that (name of respondent) requests not be released to persons outside the Government, except for purposes of review and evaluation.”

EVALUATION AND ADMINISTRATION BY FEDERAL AND NON-FEDERAL PERSONNEL: Government civil servant employees are subject to the non-disclosure obligations of a felony criminal statute, the Trade Secrets Act, 18 U.S.C. § 1905. The Government may seek the advice of qualified non-Federal personnel. The Government may also use non-Federal personnel to conduct routine, nondiscretionary administrative activities. A respondent to this RFI, by submitting its response, consents to the OPM providing their response to non-Federal parties. Non-Federal parties given access to responses must be subject to an appropriate obligation of confidentiality prior to being given the access. Submissions may be reviewed by support contractors and private consultants.

Background

Section 1334(a) of the Affordable Care Act¹ directs the OPM to contract with health insurance issuers to offer Multi-State Plans. According to Section 1334(d), Multi-State Plans are deemed certified to be offered in all Exchanges. Therefore, Multi-State Plans would not need to apply separately for certification to each individual State to have their Multi-State Plan offered through that State’s Exchange starting in 2014.

According to Section 1334(e), Multi-State Plans must be offered in at least 60% of States (31 States) beginning in the first year of an issuer’s participation in the program, 70% of States (36 States) in the second year, 85% of States (43 States) in the third year and all States by the fourth year.

A health insurance issuer, according to Section 1334(a)(1), may join with other regional or sub-regional issuers to offer a single Multi-State Plan. A group of insurance companies is considered an issuer for this purpose if they operate under a nationally licensed service mark or have common ownership and control. Under Section 1334(a)(3), at least one Multi-State Plan must be a non-profit entity.

¹ Unless otherwise indicated, references to statutory section numbers refer to sections of the Affordable Care Act.

Per Section 1334(g), Multi-State Plans will be offered separately from the OPM administered Federal Employees Health Benefit (FEHB) Program and be subject to separate risk pooling arrangements. The FEHB Program will continue to be available to those individuals eligible under chapter 89 of title 5, United States Code.

Statutory Requirements

The Act prescribes specific requirements, most of which are in Section 1334, for Multi-State Plans and for health insurance issuers offering those plans. These statutory requirements must be met for the plan to be certified as a qualified Multi-State Plan.

Health Insurance Issuers

As explained above, a health insurance issuer may meet the requirements of Section 1334 by joining with other regional or sub-regional insurers to offer a single Multi-State Plan.

The statute requires that any entity that issues a Multi-State Plan—

- 1) Agree to offer a plan that meets the requirements of a multi-State qualified health plan. (Detailed below in the section of this RFI entitled “*Multi-State Plans.*”)
- 2) Be licensed in each State and subject to all the requirements of State law not otherwise inconsistent with Section 1334. This includes the “standards and requirements that the State imposes that do not prevent the application of a requirement of part A of title XXVII of the Public Health Service Act or a requirement of this title” [title I of the Affordable Care Act] (Section 1334(b)(2)).
- 3) Comply with minimum standards prescribed for carriers offering health benefits plans under 5 U.S.C. § 8902(e) to the extent that the standards are applicable and do not conflict with title I of the Act (Section 1334(b)(3)). These requirements are located in 48 C.F.R. § 1609.7001.

As described earlier, at least one of the issuers the OPM contracts with to offer a Multi-State Plan must be a non-profit entity.

Multi-State Plans

Section 1334 also lists requirements for qualified multi-State plans.

- 1) In accordance with Section 1334(c)(1)(A), a Multi-State Plan must offer a benefits package that is uniform in each State and consists of the essential health benefits described in Section 1302. A State may require that benefits in addition to the essential benefits package be provided to enrollees of Multi-State Plans. However, if a State requires such additional benefits, the State shall defray the cost of those additional benefits (Section 1334(c)(2) and (4)).

- 2) A Multi-State Plan must meet all the requirements of title I of the Act with respect to a qualified health plan, including requirements related to the offering of the bronze, silver and gold levels of coverage and catastrophic coverage in each State Exchange where the plan is offered (Section 1334(c)(1)(B)).
- 3) A Multi-State Plan must provide for determinations of premiums for coverage under the plan in accordance with the rating requirements of Part A of title XXVII of the Public Health Service Act, except in States with age rating requirements lower than 3:1 where the State may require plans to comply with the State’s more protective age rating requirements. (Section 1334(c)(1) and (5)).
- 4) A Multi-State Plan must be offered in all geographic regions and in all States that have adopted adjusted community rating prior to March 23, 2010 (Section 1334(c)(1)(D)) which include Washington, Oregon, Alabama, Maryland, New Jersey, Connecticut, Rhode Island, Massachusetts, Maine and New Hampshire.

