



Washington State Health Care Authority

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Update: Uniform Medical Plan Administrative Services for 2011 - February 2010

Overview	<p>The Health Care Authority has reinitiated its process to secure administrative services starting January 1, 2011 for the Uniform Medical Plan (UMP). A Request for Proposals (RFP) was issued on January 8, 2010 seeking bids from potential contractors. We have received letters of intent to bid from Aetna, HP, ODS, Premera, Regence, and United Healthcare. Proposals are due on February 26, 2010.</p>
Ongoing communications	<p>We intend to provide updates on the process at the following milestones of the RFP process:</p> <ul style="list-style-type: none">• February 26, 2010 HCA receives bids• April 6, 2010 HCA announces an apparently successful vendor• May 8, 2010 A contract is signed with the vendor
Communication limitations	<p>While we intend to make this bid process as transparent as possible, we are constrained by state laws and rules which are designed to promote fair and open competition and to protect proprietary information of private entities.</p> <p>Upon the January 8, 2010 RFP release, the scope of our conversations regarding potential bidders, elements of proposals, and evaluation/selection processes became very limited. Conversations during the procurement process will only cover information that is already publicly available.</p>
Delineation of administrative services to be provided in 2011	<p>Services to be provided by the contractor</p> <ul style="list-style-type: none">• The selected contractor will assume responsibility for providing UMP's Washington State professional provider network and the full scope of the out-of-state provider network beginning January 1, 2011.• The contractor will be responsible for negotiating provider contracts, establishing and maintaining the provider fee schedule, network credentialing, and first level provider relations. <p>Services to be provided by HCA</p> <ul style="list-style-type: none">• The HCA will retain full authority for UMP eligibility, benefit design, second level complaint and appeal determinations, and plan financial and administration performance review.• HCA will fulfill its responsibilities to closely manage UMP as the State's premiere self-insured Preferred Provider Organization through a program of effective benefit design, network design, pricing, and purchasing strategies and effective performance management of the administrative services contractor.

Vision for the new UMP provider network We have developed a process which will ensure that our enrollees have access to a quality network of hospitals, ambulatory surgical centers, professional practitioners, and other provider types while retaining UMP as a functional Preferred Provider Organization. The UMP network will provide in-network access to all UMP covered benefits through a statewide provider system of sufficient size and diversity to meet the medically appropriate health care needs of the UMP membership.

Bid evaluation criteria As part of the RFP process we are asking bidders to provide us with their written standards and protocols for building provider networks to meet the specific demands of their client base. The robustness of the written standards and protocols will be an important factor in the evaluation and selection of the contractor. In addition bidders will be evaluated and scored on the following measures:

- The number of current UMP network providers who are under contract with the bidder in Washington State and identified border areas of the surrounding States;
- The number of current network providers with UMP patients who have high utilization rates ;
- The distribution of the bidder’s professional provider network across the state by provider type and location.

Once we select a contractor for UMP administrative services, we will expect the contractor to follow their stated criteria in the creation and maintenance of a UMP provider network. We will not manage the provider network. That work will be done by the contractor.

Third Party Administrators and UMP Since its inception, the UMP has contracted with a third party administrator (TPA). The bid process is underway because the current contract has expired. In the course of rebidding, we looked at best practices and are making changes in our vendor expectations consistent with those best practices.

We generally (and specifically in the case of the professional network) are asking the vendor to do what is common practice for other large, self-insured PPOs. Having the TPA provide our network is consistent with the approach of the FEHP, King County, City of Seattle, Boeing, Starbucks, Costco, and other large employers in our region.

More information on evaluation criteria More information is available on this process in Exhibits 2 and 3 of the RFP. The entire RFP (including Exhibits and Attachments) and RFP Amendments are readily available to interested parties at: www.hca.wa.gov/rfp/umtpa