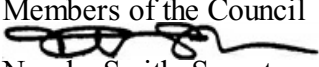


**COUNCIL OF THE DISTRICT OF COLUMBIA**  
**1350 Pennsylvania Avenue, N.W.**  
**Washington D.C. 20004**

Memorandum

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To : Members of the Council  
From :  Nyasha Smith, Secretary to the Council  
Date : Monday, July 20, 2020  
Subject : Proposed contract with AmeriHealth Caritas District of Columbia, Inc (CA23-0642)

The attached proposed contract AmeriHealth Caritas in the not-to-exceed amount of \$1,492,392,346.13 shall provide healthcare and pharmacy services for its Managed Care Program was filed on July 17, 2020.

The Council's ten day review begins Monday, July 20, 2020, including Saturdays, Sundays, Council recess and legal holidays. The proposed contract will be deemed approved on Thursday, July 30, 2020, unless a resolution of approval or disapproval is introduced within the ten day review period, extending the review to 45 days.

INTRODUCED BY: Chairman Mendelson, at the request of Mayor

Retained by the Council with comments from the Committee on Health.

Attachment

cc: General Counsel  
Budget Director  
Legislative Services



MURIEL BOWSER  
MAYOR

July 17, 2020

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
John A. Wilson Building  
1350 Pennsylvania Avenue, NW, Suite 504  
Washington, DC 20004

Dear Chairman Mendelson:

Pursuant to section 451 of the District of Columbia Home Rule Act (D.C. Official Code § 1-204.51) and the Procurement Practices Reform Act (D.C. Official Code §§ 2-351.01 et seq.), enclosed for consideration and approval by the Council of the District of Columbia is proposed contract CW83144 with AmeriHealth Caritas District of Columbia, Inc. The proposed contract is in the not-to-exceed amount of \$1,492,392,346.13, the total contract NTE amount for all three managed care organization contracts. The contract is for the period of October 1, 2020 through September 30, 2021.

Under the proposed contract, AmeriHealth Caritas District of Columbia, Inc., shall provide healthcare and pharmacy services for its Managed Care Program. The Medicaid Managed Care Program consists of the DC Healthy Families Program, including Adults with Special Health Care Needs, (adults receiving Supplemental Security-Income (SSI) and with SSI-related disabilities), the District of Columbia Healthcare Alliance Program), and the Immigrant Children's Program.

I am available to discuss any questions you have regarding the proposed contract. In order to facilitate a response to any questions you may have, please have your staff contact Marc Scott, Chief Operating Officer of the Office of Contracting and Procurement, at (202) 724-8759.

I look forward to the Council's favorable consideration of this contract.

Sincerely,

A handwritten signature in black ink that reads "Muriel Bowser".

Muriel Bowser

Enclosure

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of Contracting and Procurement



Pursuant to section 202(c) of the Procurement Practices Reform Act of 2010, as amended, D.C. Official Code § 2-352.02(c), the following contract summary is provided:

COUNCIL CONTRACT SUMMARY

(A) **Contract Number:** CW83144

**Proposed Contractor:** AmeriHealth Caritas District of Columbia, Inc. (AmeriHealth)

**Contract Amount (Base Year):** Not-to-exceed (NTE) \$1,492,392,346.13. The total contract NTE amount is for all three Managed Care Organization (MCO) contracts.

**Unit and Method of Compensation:** Monthly capitation payment for each participant

**Term of Contract:** October 1, 2020 to September 30, 2021

**Type of Contract:** Indefinite Delivery/Indefinite Quantity (IDIQ) with fixed capitated rates.

**Source Selection Method:** Request for Proposal (RFP)

(B) **For a contract containing option periods, the contract amount for the base period and for each option period. If the contract amount for one or more of the option periods differs from the amount for the base period, provide an explanation of the reason for the difference:**

**Base Period Amount:** NTE \$1,492,392,346.13

**Option Period 1, Option Period 2, Option Period 3 and Option Period 4:** Amount will be based on actuarial review of the capitation rates. An adjustment to the capitation rates shall be effective as of the first day of the option period and six months after each option period, to which the adjusted capitation rate applies (either upwards or downwards), if appropriate. In the event a prospective capitation rate adjustment is required, an actuarial analysis will be completed by the District's contracted actuary. If required, the District will make the necessary adjustment to the capitation rates.