In addition, in accordance with Section 1334(a)(6), the OPM must contract with at least one Multi-State Plan in each Exchange that does not offer abortion services described in section 1303(b)(1)(B)(i).

Enrollees of Multi-State Plans are eligible for premium tax credits under section 36B of the Internal Revenue Code of 1986 and cost sharing assistance under section 1402 of the Act.

Contract Administration

In general, in compliance with the statute, the OPM will implement contracting provisions for Multi-State Plans “in a manner similar to the manner in which [it] implements the contracting provisions with respect to carriers under” the FEHB Program. (Section 1334(a)(4)). To that end, we expect that Multi-State Plan contracts will be for a uniform term of one year, with the option to renew annually (Section 1334(a)(2)). We expect that contract terms for renewing plans will be re-negotiated annually.

Under Section 1334(a)(4) of the Act, the OPM will negotiate with each Multi-State Plan Medical Loss Ratio (MLR), profit margin, premiums, and other terms of coverage in the interests of enrollees – and may prohibit the offering of any Multi-State Plan that fails to meet these terms and conditions (Section 1334(a)(5)). In addition, the OPM may withdraw approval of a Multi-State Plan contract, but only after notice to the issuer and the opportunity for a hearing (Section 1334(a)(7)).

Questions

Background and Interest

1. What, if any, products do you currently offer
 - a. On the individual market?

- b. On the small group market?
 - c. In which States do you currently offer these products?
2. What, if any, products do you currently offer to the Medicaid and/or Children's Health Insurance Program populations?
3. What, if any, Medicare Advantage products do you currently offer?
4. Does your company/organization currently operate in States as a non-profit or not-for-profit company or organization?
 - a. If yes, please explain.
5. Are you interested in offering a Multi-State Plan?
6. Are you interested in offering plans in Exchanges that are not Multi-State Plans?
 - a. Why or why not?
7. Are you interested in operating an Exchange plan through certain State Exchanges but not others?
 - a. If yes, in what States/ regions are you interested in offering a plan?
 - b. If yes, why are you interested in offering a plan in only those States/ regions?
8. If you are interested in participating, but you are not licensed in all 51 States, do you foresee any challenges to becoming licensed in every State?
 - a. If yes, please explain.
9. What additional issues and advantages do you see with offering a Multi-State Plan?
10. Would you be interested in offering a Multi-State Plan with a group of health insurers affiliated either by a common ownership and control or by the common use of a nationally licensed service mark?
 - a. Why or why not?
11. In developing a Multi-State Plan, would you consider partnering with voluntary benefit associations, integrated health systems, Medicaid managed care organizations, and/or community health program in order to increase your capacity to provide coverage?
 - a. What advantages and challenges do you see with such partnerships?
12. Do certain State laws create opportunities for or barriers to the operation of Multi-State Plans?
 - a. If yes, please explain.

Network and Quality Measures

13. If selected, in how many States do you envision offering a Multi-State Plan in the initial year?
14. If not initially, how quickly do you foresee expanding offerings to all 51 States?

15. If applicable, how would you expand, and what challenges, if any, do you foresee, to offer plans nationwide by 2017 or earlier?
16. Are there States or regions of the country that are difficult to serve?
 - a. If yes, please explain.
17. How would you handle limited network capacity in hard-to-serve regions?
18. What would you propose as a network access standard for primary and specialty care physician practices and hospitals? Are there existing models that you prefer?
19. What challenges, if any, do you foresee in allowing members and dependents to maintain plan coverage in the following circumstances and how would you propose to handle these situations:
 - a. While traveling for short periods of time between State lines?
 - b. While moving temporarily (e.g. for a season) from one to State to another?
 - c. While maintaining dependent eligibility and living in another State than the member?
 - d. When moving permanently to the jurisdiction of another State Exchange?
20. Are you incorporating innovations in reimbursement and contracting arrangements with providers that reward improvements in quality of care and outcomes in your current lines of business?
 - a. If so, how?
21. Would you integrate Patient Centered Medical Homes and/or Accountable Care Organizations and similar delivery system reforms in your lines of business?
 - a. If so, how?

