



Department of Community Health (DCH)
MEDICAID 1115 and 1332 Waiver Consulting Services

Contract No. 99999-SPD-SPD0000162

State of Georgia

20 May 2019

NAVIGANT



EY

Building a better
working world



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May 20, 2019

Annette Bazhaw
Agency Procurement Officer
2 Peachtree St., NW, 40th Floor
Atlanta, GA 30303

RE: Response to Statement of Need for Management Consulting Services

Dear Ms. Bazhaw:

On behalf of Ernst & Young LLP, we thank you for the opportunity to respond to your Statement of Need for the Medicaid 1115 and 1332 Waiver project for the Georgia Department of Community Health (DCH) and their beneficiaries. We understand that you are seeking a leading practice professional services firm that will assist you in facilitating the success of this highly critical initiative to serve the people of the State of Georgia. We have structured this proposal in response to the requirements outlined in your Statement of Need (SON) released May 6, 2019 and we acknowledge all associated attachments with the SON.

We are committed to excellence and success in our service to federal and state governments. As part of this commitment, we have formed a team alliance with Navigant Consulting (collectively, the EY Team), bringing together a powerful combination of the top tier consulting firms. Together, the EY Team possesses consummate experience in working side-by-side with DCH, coupled with our nationally recognized 1115 and 1332 Waiver practice to efficiently deliver within the defined timeline.

- ▶ EY is **currently assisting DCH with the Medical Assistance Plans in their enterprise transformation efforts** including long term strategic planning, organizational design, and business process optimization with the end goal of becoming a high performing state government agency.
- ▶ Navigant Consulting is **currently providing actuarial services to DCH and has the first-hand knowledge** of the Georgia-specific Medicaid data, statistics, metrics and models necessary to swing into action immediately.
- ▶ Our **combined Subject Matter Resources (SMRs) and Advisory Teams** bring exceptional thought leadership in the healthcare industry from both public and private sector, and consist of former government health officials and executives, researchers, professional staff and analysts **connected to CMS, the White House, Congress**, and various states.
- ▶ The EY Team has assisted numerous states with all facets of the design and development of Medicaid policies and waiver programs, including **1115 Research and Demonstration programs, 1332 State Innovation Waivers, 1915(b) Medicaid Managed Care programs, and 1915(c) Home and Community-Based Services (HCBS) programs**, supported by a robust set of tools including a state **1332 waiver tracking tool**.

The attached proposal outlines our project approach and experience in greater detail. We appreciate the opportunity to demonstrate our capabilities to the State of Georgia. We are enthusiastic and passionate about this project and look forward to the opportunity to work with you on the Medicaid 1115 and 1332 Waiver project. Should you have any questions, please do not hesitate to contact Brad Duncan directly at +1 404 431.9954 or brad.duncan@ey.com. Thank you again for your consideration.

Sincerely,

Brad Duncan
State of Georgia Account Leader
US State and Local Leader

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Executive summary

We are pleased to share our capabilities and present our commitment to the Georgia Department of Community Health (DCH) to be the professional consulting service provider for the Medicaid 1115 and 1332 Waiver project. We realize the importance of this initiative to support the mission of quality healthcare services that produce positive outcomes to the citizens of Georgia.

EY is a global leader in assurance, tax, transaction and advisory services. Worldwide, 250,000 people in member firms in more than 728 office locations in 150 countries share a commitment to building a better working world and are united by shared values and an unwavering commitment to quality, and integrity.

On this project, we have formed a strategic teaming alliance with Navigant Consulting, bringing together a powerful combination of the top tier consulting firms. Our combined leadership team and 'boots on the ground' implementation experience within the public and private sector healthcare marketplace provides DCH with incomparable insight and a fresh perspective. We are committed to excellence and success in our service to federal and state governments by forging this strategic team to serve and empower state governments through continued healthcare market and public policy initiatives. All of this being enabled through the 1115 and 1332 waiver initiatives, their continued expansion and the broader movement of the state empowerment movement.

Together EY US, and Navigant Consulting (collectively, the EY Team) possess significant experience and skill sets bringing DCH the benefits of our combined premier executive advisory services with the heritage that is well positioned to deliver to you. Our senior leaders engage with your senior leaders to share our experience, provide insights and advice throughout the project life cycle. Moreover, we understand that while policy decisions may be made by leadership, leadership relies on frontline staff who must identify, manage, and resolve the day-to-day issues that constantly confront Medicaid and other state healthcare programs. Our approach is to provide feasible, actionable advice and deliverables that can be realistically implemented and supported by the vast array of internal and external program stakeholders, each with their own priorities and agendas.

The EY Team has a powerful ability to successfully empower this initiative and achieve DCH key objectives. We have assisted numerous states with all facets of the design and development of Medicaid policies and waiver programs, including 1115 Research and Demonstration programs, 1332 State Innovation Waivers, 1915(b) Medicaid Managed Care programs, and 1915(c) Home and Community-Based Services (HCBS) programs.

- ▶ Conducting **national and state environmental scans** to identify current approaches to achieving state program and policy goals;
- ▶ Developing and **evaluating options to best achieve goals** given agency, legislative, Governor's Office, and other stakeholder priorities, resources, and constraints, as well as market and economic dynamics;
- ▶ **Developing and shepherding waiver applications** through the CMS approval process, including stakeholder engagement and public comments, budget neutrality and other actuarial and economic analyses, development and preparation of the application and required preprints, and **negotiation of special terms and conditions (STCs) with CMS**.