**(C) The goods or services to be provided, the methods of delivering goods or services, and any significant program changes reflected in the proposed contract:**

Contractors provide healthcare and pharmacy services for their Managed Care Program. The Medicaid Managed Care Program (MMCP) consists of the DC Healthy Families Program (DCHFP), including Adults with Special Health Care Needs, (adults receiving Supplemental Security-Income (SSI) and with SSI-related disabilities), the District of Columbia Healthcare Alliance Program (Alliance), and the Immigrant Children’s Program (ICP).

**(D) The selection process, including the number of offerors, the evaluation criteria, and the evaluation results, including price, technical or quality, and past performance components:**

Solicitation Number Doc490243 was issued on January 10, 2020 and closed on February 20, 2020. On the closing date, the District received seven proposals in response to solicitation. The seven proposals were evaluated in accordance with the technical evaluation factors as described in the solicitation, which are listed below.

The evaluation factors consisted of a total of 90 points in three categories.

- Technical Approach and Methodology (20 Points)
- Technical Expertise (50 Points)
- Past Performance (20 Points)

The price proposal worth ten points was evaluated by the Contracting Officer (CO) using the following formula:

$$\frac{\text{Lowest price proposal}}{\text{Price of proposal being evaluated}} \times 10 = \text{Evaluated price score}$$

The solicitation also provided for a maximum of 12 preference points allocated for certified business enterprises.

Based upon the findings of the Technical Evaluation Panel and the Contracting Officer’s independent review of the proposals in accordance with the evaluation factors, the Contracting Officer determined that the proposals from AmeriHealth, Trusted Health Plan (District of Columbia), Inc., DBA CareFirst BlueCross BlueShield Community Health Plan (CareFirst), and MedStar Family Choice (MedStar) were the most advantageous to the District and recommended that award be made to AmeriHealth, CareFirst, and MedStar.

**(E) A description of any bid protest related to the award of the contract, including whether the protest was resolved through litigation, withdrawal of the protest by the protestor, or voluntary corrective action by the District. Include the identity of the protestor, the grounds alleged in the protest, and any deficiencies identified by the District as a result of the protest:**

- Protest 1: CAB No. P-1123, Protestor: District Community Care, Inc., Resolution: Protest Pending



On June 4, 2020 a protest was filed by District Community Care, Inc. with the Contract Appeals Board (CAB). The filed protest relates to the current solicitation Doc490243. District Community Care, Inc alleges that the District deviated from the RFP's scoring rubric, the district applied unstated evaluation criteria, the District applied unstated criteria in the evaluation of DCC's staffing plan, and the District applied unstated evaluation criteria regarding the role of DCC's affiliates.

As of July 13, 2020, this protest is pending before CAB.

**(F) The background and qualifications of the proposed contractor, including its organization, financial stability, personnel, and performance on past or current government or private sector contracts with requirements similar to those of the proposed contract:**

The Contractor is currently providing services to the satisfaction of the District under the current contract, which expires on September 30, 2020. The Contractor has performed these services for the District since 2013.

The proposed contractor has demonstrated through past performance reports that its organization has the history, organizational and technical experience, including the key personnel, required to successfully meet the requirements of the proposed contract. Likewise, it has been determined that the proposed contractor maintains the financial resources, accounting and operational controls to successfully fulfill the District's requirement. The proposed contractor has been determined responsible in accordance with the District's Standards for Responsibility.

**(G) A summary of the subcontracting plan required under section 2346 of the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended, D.C. Official Code § 2-218.01 *et seq.* ("Act"), including a certification that the subcontracting plan meets the minimum requirements of the Act and the dollar volume of the portion of the contract to be subcontracted, expressed both in total dollars and as a percentage of the total contract amount:**

The Department of Small and Local Business Development (DSLBD) approved with an adjusted SBE/CBE requirement that is to be determined, but mandates that MedStar subcontract 5.25% of its contract value with SBEs/CBEs, AmeriHealth subcontract 5.25% of its contract value with SBEs/CBEs, and all the Eligible Expenditure accrued by Trusted be applied toward the SBE/CBE goal. The Contracting Officer has determined that the plan meets the DSLBD requirements.

