AHCCCS WEB BASED CAPITATION RATE PROPOSAL APPLICATION

INSTRUCTIONS

The web application provides an easy and convenient way for bidders to input capitation bids for the contract year ending 2009 (CYE09) Acute Care request for proposal process. The following instructions are organized as a set of "Questions and Answers" (Q&As) that will help guide bidders through the process.

The Q&As are broken down into the following five sections:

Section 1 - Software Requirements and Access

Section 2 - Capitation Proposal Page

Section 3 - Capitation Calculation for Rates (CCFR) Input Screens

Section 4 - Initial Bid Period

Section 5 - Final Bid Period

SECTION 1 - SOFTWARE REQUIREMENTS and ACCESS

1. **What software is needed to be able to access the web application?**
   Each bidder needs to have Internet Explorer 6.0 (IE 6.0) or higher installed on their computer.

2. **What is the Uniform Resource Locator (URL) of the web application?**
   The location of the web application can be found at the following Internet address:
   https://aznetapp.statemedicaid.us/Default.aspx .

   When you log into this web site, you will need to enter your username and/or ID and password and then click on "Log In" to launch into the web application.

3. **Where can I get a user name and password to be able to access the web application?**
   Each bidder will receive a username and password from Celia Rodriguez. Please see Section A of the Data Supplement in the Bidder's Library for additional information on how to contact Celia Rodriguez.

4. **Can I share my user name and password with any other individuals?**
   Yes, but only with those individuals who are working on your bid.

5. **When will the web application be made available?**
   The web application will be available on February 15, 2008.

6. **Is the web site secure and confidential?**
   Secure Sockets Layer (SSL) protocol and Digital Certificates will be implemented for security. Since SSL is the standard for securing web transactions and is compatible with all recent web browsers, most users should be able to access the site without upgrading their software or hardware. Go Daddy Secure Certification Authority, a third party Certificate Authority (CA) will be used for authentication.

7. **Who do I contact if I have technical problems with the web application?**
   If you experience technical problems with the web application, please contact AHCCCS ISD Customer Support at 602-417-4451.

8. **What should my screen resolution be for ideal viewing?**
   The application can be viewed with all screen resolutions. For ideal viewing, set your screen resolution to 1152 by 864 pixels.

9. **When printing, how should my Page Setup be set?**
   Your Page Setup should be set to the Landscape setting. While in the application, simply click on the File drop down, select Print Preview. Next to the Print key, click on the Page Setup icon. Then click on the Landscape orientation, click OK then click on Print to print the document.

SECTION 2 - CAPITATION PROPOSAL PAGE

1. **What is the difference between the two capitation tables?**
   The two tables you see when you first view the capitation page list each geographic service area (GSA) and risk group for which you may enter a bid. The two tables are identified by the mode of the bid. The mode is defined by initial or final bid.

2. **Within the capitation tables, what does the cell label "No Bid" signify?**
   The two tables show the bidding process by GSA and risk group. When you first log in all the cells within the tables will state that "No Bid" was entered. As you advance through the process and enter bid values within a particular risk group/GSA combination, the cell values will change to the numeric value applied and remaining cells within that particular risk group/GSA column will change to "Bid Required". You must bid on all nine risk groups within the GSA. The cells with "No Bid" statements inform you that no bid was entered and that none is necessary to enter unless you wish to bid on that GSA. You may bid on one or more GSAs.

3. **Within the capitation tables, what does the cell with values signify?**
   Upon entering bid values in the Capitation Calculation for Rates (CCFR) screen for a particular risk group/GSA combination, the cell value for that risk group/GSA will change to the numeric Per Member Per Month (PMPM) value of the Final Capitation w/Premium Tax that was calculated in the CCFR screen. This allows the user easy viewing of the final PMPM calculated for each risk group/GSA combination.