The Medicaid 1115 and 1332 Waiver project can positively impact the well-being of Georgians and will demonstrate that the State is innovating around the delivery of state health services. The 1115 and 1332 Waiver project is a significant and complex undertaking that will require the implementation of several integrated work streams, the involvement of multiple stakeholders, the oversight and scrutiny of federal partners, and the need to engage industry partners. You require a team that can comprehensively and proactively address the Georgia requirements.

We believe the EY Team is positioned to help you achieve your desired outcomes on the Medicaid 1115 and 1332 Waiver project, and we are excited to further detail our commitment and approach to serve you in the response that follows.

We bring a fresh perspective, objectivity and a powerful combination of the top tier consulting firms

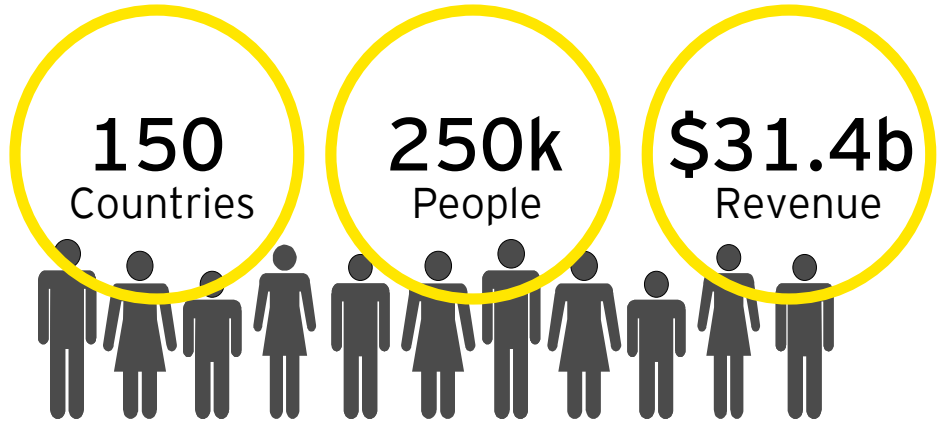
EY and Navigant Consulting

- ▶ Over a decade of incomparable experience in serving DCH with enterprise transformation and actuarial support
- ▶ Combined long and distinguished heritage of serving the health sector
- ▶ Premier executive advisory services and alliances to address your challenges

About us



EY is a global leader in Advisory, Tax, Transaction and Assurance services with over 250,000 people worldwide. The insights and quality services we deliver help build trust and confidence in capital markets and economies across the world. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, our clients and our communities.



EY is recognized as a market leader in consulting and global service excellence by analysts and industry professionals. We provide focused teams dedicated to meeting our clients' needs through seamless combinations of skills relevant for each assignment. EY has been in business for more than 100 years and is a professional services organization united by a single operating structure and a common culture of innovation and knowledge sharing. This unique one-organization approach qualifies the people of EY to serve clients by bringing together more than 20 competencies, which transcend geographic borders and organizational lines.

The US firm is a substantial entity, with more than 46,000 people working across the country. Additionally, given our longstanding support to clients in the South region in the non-profit, public and private sectors, you will receive the attentive and individualized service characteristic of a local firm supported by our extensive experience and qualifications.

Whether a client's focus is on organizational transformation or sustaining achievement, having the right advisors on your side can make all the difference. Our more than 40,000 advisory professionals form one of the broadest global advisory networks of any professional organization, delivering seasoned multidisciplinary teams that work with our private and public sector clients to deliver a powerful and superior client experience. We bring our broad sector experience and deep subject matter knowledge to bear in a proactive and objective way.



EY's **Global Government & Public Sector** professionals can work with you to help strengthen your organization and achieve lasting improvements. Around the world, governments and not-for-profit organizations are continually seeking innovative answers to complex challenges. We combine private sector leading practices with an understanding of the public sector's diverse needs, focusing on building government agencies' capabilities to deliver improved public services.

EY's **Global Health** practice offers services to clients from across the health spectrum. We work jointly with a wide range of organizations, from governmental departments of health managing vulnerable populations and public sector service providers and payers, to health insurers and private sector providers. We collaborate to transform healthcare delivery, and we help develop new business models so our clients can effectively operate in a rapidly changing world. With over 5,000 professionals dedicated to serving the healthcare market through our Advisory, Tax, and Assurance practices, including being the auditor for the U.S. Department of Health and Human Services, EY brings multidisciplinary capabilities to deliver a full range of services required to address US Health System's needs – from financial to clinical to operational domain knowledge.

Actuarial Offerings – As one of the world’s largest accounting firms, we have a rich history of helping clients across the globe effectively identify and manage risk. As part of that heritage, we have built a global underwriting and actuarial practice of over 1,300 consultants who bring deep expertise in building actuarial models, building broad underwriting strategies, improving the efficiency and effectiveness of underwriting operations, and also in transforming pricing optimization algorithms and systems.

Our depth and breadth of Advanced Analytics Capabilities and Experience. Globally, EY has over 6,000 consultants who specialize in using data and analytics capabilities to solve complex business issues. In the last five years, we have acquired over 27 companies with digital, big data, and analytics capabilities. Our data skills range from data governance, master data management, and data cleansing to the architecture of big data platforms using software such as Cloudera and Hortonworks. Our analytical skills range from data visualization, to exploratory data mining and predictive modeling, to prescriptive optimization models, to automated self-learning models

Washington Council Ernst & Young (WCEY) is a group within Ernst & Young LLP that combines the power of a leading professional services organization with the on-the-ground knowledge, personal relationships and attention to detail of a boutique Washington-insider firm. WCEY’s bipartisan experts provide tailored legislative and regulatory advisory and lobbying services, provide timely advice to clients on pending proposals, and assist with strategic planning and implementation efforts.