**(H) Performance standards and the expected outcome of the proposed contract:**

The Department of Health Care Finance (DHCF) aims to align the structure, operations and performance of managed care with the diverse range of preventive, acute and chronic health diseases and conditions of District residents eligible for the DCHFP, Alliance, and ICP.

Perform is expected to be in accordance with all state and federal regulatory standards applicable to Medicaid MCOs, including, but not limited to, Section C.5.1.1 of the contract and 42 C.F.R. § 438 *et seq.*

- (I) The amount and date of any expenditure of funds by the District pursuant to the contract prior to its submission to the Council for approval:**

None

- (J) A certification that the proposed contract is within the appropriated budget authority for the agency for the fiscal year and is consistent with the financial plan and budget adopted in accordance with D.C. Official Code §§ 47-392.01 and 47-392.02:**

The DHCF Agency Fiscal Officer certified that funding in the NTE amount of \$1,492,392,346.13 is available to DHCF to support the contract for the MCOs. The amount is for all three MCO contracts.

- (K) A certification that the contract is legally sufficient, including whether the proposed contractor has any pending legal claims against the District:**

The contract has been reviewed by the Office of the Attorney General and found to be legally sufficient. The contractor has no pending legal claim against the District.

- (L) A certification that Citywide Clean Hands database indicates that the proposed contractor is current with its District taxes. If the Citywide Clean Hands Database indicates that the proposed contractor is not current with its District taxes, either: (1) a certification that the contractor has worked out and is current with a payment schedule approved by the District; or (2) a certification that the contractor will be current with its District taxes after the District recovers any outstanding debt as provided under D.C. Official Code § 2-353.01(b):**

On May 20, 2020, the Citywide Clean Hands database certified that the contractor is current with its District taxes.

- (M) A certification from the proposed contractor that it is current with its federal taxes, or has worked out and is current with a payment schedule approved by the federal government:**

The contractor has self-certified, via the Bidder/Offeror Certification form, that it is current with its federal taxes.

- (N) The status of the proposed contractor as a certified local, small, or disadvantaged business enterprise as defined in the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended; D.C. Official Code § 2-218.01 *et seq.*:**

The contractor is not a certified local, small or disadvantaged business enterprise.

- (O) Other aspects of the proposed contract that the Chief Procurement Officer considers significant:**

None

- (P) A statement indicating whether the proposed contractor is currently debarred from providing services or goods to the District or federal government, the dates of the debarment, and the reasons for debarment:**

As of May 17, 2020, the Contractor does not appear on the Office of Inspector General Exclusions Database, the Federal Excluded Parties List or the District's list of Debarred and Suspended Contractors.

- (Q) Any determination and findings issues relating to the contract's formation, including any determination and findings made under D.C. Official Code § 2-352.05 (privatization contracts):**

D&F for Competitive Sealed Proposal  
D&F for Competitive Range Determination  
D&F for Contractor's Responsibility  
D&F for Price Reasonableness

- (R) Where the contract, and any amendments or modifications, if executed, will be made available online:**

<http://ocp.dc.gov>

- (S) Where the original solicitation, and any amendments or modifications, will be made available online:**

<http://ocp.dc.gov>



Date of Notice: May 20, 2020

Notice Number: L0004095101

AMERIHEALTH DISTRICT OF COLUMBIA  
200 STEVENS DR STE 350  
PHILADELPHIA PA 19113-1520

FEIN: \*\*-\*\*\*0213  
Case ID: 484519

**CERTIFICATE OF CLEAN HANDS**

As reported in the Clean Hands system, the above referenced individual/entity has no outstanding liability with the District of Columbia Office of Tax and Revenue or the Department of Employment Services. As of the date above, the individual/entity has complied with DC Code § 47-2862, therefore this Certificate of Clean Hands is issued.