4. **Within the capitation tables, what does the cell label "Bid Required" signify?**

   Upon entering a bid within a particular risk group/GSA combination, each of the risk groups within that particular GSA will then change to "Bid Required" and require a bid. Since contracts will not be awarded on a risk group basis within each GSA, the "Bid Required" cells remind you that it is necessary to bid the remaining risk groups in that GSA in order to complete your bid. If there are "Bid Required" cells remaining at the end of either the initial bid period or final bid period, your submission will be incomplete and not scored for that GSA.

5. **Within the capitation tables, what does the "Cancel Bid" button signify?**

   If a risk group/GSA combination is opened in error or you decide you do not want to bid on a GSA, select the "Cancel Bid" button located above each GSA. This will replace the "Bid Required" statement and/or "Numeric Values" with the "No Bid" statement, thus resetting everything back to zero and signifying you did not enter anything for that GSA. If you have a partially entered GSA at the end of the initial bid time frame AHCCCS will not evaluate the bid for that GSA. In the final bid mode the bid submission application will show the values of the bids for any partial GSAs, but there will be no composite rate and you will not be allowed to enter a final bid for the partial GSA since the GSA was not complete.

6. **Within the capitation tables what does the "Save and submit bid to AHCCCS" signify?**

   This is the formal electronic submission of your bid to AHCCCS. Once this button is clicked your bid will be submitted to AHCCCS and you'll see another screen stating "Thank you for submitting your bid to AHCCCS!". This screen will ask you if you want to go back to the capitation proposal page or if you want to logout. The application will store the numeric values for the bid that was submitted which will be time and date stamped. This button can be clicked as many times as the bidder would like up until the initial bid deadline, but each submission will replace the previous submission.

7. **Within the capitation tables what does the "Initial Bid" and "Final Bid" signify?**

   The table "Initial Bid" will store the initial numeric values as applied. The initial bid values can be changed, edited and saved as many times, and at any time, prior to 3:00 p.m. on March 28, 2008. Once the initial bid time has expired, the initial bid numeric values that were submitted to AHCCCS via the "Save and submit bid to AHCCCS" button will be fixed and cannot change. These values will be displayed in both the "Initial Bid" table and the "Final Bid" table. The values in the "Final Bid" table will not be populated until the initial bid deadline of 3:00 p.m. March 28, 2008. At this time, the values in the "Final Bid" table can be edited if desired and necessary.

8. **Within the capitation tables, what does the "Composite Total" signify and what is the "Composite Rate Calculation" page?**

   Once all risk groups within a GSA have a PMPM value, the "Composite Total" line will change to a value. This value represents the composite rate for that GSA. If you click on the value it will take you to the "Composite Rate Calculation" page which shows the Final Capitation W/ Premium Tax for each of the risk groups in a particular GSA. To develop the composite rate, each risk group's Final Capitation w/ Premium Tax is multiplied by the

proportion of that risk group's enrollment relating to the total enrollment for that GSA. Section H, Report 2 of the data supplement details the weight per risk group, by GSA, that is used for the composite rate. The composite rate for each risk group is then summed to determine the overall composite rate for that GSA. This composite rate is the one that will be used if there is a Best and Final Offer round and is referred to in the RFP, Section I: Instructions to Offerors, Section 8 Best and Final Offers, letter b called the "weighted amount".

NOTE: The percentages in Section H, Report 2 for GSA 12 and GSA 14 for NON MEDs differ from the percentages in the web tool by 0.01%. The percentages in the web tool are the ones that prevail and will be used for your composite rate.

SECTION 3 - CAPITATION CALCULATION FOR RATES (CCFR) INPUT SCREENS

1. **What are the necessary steps to submit a bid?**
   Each of the risk group input screens identify the GSA and risk group that you are bidding at the top of the page. Along the left will be a list of 14 service categories with each row containing a cell to enter units per 1000 and cost per unit amounts. By entering an amount for the service category in the units per 1000 and cost per unit input cells, a PMPM value will be automatically calculated. Once a number is entered, use the "tab" key to move to the next cell. Hitting the "enter" key is similar to hitting the "Calculate Total and Save Bid" where it calculates the PMPM and saves the bid. Repeat the process down the page entering amounts in all applicable service categories.