WCEY’s healthcare team develops and implements strategies to address legislative and regulatory issues, represents clients before Congress and the executive branch on significant aspects of federal healthcare policy, convenes cross-industry healthcare coalitions, and leads issue- and legislation-specific campaigns. Their work encompasses public and private health insurance and coverage issues, provider concerns, employer health benefits, consumer issues, pharmaceuticals, and broader life sciences policy. WCEY is an integral player in Washington’s healthcare agenda and is helping to shape the future of the marketplace; they are plugged into the discourse at Health and Human Services (HHS), the White House, and Congress, and are familiar with state-level trends and marketplace dynamics.



Navigant Consulting, Inc. (NYSE: NCI) is a specialized, global professional services firm that helps clients take control of their future. Navigant's professionals apply deep industry knowledge, substantive technical expertise, and an enterprising approach to help clients build, manage, and protect their business interests. With a focus on markets and clients facing transformational change and significant regulatory or legal pressures, the Firm primarily serves clients in the healthcare, energy, and financial services industries. Across a range of advisory, consulting, outsourcing, and technology and analytics services, our practitioners bring sharp/insight that pinpoints opportunities and delivers powerful results.

NAVIGANT AT A GLANCE

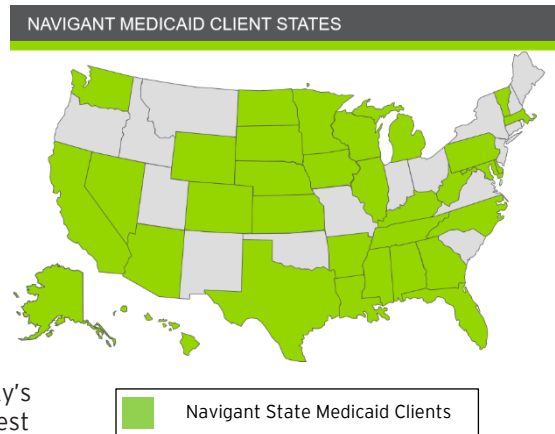


Navigant's Healthcare segment, which includes our extensive government consulting practice and actuarial team, is composed of more than 600 consultants, former provider administrators, clinicians, and other experts with decades of strategy, operational, clinical, managed services, revenue cycle management, and outsourcing experience. Our professionals collaborate with government agencies, hospitals and health systems, physician enterprises, payers, and life sciences entities, providing strategic, performance improvement, and business process management solutions that help them meet quality and financial goals.

Navigant's Medicaid Consulting Experience and Actuarial Practice

Navigant has assisted the majority of states as Medicaid clients over the last five years, as identified in the following map. Our services comprise all aspects of consulting, from program strategy at the highest levels within state government, including all types of waiver development, to the most detailed operational aspects of program implementation, contracting, readiness review, and other compliance aspects.

Earlier this year Navigant Consulting, Inc. entered into an agreement with Aon Consulting, Inc. (Aon) to purchase substantially all



assets related to Aon's provision of actuarial services to Medicaid agencies. The transition of all assets, services and personnel and data has been completed.

Our expertise in rate-setting and related financial work is best-in-class and includes not only Medicaid but Medicare and commercial rate setting as well. We have conducted budget neutrality and cost effectiveness calculations for several waiver programs, including but not limited to: Kansas's 1115 waiver, Tennessee's 1115 waiver, Kentucky's 1115 waiver (early stages), Kentucky's 1915(b) and 1915(c) waivers, West Virginia's 1915(b) waivers, and Wyoming's 1915(b) waivers. We have also worked with states on the development of new managed care products as well as adding benefits to existing programs.

We have a proven record with CMS, including the fact that 100% of our submitted rate certifications have been approved by CMS with minimal question.

As part of Navigant's Subject Matter Resources (SMRs), we bring a team of experts in healthcare research, federal and state healthcare policy, the emerging role of value in healthcare, and formation of successful collaborations. These teams support our proven methodology, supporting tools, and technologies designed to chart a strong strategic direction in a changing healthcare landscape. Our team tracks, analyzes, and anticipates changes in federal and state policy, market trends, care delivery, and technology innovation. It interprets this complex information to help inform the strategies of its clients.

In terms of state and federal government expertise, our SMRs assist public and private clients to interpret, navigate, and strategically respond to federal health programs and related legislation, including the Affordable Care Act (ACA), the American Health Care Act (AHCA), 1332 waivers, 1115 waivers, health insurance marketplaces, the final Medicaid managed care rule, Delivery System Reform Incentive Payment (DSRIP) programs, and MACRA. Our team is also well versed in the development, negotiation, and implementation of state health insurance market reforms, Medicaid reforms, and other state healthcare reform initiatives. The team, which has worked with both Republican and Democratic

administrations, brings broad federal and state perspective and experience, including SMR on 1332 and other waivers. Our SMRs:

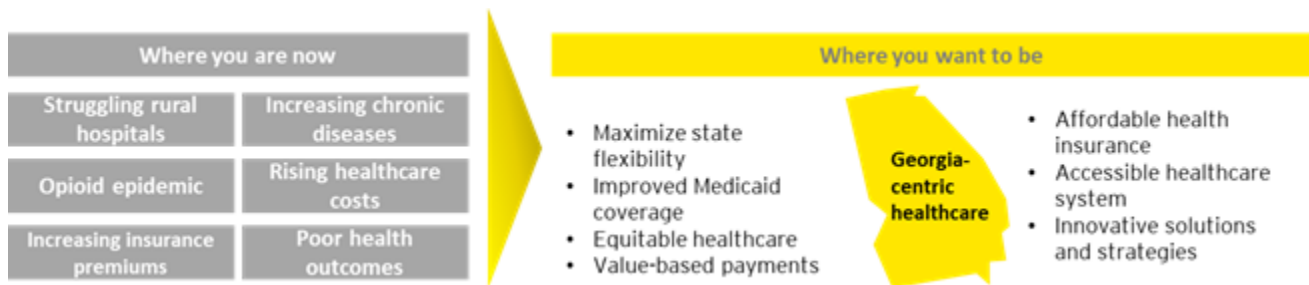
- ▶ Maintain a State 1332 Waiver Tracking Tool that includes information on states that are actively planning or considering a 1332 waiver application, as well as states that have submitted waiver applications or introduced legislation on the topic of 1332 waivers.
- ▶ Have presented on 1332 waivers to many audiences, including the National Association of Insurance Commissioners, the Wisconsin Association of Health Plans, National Institutes of Health Care Management, and the legislature of North Dakota.
- ▶ Have consulted with several states and numerous stakeholders on reform opportunities associated with 1332 and 1115 waivers, as well as application requirements that are stipulated for adoption.
- ▶ Maintain a proprietary database combining healthcare data assets that are publicly available, purchased, or developed through primary research to model, analyze, and evaluate the economic, political, and financial impact of healthcare reform solutions and insurance market reforms.

I. Overview

A. A comprehensive project plan overview, including a thorough overview of the resources the offeror will dedicate to this project in order to successfully complete all phases on or before December 31, 2019.

Our understanding of your needs

Based on our review of the SON and Patients First Act, publicly available information and our understanding of the Georgia healthcare environment, programs and processes, it is our understanding that Governor Brian Kemp and the Department of Community Health are exploring innovative opportunities to lower insurance premiums, enhance access to quality care, and improve health outcomes for Georgians. Coupled with the current presidential administration's reinterpretation of federal regulations, issuance of new guidance, and invitation to open negotiations, the environment is ripe for Georgia to pursue unprecedented flexibilities in program design and operations.



The EY Team brings an unequalled depth of both experience and understanding of your needs. Our team has lived and breathed the successes (and challenges) within Georgia's Medicaid and broader healthcare system hand-in-hand with you over the course of a decade. This is coupled with our breadth of understanding of what has succeeded (and failed) elsewhere in the country. We are the only team that has this intimate knowledge of the State's environment, objectives, and needs, which provides you with an unprecedented basis for being able to support the State in accomplishing - in an expedited fashion - the formulation of innovative approaches to position Georgia as a trailblazer beyond what other states have set forth in 1115 and 1332 waiver efforts. Our depth of understanding comes from past constant actuarial and enterprise transformation support of DCH, as represented by the following:

- ▶ **2009-Present CMO capitation rate setting, actuarial certification, stakeholder presentation, and all other related financial support:** We have delivered in-depth support to the State on all financial work with the managed care plans and other stakeholders. Because of this, the more recent, specific work on 1115 and 1332 waivers will be natural extensions of our expertise to support the State and DCH efficiently and effectively, especially when complex situations arise.
- ▶ **2011-Present Non Emergent Transportation (NET) rate setting:** We have provided ongoing actuarial and financial support for Georgia's NET programs for Medicaid enrollees.
- ▶ **2016 analysis of the influence overpayment and fraud have on CMO data and capitation rate setting:** In late 2016 and early 2017, our actuaries assisted DCH in determining availability of data to ascertain the impact of overpayment and fraud, and the best path at that time for adjusting capitation rates to reflect whether the CMOs were actually performing recovery activities.
- ▶ **2017 innovative CMO risk adjustment implementation:** We supported DCH in the framing and development, analysis, testing, and highly successful implementation of a risk adjustment methodology tailored specifically to Georgia's Medicaid objectives. First time implementation of risk adjustment is always politically challenging because it usually results in winners and losers compared with pre-risk adjusted reimbursement to participating health plans. Georgia's implemented approach is relatively unique, where unlike other states, most rely solely on a prospective risk adjustment that doesn't always provide true revenue neutrality. The innovative approach we supported DCH in crafting uses both prospective and retrospective components for meeting budget and revenue neutral results. This approach has received CMS approval through our actuarial certifications; and has proven to have a matchless balance of transparent prospective forecasting capabilities for CMO stakeholders, while providing superb retrospective capitation revenue neutrality.