TITLE 47. TAXATION, LICENSING, PERMITS, ASSESSMENTS, AND FEES  
CHAPTER 28 GENERAL LICENSE  
SUBCHAPTER II. CLEAN HANDS BEFORE RECEIVING A LICENSE OR PERMIT  
D.C. CODE § 47-2862 (2006)  
§ 47-2862 PROHIBITION AGAINST ISSUANCE OF LICENSE OR PERMIT

Authorized By Marc Aronin  
Chief, Collection Division

To validate this certificate, please visit [MyTax.DC.gov](http://MyTax.DC.gov). On the MyTax homepage, click "Clean Hands" and then the "Validate a Certificate of Clean Hands" hyperlink.



GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Department of Health Care Finance



Office of the Chief Financial Officer

**MEMORANDUM**

**TO:** George A. Schutter  
Chief Procurement Officer  
Office of Contracting and Procurement

**THRU:** Delicia Moore *Delicia V. Moore*  
Associate Chief Financial Officer  
Human Support Services Cluster

**FROM:** Darrin Shaffer *Darrin A. Shaffer*  
Agency Fiscal Officer  
Department of Health Care Finance

**DATE:** 06/01/2020

**SUBJECT:** Certification of Funding for the Managed Care Organization Contracts  
AmeriHealth Caritas District of Columbia, Inc. – CW83144  
Trusted Health Plan (District of Columbia), Inc. DBA CareFirst BlueCross BlueShield Community Health Plan – CW83146  
MedStar Family Choice – CW83148

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DHCF estimates that the cost of providing managed care coverage to Medicaid, Children's Health Insurance Program (CHIP), Immigrant Children's Program, and Alliance beneficiaries from October 1, 2020 through September 30, 2021 through the contracts listed below will not exceed \$1,492,392,346.13.

**Contracts:**

AmeriHealth Caritas District of Columbia, Inc.	Contract Number: CW83144
Trusted Health Plan (District of Columbia), Inc.	
DBA CareFirst BlueCross BlueShield Community Health Plan	Contract Number: CW83146
MedStar Family Choice	Contract Number: CW83148

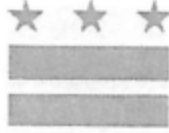
This memorandum certifies that the Department of Health Care Finance has \$1,492,392,346.13 in the FY 2021 proposed budget to support this cost from October 1, 2020 through September 30, 2021. This funding is sufficient to support all of the beneficiaries expected to enroll in an MCO during the contract period.

Upon approval by Congress of the District's Local Budget and Financial Plan, funds will be sufficient to pay the cost associated with these contracts. There is no fiscal impact associated with these contracts.

Should you have any questions, please contact me at (202) 442-9079.

cc: Wayne Turnage, DHCF  
Angelique Martin, DHCF  
Melanie Bell, DHCF  
Lisa Truitt, DHCF

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Attorney General



ATTORNEY GENERAL  
KARL A. RACINE

Government Contracts Section

MEMORANDUM

**TO:** Ronan Gulstone  
Director  
Office of Policy and Legislative Affairs

**FROM:** Robert Schildkraut  
Chief, Procurement Section  
Commercial Division

**DATE:** July 8, 2020

**SUBJECT:** Managed Care Organizations  
Contract No. CW83144  
Contractor: AmeriHealth Caritas District of Columbia, Inc.  
Contract Term: October 1, 2020 – September 31, 2021  
Contract Amount: Not-to-Exceed \$1,492,392,346.13 (for Contracts  
CW83144, CW83146, and CW83148)  
(PL567132)

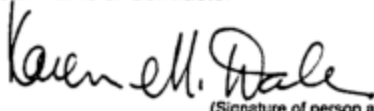
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**This is to Certify** that this Office has reviewed the above-referenced Contract and we have found it to be legally sufficient contingent upon corrections to the insurance certifications.

If you have any questions in this regard, please do not hesitate to call me at (202) 724-4018.

A handwritten signature in black ink, appearing to read 'Robert Schildkraut', is written above a horizontal line.