   The Cost PMPM, Gross Capitation Rate, Total Adjustments, Net Capitation and Final Capitation w/ Premium Tax will automatically be calculated when clicking on the "Calculate Total and Save Bid" button or hitting "enter" on your key board. The page now reflects the data that will be seen by AHCCCS. Before exiting this screen, make sure you click on the "Calculate Total and Save Bid" button before hitting the "Close" button. The "Close" button will take you back to the Capitation Proposal Page.

2. **Which cells require an input value?**
   The "Annualized Units per 1000" and "Cost per Unit" cells are required to calculate a PMPM. The "Third Party Recoveries," "Administration Charges," and "Risk and Contingencies" cells are not required to calculate a net capitation rate in a strictly functional perspective. However, it is encouraged that these cells are populated with values so that AHCCCS can better evaluate the bids.

3. **Are there any limits on the values we can enter into the cells?**
   Yes; Input values cannot contain letters or negative values. "Annualized Units per 1000" cells are limited to 6 numbers with no decimals. "Cost per Unit" cells are limited to 4 numbers and 2 decimals. "Third Party Recoveries," "Administration Charges," and "Risk and Contingencies" cells are limited to 6 numbers and 2 decimals. If you enter invalid numbers an "*" will appear. In order to see the error message that corresponds to the "*",

you will need to click on the "Calculate Total and Save Bid" button. The data will not be saved if you click on the "Close" button and all invalid numbers will be set back to zero.

4. **Which cells are pre-populated?**
   The reinsurance and enrollment mix weight fields will be pre-populated in the web application.

5. **Which cells are automatically calculated?**
   The "Cost PMPM", "Gross Capitation Rate", "Total Adjustments", "Net Capitation Rate" and "Final Capitation w/Premium Tax" cells need no input from the user; they are automatically calculated. These cells have a gray background to identify them.

6. **What does the "Calculate Total and Save Bid" button signify?**
   When clicked, this button will calculate or recalculate the cells that are automatically calculated. It also shows the user what AHCCCS will receive when the bid is submitted.

7. **Will the web application time-out after a period of inactivity?**
   Yes, the web application will time-out after 20 minutes of inactivity. The time-out period will be reset to a new 20-minute period each time you hit either the "recalculate" or "submit bid" button.

8. **Is it possible to update my initial bid at any time?**
   You can update your initial bid at any time up until the initial bid deadline, which is 3:00 p.m., March 28, 2008.

9. **Should the bid reflect all covered services even if the health plan subcontracts them out?**
   Yes, the capitation rate needs to reflect all the covered services within that risk group.

10. **What is the formula for "Final Capitation w/Premium Tax"?**
    The Final Capitation w/ Premium Tax equals the Net Capitation Rate divided by 0.98, since premium tax is 2% of the gross/final capitation rate.

SECTION 4 - INITIAL BID PERIOD

1. **How long does the initial bid period last?**
   The initial bid period deadline is 3:00 p.m., March 28, 2008.

2. **Is it possible to change initial bids after they have been submitted?**
   You can modify your initial bids only within the initial bid period. Once the initial bid period passes, you can view your bids, but not change them.

3. **What happens to the data once the initial bid period is over?**
   The data submitted via the web application will be verified with the hard copy CCFR sheets submitted pursuant to Section B of the RFP. In order to obtain a hard copy the Offeror must

print the CCFR sheets from the web tool for each risk group in each GSA for which the Offeror is submitting a bid. If there are any discrepancies between the hard copy and the web tool, the hard copy will prevail. The data from the hard copy will then be used in the scoring process.

4. **How can I retain a copy of my initial bids?**
    There is no functionality to allow you to electronically save the data you input into the web application. You should keep a hard copy of each CCFR that you submit using the web application.

SECTION 5 - FINAL BID PERIOD

1. **Are there any format changes between the initial and final bid periods?**
    Once the initial bid period is over, and if a final bid period is necessary, you will log into the web application as you did in the initial bid period. The final bid tables will be initially populated with the bids submitted at the close of the initial bid period and can be adjusted accordingly.