

Exhibit A-6-b

ITN Plan Financial Commitment Supporting Documentation

As outlined in "Exhibit A-6 ITN Plan Financial Commitment Template Narrative," each respondent must provide detailed documentation in the form of an Actuarial Memorandum and certification describing how the respondent's financial template responses were developed. This Actuarial Memorandum must reflect the following:

- An exact copy of the questions (1 through 17) and sub-questions outlined below, retaining the numbering and bullets. The section to be copied is delineated by "BEGIN COPY RANGE" and "END COPY RANGE."
- A detailed response for each instance where a "RESPONSE:" is listed. Please note, multiple responses may be requested under each numerical question.
- If the respondent's Actuarial Memorandum references information provided elsewhere in this solicitation response, the respondent must identify its exact location (file name, page number, SRC number, etc.).

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ADMINISTRATIVE EXPENSES

1. Document the overall approach used to develop the future administrative costs included in the template.

RESPONSE:

In addition, provide responses to the following questions:

- What source or sources of information did you use to develop the proposed administrative allowance?

RESPONSE:

- What period of historical data did you use to develop your projected administrative costs?

RESPONSE:

- Confirm that you assumed that the public health emergency (PHE) ends and that all disenrollments related to the PHE have occurred prior to the start date of the new CMS Plan program.

RESPONSE:

- How did you adjust your historical data to account for the end of the PHE and that administrative costs due to COVID-19 are included in the historical data used?

RESPONSE:

2. Document your overall approach to appropriately allocate administrative costs between "core functions," "value-added functions," "administrative costs associated with sub-capitation payments" (if applicable), and "case management."

RESPONSE:

- For "value-added functions," document the reasons these functions will contribute value to the CMS Plan program.

RESPONSE:

- Document the medical cost savings associated with the administrative costs that are considered "value-added functions."

RESPONSE:

- Document the costs associated with value-based payments and why these costs are necessary.

RESPONSE:

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- Outside of medical cost savings, document any other value associated with these functions.

RESPONSE:

3. Document the overall approach to calculate the assumed efficiencies across future rate years.

RESPONSE:

- Document thoughts about the reasonability in achieving the efficiencies selected.

RESPONSE:

- Document potential risks that would limit the respondent's abilities to achieve the efficiencies selected.

RESPONSE:

4. Confirm no startup costs are included in the administrative costs for future contract years.

RESPONSE:

- If you anticipate you will have additional startup costs if you are awarded membership in regions where you currently do not operate or for populations you currently do not serve, provide an estimate of these costs and an overview of the approach used to develop these costs.

RESPONSE:

- Document any additional administrative costs other than startup costs that were excluded from the response.

RESPONSE:

5. Document additional detail regarding the allocation of administrative costs within the CMS Plan program.

- Document the methodology used to allocate administrative costs among rate groups?

RESPONSE:

6. Document the overall methodology used to develop the amounts of the Pharmacy Benefit Manger (PBM) fees in the administrative costs?

RESPONSE:

MANAGED CARE INITIATIVES AND SAVINGS

7. Document the overall approach to develop the managed care initiatives and savings calculations associated with each initiative. This should include the following:

- Description of the managed care initiative.
- Implementation timing.
- Involvement of other organizations.
- Internal or external costs of developing and administering the initiative.
- Development of net cost savings by rate group, region, historical delivery system, base data source, and service category. Include support for the data, assumptions, and methodology underlying the net savings projection.
- Document thoughts about the reasonability in achieving the savings associated with the initiatives listed.

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- Document potential risks that would limit the respondent's abilities to achieve the savings associated with the initiatives provided.

RESPONSE:

8. Document the associated administrative costs for each managed care initiative.

RESPONSE:

9. Document any initiatives developed during the COVID-19 pandemic that are expected to carry over into the new procurement.

RESPONSE:

10. Document any initiatives gained during the COVID-19 pandemic that either are expected to be carried over or are not expected to be carried over.

RESPONSE:

11. Document how the actual results for initiatives in prior years compared to the expected results for these initiatives. *Respond N/A if your plan has not participated in CMS Plan in the past.*

RESPONSE:

12. Document the methodology used to calculate the achieved savings for initiatives in prior years. *Respond N/A if your plan has not participated in CMS Plan in the past.*

RESPONSE:

13. Document the impact of entering new regions on the estimate of first-year managed care savings. If the anticipated impact is zero, document the actions the respondent plans to take to ensure initiatives are implemented on the first day of the new procurement.

RESPONSE:

MARGIN

14. Document how you developed your proposed underwriting margin percentage (if applicable).

RESPONSE:

15. Document any actions that the Agency could take that would result in the Respondent lowering the margin proposed in the financial template.

RESPONSE:

16. Provide a summary to show that the proportion of capitation rates attributed to expanded benefits is consistent with your expanded benefit offerings on the "CMS Plan Expanded Benefits" spreadsheet.

RESPONSE:

EXPANDED BENEFITS

17. Document how you estimated the cost of your expanded benefit offerings for each benefit.

RESPONSE:

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