Robert Schildkraut

<b>AWARD/CONTRACT</b>				1. Reserved for later use		Page of Pages	
				1		282	
2. Contract Number  CW83144		3. Effective Date  See Box 20C		4. Requisition/Purchase Request/Project No.			
5. Issued By: Office of Contracting and Procurement 441 4 <sup>th</sup> Street, N.W., 330 South Washington, D.C. 20001		Code		6. Administered by (If other than line 5) Department of Health Care Finance Health Care Delivery Management Administration 441 4 <sup>th</sup> Street, N.W., 900 South Washington, D.C. 20001 CA – Lisa Truitt			
7. Name and Address of Contractor (No. street, city, county, state and Zip Code) AmeriHealth Caritas District of Columbia, Inc. 1250 Maryland Ave S.W. Suite 500 Washington, D.C.20024		8. Delivery (See Section F)		9. Discount for prompt payment			
Code		Facility		10. Submit invoices to the Address shown in (2 copies unless otherwise specified)			Item Section G.2.1
11. Ship to/Mark For Department of Health Care Finance Office of the Director 441 4 <sup>th</sup> Street, N.W., 900 South		Code		12. Payment will be made by Department of Health Care Finance		Code	
13. Reserved for future use				14. Accounting and Appropriation Data			
15A. Item		15B. Supplies/Services		15C. Qty.	15D. Unit	15E. Unit Price	15F. Amount
		Managed Care Organization					NTE \$1,492,392,346.13 all MCOs
Total Amount of Contract						NTE \$1,492,392,346.13 all MCOs	
16. Table of Contents							
(X)	Section	Description	Page	(X)	Section	Description	Page
<b>PART I – THE SCHEDULE</b>				<b>PART II – CONTRACT CLAUSES</b>			
X	A	Solicitation, Offer, and Award	1	X	I	Contract Clauses	264
X	B	Contract Type, Suppliers or Service and Price/Cost	2	<b>PART III – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS</b>			
X	C	Specifications/Work Statement	7	X	J	List of Attachments	280
X	D	Packaging and Marking	222	<b>PART IV – REPRESENTATIONS AND INSTRUCTIONS</b>			
X	E	Inspection and Acceptance	223		K	Representations, Certifications and Other Statements of Offerors	
X	F	Period of Performance and Deliverables	226		L	Instructions, conditions & notices to offerors	
X	G	Contract Administration	233		M	Evaluation factors for award	
X	H	Special Contract Requirements	246				
Contracting Officer will complete Item 17 or 18 as applicable							
17. CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 1 copy to issuing office.) Contractor agrees to furnish and deliver all items, perform all the services set forth or otherwise identified above and on any continuation sheets, for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)				18. AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number <u>Doc490243</u> , including the additions or changes made by which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.			
19A. Name and Title of Signer (Type or print)  Karen Dale, Market President/CEO				20A. Name of Contracting Officer  Helena Barbour			
19B. Name of Contractor   (Signature of person authorized to sign)		19C. Date Signed  6/1/2020		20B. District of Columbia		20C. Date Signed	
Government of the District of Columbia				Department of Health Care Finance			



**SECTION B: CONTRACT TYPE, SUPPLIES OR SERVICES AND PRICE/COST**

- B.1** The Government of the District of Columbia (the District), Office of Contracting and Procurement (OCP), on behalf of the Department of Health Care Finance (DHCF) is seeking up to three (3) Managed Care Organizations (MCO or Contractors) to provide healthcare and pharmacy services for its Managed Care Program. The Medicaid Managed Care Program (MMCP) consists of the DC Healthy Families Program (DCHFP), including Adults with Special Health Care Needs, (adults receiving Supplemental Security-Income (SSI) and with SSI-related disabilities), the District of Columbia Healthcare Alliance Program (Alliance), and the Immigrant Children's Program (ICP).
- B.1.1** The District, in any option year, may at its discretion and in accordance with District and federal law, transition newly eligible populations to the MMCP that include children with special health care needs, foster care/adopted children, individuals eligible for Medicare and Medicaid, and other Medicaid eligible populations.
- Upon the start of this Contract, DHCF, through its Enrollment Broker, shall auto-assign all Managed Care enrollees on approximately an equal and random basis amongst each Contractor. DHCF cannot guarantee the outcome of an even net distribution resulting amongst all the Contractors. Enrollees that are auto-assigned shall have ninety (90) days from the date of managed care enrollment to transfer to another Contractor.
- B.2** The District contemplates award of an **Indefinite Delivery Indefinite Quantity (IDIQ) Fixed Price Contract in accordance with 27 DCMR Chapter 24.**
- B.2.1** The District intends to award up to three (3) IDIQ contracts with payments based on fixed capitated rates.
- a) The Contractor shall furnish to the District, the services specified in the Schedule, up to and including the maximum quantity of approximately 224,044 Enrollees per month. The District will order at least a minimum quantity of 15,000 Enrollees per month. The District will issue one task order at the start of the Contract, which shall be valid for the base period of performance, which shall be one (1) year from date of award.
  - b) There is no limit on the number of orders that may be issued. The District may issue orders requiring delivery to multiple destinations or performance at multiple locations.
  - c) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The Contract shall govern the Contractor's and District's rights and obligations with respect to that order to the same extent as if the order were completed during the