- ▶ **2016-2017 Institutes for Mental Disease (IMD) provider analytics for determining impact and compliance with the Medicaid “mega rule”:** At the end of 2016 and into 2017, our actuaries assisted DCH in identifying (through the data) “providers (any status: active, suspended, terminated) who are/were enrolled for crossover or encounter claims who operate as a free standing Inpatient Psychiatric Facility.” This project focused on ensuring fiscal projections were compliant with the managed care rule. Because of our actuaries’ thorough understanding of the data and how to best translate that data into actionable information for decisions, we were the only ones who could provide the immediately needed answers for ensuring DCH understood the impact and compliance with the Medicaid managed care “mega rule”. We also used our actuarial expertise to help DCH understand how to interpret, comply with, and include in CMO contracting, the extraordinarily complex IMD language in the mega rule specific to Georgia’s health plan and provider landscape.
- ▶ **2017 Support of DCH to counter difficult activist provider situations:** When some providers vigorously lobbied and approached DCH to have their for-profit ENT clinics and facilities be a pilot program for ENT surgical services, our actuaries were called upon and supported DCH in assessing the validity of the providers’ claims that such a pilot would benefit the State. Our actuaries helped DCH come to the most appropriate data-driven response to confirm DCH decisions were in the State’s best patient access and financial interest.
- ▶ **2017 Impact of federal health reform and block grant legislation:** Throughout 2017, our actuaries were called upon to support DCH in understanding the short and long-term impact of the *American Health Care Act (AHCA)* and *Better Care Reconciliation Act (BCRA)*, if fully passed, on Georgia’s financial future. In our extensive yet timely modeling led by our well-known certifying DCH actuary and a subject matter resource, Colby Schaeffer, we were able to provide an in-depth comprehensive suite of scenarios for a range of what the next ten years could look like for DCH under these different bills for revisiting and/or repealing portions of the Affordable Care Act. Because of the credibility of our actuaries based on a long history of trust in the constant integrity and accuracy of our professional work, the scenarios we developed were summarized and presented by DCH leadership to Georgia’s Governor’s office, with further presentation in an expedited manner to the White House for executive understanding of what impact these bills could have if passed.
- ▶ **2018 Emergency Room Triage Projections:** Our actuaries assisted DCH in calculating the projected fiscal impact of increasing triage rates paid to hospitals within each county for both managed care and FFS populations.
- ▶ **2018 Leadership and Organizational Effectiveness analysis:** Our analysts assisted DCH with strategic visioning to identify organizational goals, division-level tactics and strategies in support of the overall mission and vision. Our team evaluated and recommended organizational design and operational effectiveness options for achieving a high performing state agency team.
- ▶ **2019 MAP Transformation:** Our team was engaged to support the DCH transformation efforts to include strategic planning, organizational design and implementation and business process optimization.
- ▶ **2019 Financial Management Office Redesign:** Our analysts are engaged in the analysis, assessment and redesign efforts of the DCH Financial Management Office to identify control weaknesses designed to safeguard assets, assess current risk management processes and develop recommendations for improvements to operational policies.
- ▶ **2019 Analyzing fiscal impact of opening new procedure codes for FY2021:** Most recently, our actuaries have been asked to analyze the impact of opening several new psychiatric procedure codes to project the cost to Georgia Medicaid. This included comparing Georgia data with other states to best benchmark the impact. This was performed in a very short time frame.

The 1115 and 1332 waivers may also be intended to address rural hospital sustainability. In Navigant’s February 2019 analysis of Rural Hospital Sustainability, Georgia had the top 3 highest percentage of rural hospitals at high financial risk (41.3%). As US News & World Report pronounced, this poses a serious risk for huge swaths of Georgia, as the failure of a rural hospital often indicates that economic development and sustainability are compromised.

Our experts have analyzed Georgia’s hospital industry at the community level. However, our in-depth insight into Georgia’s providers goes beyond hospitals, as our actuaries have addressed service delivery, pricing, accessibility, and inflationary factors specific to the State for more than a decade. Our team possesses the granular level of data and experience developing insights that come with a team that has successfully interpreted data and forecasted rates across all eligibility categories.

These examples represent just a sample of the recent work we have performed hand-in-hand with DCH and nationally, and each is reflective of items that collectively show how we understand your needs and complex environment. Each of these projects, successfully performed in very tight timeframes and subject to provider, consumer, CMO, CMS, and public taxpayer scrutiny, have been a result of the deep trust DCH has in our work and with our teams.

Approach

The EY Team brings a holistic approach through our processes, technologies, tools, and enablers to plan and deliver the State of Georgia's Medicaid 1115 and 1332 Waiver project. We have a history of successfully meeting delivery schedules and performing within budget. Our flexible staffing approach provides the right people with the right skills at the right time to help DCH achieve its objectives. Our proposed key personnel, as well as our project team, are recognized leaders in program and policy development, implementation and operations, program controls, market, actuarial and economic analyses, risk management, and project efforts. We have managed projects of similar size and scope and are well prepared to manage the work requested for the DCH Medicaid 1115 and 1332 Waiver project.

Our program management methodology focuses on the processes used to define, deliver, manage and close the execution of our services at the complex project and program level. This method, which provides direction on how to apply consistent project management rigor and discipline in the execution of all service delivery programs, is structured into the project management processes used to initiate, plan, execute, monitor and control the execution of our services and close the project. We also leverage the Project Management Institute (PMI) program management global standards, and incorporate concepts and content that are complementary and can be adapted to the DCH approach.

As part of our current waiver work with states across the country, a key risk that is commonly encountered is working within a tight timeline. In developing our approach within the timeline set forth in the SON, we are confident we can support you in this critical initiative and have incorporated proactive mitigation strategies into our approach:

- ▶ **Early stakeholder engagement** - our familiarity DCH, MAP and your data allows for rapid engagement of stakeholders early in the engagement. We accomplish this using wavespace™ sessions, where we engage directly in a collaborative environment to identify common insights and shared intent.
- ▶ **Effective and efficient use of resources** - over 40% of our staff are in Atlanta and actively engaged with DCH. Our resources are engaged directly with DCH and stakeholders during key project phases to efficiently deliver results.
- ▶ **Communications and reports** - a key component of our approach is ongoing communications and reporting with DCH, sister agencies, CMS and other stakeholders. This activity begins on day one and is cornerstone to our approach.