Enrollment and Marketing

22. How would you promote enrollment in a Multi-State Plan?
 - a. What marketing challenges do you foresee and how would you overcome them?
23. How do you foresee gaining enrollment in a Multi-State Plan in the Exchange market?
 - a. How do you foresee this differing from today's individual and small businesses market?
24. What challenges/advantages do you foresee in operating within the Exchange market?
25. How would you manage enrollment shifting:
 - a. Between plans within the Exchange marketplace?
 - b. Between Exchange and non-Exchange plans?
26. What do you foresee would distinguish a Multi-State Plan from a locally-offered plan on the same Exchange?

Operations

27. What are the unique issues and advantages in operating a Multi-State Plan versus separate qualified health plans in the same number of States?
28. What are the issues you see in meeting State regulatory requirements with all State Exchanges?
29. What, if any, role or function could the OPM serve that would facilitate the operations of Multi-State Plans?
30. What, if any, role or function could a third-party serve that would facilitate the operations of Multi-State Plans?
31. Would you be willing to pay a user fee for facilitation services provided by a third party? If so, what cost would be reasonable for these services?
32. How much lead time do you anticipate needing to stand-up a Multi-State Plan?
 - a. What do you see as the timeframe and milestones for developing and launching a Multi-State Plan as described in the RFI, under an assumption that enrollment will likely begin Fall 2013?

Pricing and Reserving

33. How do you currently reserve for products in the individual and small group markets?
 - a. What challenges/advantages would you foresee if reserves were combined across all States where Multi-State Plans are offered?
 - b. What challenges/advantages would you foresee if reserves were held for each State separately?
34. What potential issues do you see in applying the Medical Loss Ratio provisions of Section 2718 of the Public Health Service Act to Multi-State Plans?
35. What are the risk adjustment methodologies, if any, that you currently use for your individual and small group insurance markets or other markets?
36. With the understanding that there is limited information available, provide an estimate of the start-up costs for a Multi-State Plan, including the categories of expenses needed. Please base assumptions on 750,000 enrollees in the first year.
37. Are there any other risks, concerns or recommendations you would like to share?

Your Response

We recommend that entities planning to respond to this RFI register their e-mail addresses on the Federal Business Opportunities (FedBizOpps or FBO) website at <http://www.fbo.gov> to receive notices of any changes as they are uploaded to the website, or information on any future procurement documents.

Please provide detailed answers to the questions above. Not all questions need to be addressed in your response. We are only seeking information that is directly responsive to these questions. Do not submit general marketing materials or brochures unless they are specifically relevant to the question and referred to in your response. In addition, please include the following information:

1. Name and address of your company.
2. Two points of contact, including: name, title, phone, fax and e-mail address.
3. How many days you would need to develop a quality proposal in response to an RFP, if or when the OPM issues one;
4. Size of your company, including average annual revenue for past three years and number of employees.
5. Ownership of the company, indicating whether it is a: large, small, small disadvantaged, 8(a), women-owned, HUBZone, and/or veteran-owned business.
6. Number of years in business.
7. DUNS number (if available).
8. Affiliate information, including parent corporation, joint venture partners, potential teaming partners, prime contractor (if potential sub) or subcontractors (if potential prime).
9. Name of your five largest current clients, including size (number of eligibles), benefits you manage, contract type, and dollar value for each client referenced.

Format: The submission shall be clearly indexed and logically assembled. All pages shall be appropriately numbered and identified by the complete company name, date and RFI number in the header and/or footer. A Table of Contents should be created using the Table of Contents feature in MS Word. MS Word (.doc) files shall use the following Page Setup parameters:

Margins – Top, Bottom, Left, Right - 1”

Gutter – 0”

From Edge – Header, Footer - 0.5”

Page Size, Width – 8.5”

Page Size, Height – 11”

Each paragraph shall be separated by at least one blank line. A standard, 11-point minimum font size applies. Times New Roman font is required. Tables and illustrations may use a reduced font size not less than 8-point and may be landscape.

We may meet one-on-one with respondents who provide a thoughtful, detailed response to this RFI for a more in-depth discussion.

The Office of Personnel Management appreciates any and all information received. Please submit any comments or questions related to the Multi-State Plan initiative and this RFI **to CONTACT**. Please mark all submissions with the reference number, **RFI-XXXXX**. Submissions are due **DATE** by 4:00 p.m. Eastern Time and can be mailed or delivered to:

Office of Personnel Management
1900 E Street, NW, **Room XXX**
Washington, DC 20415
Attn: XXXXX

If delivery is going to be made in person, please be advised of increased security at the Theodore Roosevelt Building and arrive early for security inspection and acceptance of your submission. Your submission may also be sent electronically to CONTACT and again, please reference the RFI number in the subject line.

Electronic submissions should be sent to XXXXXX with XXXXX in the subject line.

Points of Contact