Contract's effective period; provided the Contractor shall not be required to make any deliveries under this Contract after September 30, 2026.

- B.2.2 The Contractor assumes full risk for the cost of the services covered under the Contract and incurs financial loss if the cost of furnishing the services exceeds the payments under the Contract, except as described under B.2.5.
- B.2.2.1 Capitation payments will be made by the District and retained by the Contractor for Medicaid-eligible Enrollees, Alliance and ICP Enrollees referenced in Section B.3.2.
- B.2.3 Risk Adjusted Rates
- B.2.3.1 The District intends to reimburse the DCHFP rates via a Risk-Adjusted Rate (RAR) model for the applicable rate cells (CLINs). This is a process that estimates health care expenses based on the disease conditions attributed to the managed care population. The capitation rates paid to each Contractor shall be in accordance with the health risk of the beneficiaries enrolled with each Contractor and re-evaluated every three (3) months. For more information on the risk adjustment process, please refer to Mercer's Actuarial Rate Setting Memo dated January 2020, included as Attachment J.22.
- B.2.3.2 It is the District's intent to use a RAR model that incorporates both data with diagnostic information as well as pharmacy data for the managed care population when calculating the risk-adjusted rates. In the event that complete diagnostic data is not available to support this type of model, the District reserves the right to use a risk-adjustment model that only incorporates pharmacy data when calculating the risk-adjusted rates. The District's Contractors will receive a base rate, and each will receive a computed risk-score based on an appropriate model depending on the availability of the data.
- B.2.4 Rate Adjustment**
- B.2.4.1 In the event that the District, pursuant to the Changes Clause of the Standard Contract Provisions, adds, deletes or changes any services to be covered by the Contractor in the base or option periods under DCHFP, Alliance, or ICP, the District will review the effect of the change and may equitably adjust the capitation rates following a completion of an actuarial review and approval by DHCF.
- B.2.4.2 During any subsequent option periods, the actuarial review of the capitation rates may result in an adjustment, either an increase or decrease, to the capitation rates. Any adjustment to the actuarially sound capitation rates will be subject to the actuarial soundness requirements outlined in 42 C.F.R. §§ 438.4, 438.5, and 438.7.
- B.2.4.3 An adjustment shall be effective as of the first day of the option period to which the adjusted capitation rate applies. In the event a prospective capitation rate adjustment is required; an actuarial analysis will be completed by the District's contracted Actuary. If required, the District will make the necessary adjustment to the capitation rates. The Contractor may request a review from the District of the capitation rates if the Contractor believes the program change is not equitable. The District will not unreasonably withhold

such a review.

B.2.4.4 If the District has not completed the actuarial review for the adjusted capitation rates by the first day of the affected option period, the Contractor shall continue to perform under the contract at the actuarially sound rates in effect for the preceding contract period and the District will reimburse the Contractor the difference between the rates in effect for the preceding Contract period. All actuarial reviews and analyses shall be concluded by no later than the end of the third month of the option period.

**B.2.5 District's Option to Implement Risk Corridor Mechanism for SSI Adults 21+ Population**

B.2.5.1 The District reserves the right to implement Risk Corridors as a mechanism to minimize unanticipated losses by the Contractor due to disproportionate shares of enrollment and higher costs of care for Adults with Special Health Care Needs, (i.e., Adults 21 years old and older who receive SSI benefits and are not dually eligible for both Medicare and Medicaid (SSI Adults 21+). Currently, medical expenses for the SSI Adults 21+ population are covered under the District's fee-for-services (FFS) Medicaid program.