We have developed the following project phases to guide our team and work efforts. We will work with DCH at project initiation to update and finalize. Additionally, we have developed an initial project plan that will be used to capture project activities, assign ownership and track progress and timeline. We will work with DCH to further build out the details of the plan. The initial project plan can be found in Appendix A.

We plan to deliver the Medicaid 1115 and 1332 Waiver project according to the following high-level phases, timeline and activities defined in Figure 1 below:

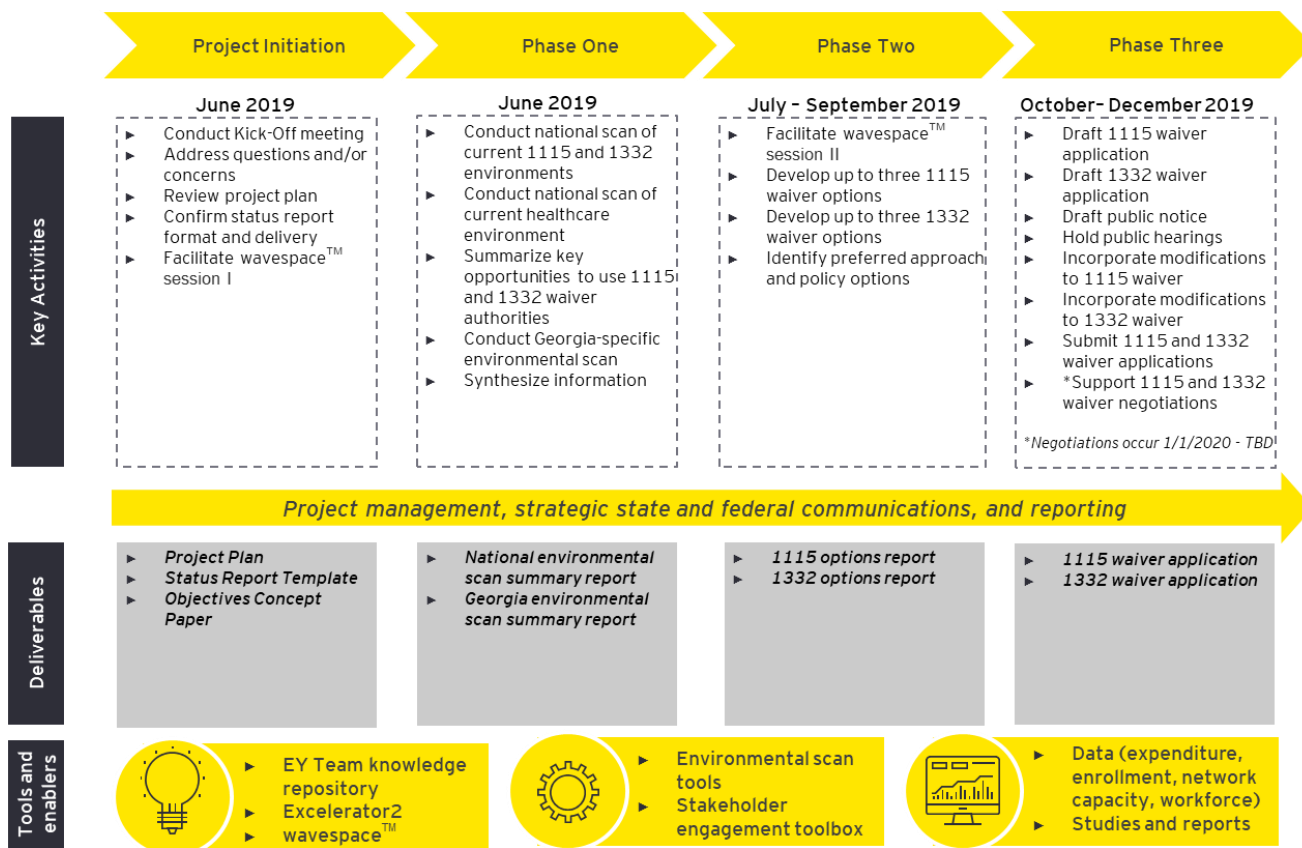


Figure 1: Detailed Phases and Timeline

In the subsequent sections of our response, we provide the detailed approach for successfully completing each phase of the project.

Project Initiation

Project Initiation

The primary purpose of the project initiation phase is to elaborate the business case, program plan objectives and expected program outcomes. We do this initially with the development of a comprehensive project plan (covering scope management, schedule management, risk and issue management, change management, staff management, baseline schedule, work breakdown structure, etc.). We will leverage our tools and templates to develop the needed project plans for execution of the program. We will also share standard tools and templates with DCH to expedite project startup and to limit rework.

For state Medicaid programs, one of the critical activities for policy and program implementation is developing and receiving Centers for Medicare and Medicaid Services (CMS) approval of relevant federal authority documents. We have found that developing a comprehensive, well thought-out plan also strongly enhances the waiver development, negotiation, and approval process between states and CMS. Like you, CMS Regional and Central Office staff are often juggling multiple responsibilities and priorities - our project plan will help hold all parties accountable for next steps and timelines. Additional support, such as preparing agendas, assigning follow-up tasks, and distributing meeting notes helps reduce both your team and CMS's workload, allowing CMS time to focus on the critical task of reviewing waiver documents for approval. The EY Team will support your program implementation efforts by working with you hand-in-hand, from project initiation through the initial program and policy design period until the time you receive the required federal approvals.