B.2.5.2 If the District elects to implement a Risk Corridor for SSI Adults 21+, the Risk Corridor shall be developed pursuant to 42 C.F.R. § 438.6(b) and in accordance with 42 C.F.R. § 438.4, Actuarial Soundness; 42 C.F.R. §438.5, Rate Development Standards; and generally accepted actuarial principles and practices.

B.2.5.3 The implementation of the Risk Corridor Mechanism shall be subject to the availability and appropriation of funds prior to the Risk Corridor's implementation.

**B.3 Price Schedule**

B.3.1 The Contractor shall propose capitation rates based on the lower bound rates set forth in Attachment J.22 (Mercer's Actuarial Rate Setting Memo dated January 2020) prepared January 31, 2020 and in accordance with 42 CFR § 438.4. The Contractor shall not submit proposed rates that are below the lower bound capitation rates stated in the RFP. The Contractor shall analyze its own projected medical expense, administrative expense and any other premium needs for comparison to the lower bound rates. Enrollee estimates are not guaranteed due to the uncertainty surrounding the number of eligible beneficiaries. The District has included enrollment estimates for each rate cohort in Section B.3 to allow Offerors to develop pricing for the base year utilizing the fixed capitated rates, Attachment J.22. This is not intended to be a requirements contract. This is an IDIQ contract pursuant to the minimum and maximum requirements in Section B.2.1.

**B.3.2 Base Year**

<b>CLIN</b>	<b>Rate Cohort</b>	<b>Actuarially Sound Rates</b>	<b>Estimated Total Monthly Enrollees per Rate Cohort</b>	<b>Total Estimated Monthly Price per Rate Cohort</b>
<b>0001 DC Healthy Families Program<sup>1</sup></b>				
0001AA	Under 1 Year of Age	\$604.57	4,576	\$2,766,512.32
0001AB	Delivery Payment	\$13,575.58	261	\$3,543,226.38
0001AC	Birth Payment	\$9,092.98	251	\$2,282,337.98
0001AD	Children Ages 1 through 18	\$249.06	72,499	\$18,056,600.94
0001AE	TANF Adults 19+	\$463.24	115,874	\$53,677,471.76
0001AF	SSI Adults 21+	\$1,866.13	15,261	\$28,479,009.93
<b>CLIN 0001 Total</b>				<b>\$108,805,159.31</b>

<b>CLIN</b>	<b>Rate Cohort</b>	<b>Actuarially Sound Rates</b>	<b>Estimated Total Monthly Enrollees per Rate Cohort</b>	<b>Total Estimated Monthly Price per Rate Cohort</b>
<b>0002 DC Alliance Program</b>				
0002AA	Females Ages 19 through 36	\$262.84	4,056	\$1,066,079.04
0002AB	Males Ages 19 through 36	\$236.14	2,468	\$582,793.52
0002AC	Females Ages 37 through 49	\$407.21	2,950	\$1,201,269.50
0002AD	Males Ages 37 through 49	\$364.27	2,094	\$762,781.38
0002AE	Females, Ages 50+ Years	\$870.30	2,381	\$2,072,184.30
0002AF	Males, Ages 50+ Years	\$1113.67	1,373	\$1,529,068.91
<b>CLIN 0002 Total</b>				<b>\$7,214,176.65</b>

**B.4** An Offeror responding to this solicitation that is required to subcontract shall be required to submit with its proposal any subcontracting plan required by law. Proposals responding to this RFP may be rejected if the Offeror fails to submit a subcontracting plan that is required by law.

<sup>1</sup> ICP services are included under the rate cohort for DCHFP and are included in the estimates for DCHFP.

**B.5** For Contracts in excess of \$250,000, at least 35% of the dollar value of the awarded Contract shall be subcontracted in accordance with Section H.9.

A Subcontracting Plan form is available at <http://ocp.dc.gov>, under Quick Links click on "Required Solicitation Documents".