We will begin this task by conducting a wavespace™ session to gain additional insights into the factors that are driving DCH's decision to implement a new design solution, priorities, intended objectives, and the desired timing of

implementation. This session is designed to bring key State of Georgia agency stakeholders together to drive a common understanding of the State’s mandate and strategy.

The EY Team will employ our wavespace™ collaboration methodology to help in the development of common insights and shared intent to design and deliver appropriate solutions. wavespace™ brings collaboration tools in order to reduce risk, accelerate timelines and promote broad ownership. This will enable us to learn more about the current status of Georgia’s Medicaid and PeachCare for Kids™ populations, with particular emphasis on issues that have prompted DCH to undertake this effort, what progress may have already been made in identifying preliminary components DCH would like to include in the waiver options, as well as the State’s position on incorporating particular ACA requirements into the solution. For example, what is DCH considering for expansion of managed care to the aged, blind and disabled population, and if so, what issues have already been identified. Additionally, we want to understand the State’s plan for implementation of the Georgia Health Insurance Marketplace, DCH’s role, and considerations for the Marketplace in the waiver design solution.

The EY Team will engage with DCH and MAP executives, key stakeholders across the organization and partners in sister agencies, such as the Department of Behavioral Health and Developmental Disabilities (DBHDD) in a customized collaborative session to inspire new ideas and capture objectives and intended outcomes real-time. For instance, we can support the development of a concept paper to share with CMS and other stakeholders to set the stage and seek preliminary input. We recommend first engaging CMS during the project initiation phase, so that CMS is aware of the upcoming requests. Figure 2 depicts key benefits of our wavespace™ methodology.

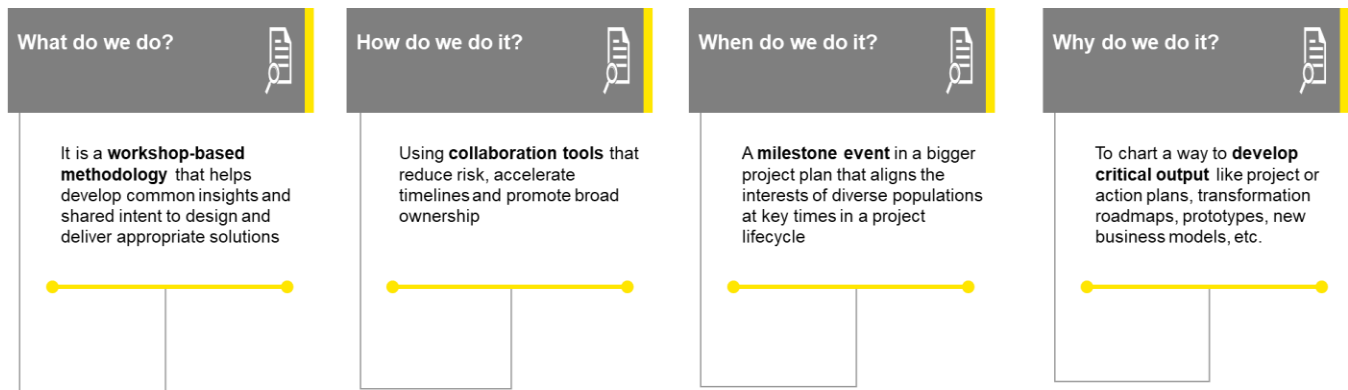


Figure 2: Benefits of wavespace™

Our approach establishes a framework that is inclusive of a program’s strategy and design so that we consider the entire continuum from project initiation through federal approval.

Phase One: National and Georgia Environmental Scans

Phase One The EY Team has extensive experience supporting state healthcare strategic decision-making processes, including conducting environmental scans, data collection, and report development - as well as convening, facilitating and staffing internal workgroups and taskforces that are charged with making recommendations regarding program design and reform. We have conducted many research projects and state surveys on topics such as waiver program development, health reform, service delivery systems (e.g., managed care programs and enhanced primary care case management programs), rural healthcare, and Medicaid expansion.

We monitor federal and state healthcare initiatives, regulations and reputable government and industry information sources to identify potential impacts on our state clients’ healthcare programs. We conduct general research on policy issues as well as develop new policies to address new initiatives. We conduct our research using search tools such as Lexis Nexis, the Internet, industry publications and newsletters to which we subscribe. We are also closely connected with other state Medicaid and health and human services agencies, Governor’s Administrations, and at CMS - and regularly reach out to our network of clients and contacts when gathering information.

We collect and summarize research on a regular and ad hoc basis to support our clients' initiatives. For example, in Kansas, members of our proposed project team have researched, analyzed, and summarized findings on:

Kansas summarized findings

1115 waivers to support development of Kansas's 1115 Demonstration Waiver for the KanCare Medicaid managed care program which CMS approved, including:

- ▶ Medicaid managed care
- ▶ Community engagement and work requirements
- ▶ Supported employment programs for individuals in HCBS waiver programs
- ▶ Institutes for Mental Disease (IMD) exclusions
- ▶ Uncompensated care pools, including state-directed payments

1332 state innovation waivers, including:

- ▶ 1332/1115 combination applications
- ▶ National landscape of all states that have submitted or contemplated submitting applications
- ▶ Report for the Kansas Insurance Commissioner on 1332 and 1115 waivers, and the role of the Insurance Commissioner, Legislature, and Governor's Administration
- ▶ Kansas-specific options based on legislative and administrative feedback
- ▶ Report to legislators on possible waiver options

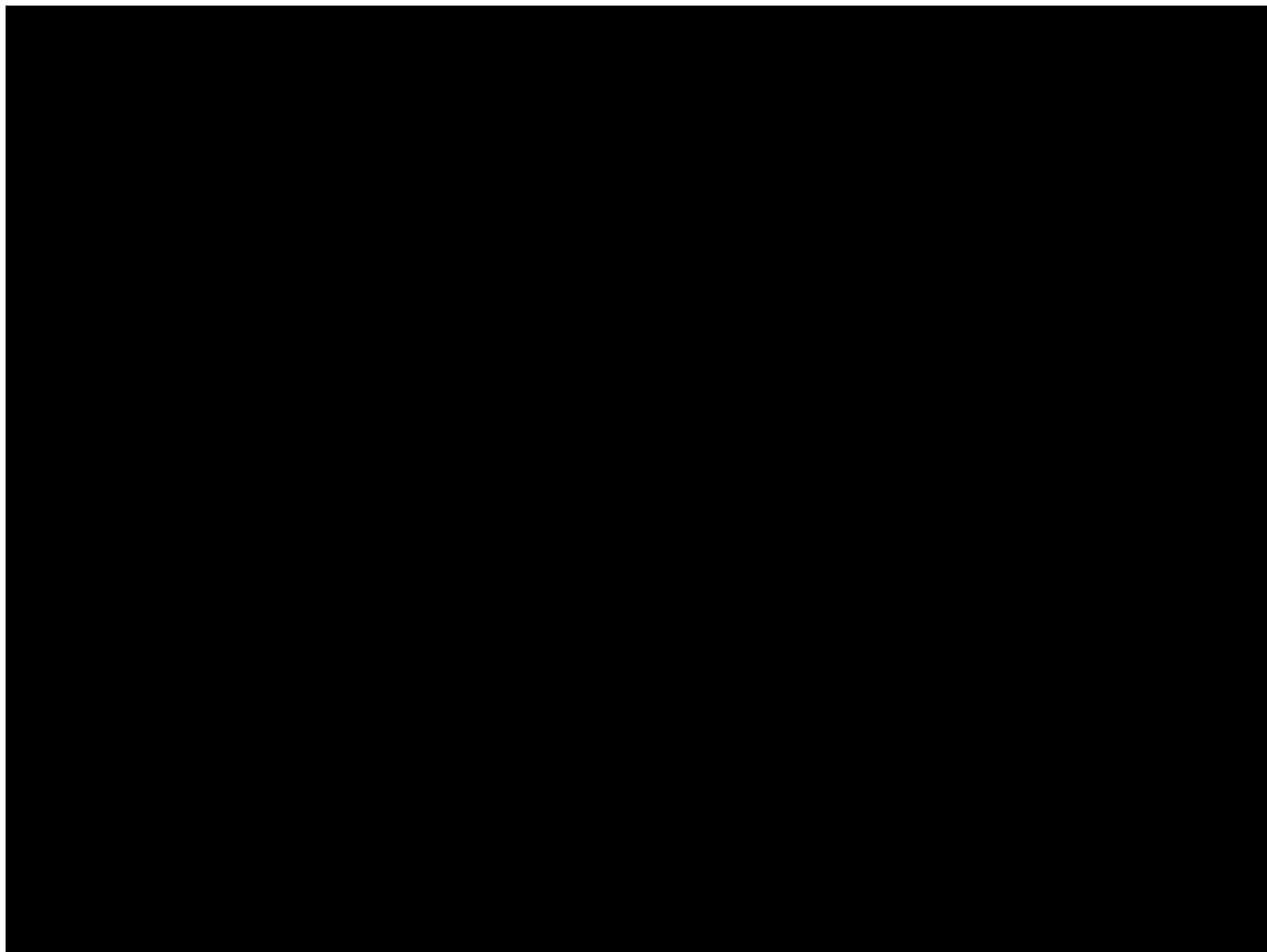
1915(c) waivers, including:

- ▶ Critical or adverse incidents
- ▶ Use of restraints, seclusion, and restrictive interventions
- ▶ Performance measures (i.e., quality improvement system)

Figure 3: Example of Summary Findings from Community Engagement Research

Conduct National Scan of 1115 and 1332 Environments

Although state Medicaid programs vary considerably in program design, they also have many similarities. For example, several states, including Georgia, have approved or are proposing to implement “skinny” Medicaid expansion that modify expansion requirements under the ACA. Oftentimes, rather than reinventing the wheel, states can build upon existing waivers and program designs that CMS has already approved. Understanding the national environment in terms of key state initiatives, recent CMS applications and approvals, and general trends in healthcare will help support informed decision-making by DCH. When conducting 1115 and 1332 environmental scans, we typically apply a structured methodology as shown below:



As we are currently working with other states to develop highly confidential proposals for program reform, we anticipate that obtaining information about potential program changes may require assurances that information will remain confidential. For some clients, we have been able to maintain confidential information by holding certain information within the consulting team (i.e., not sharing that information with our State clients who are subject to Freedom of Information requests). We instead provide consolidated summaries of information without identifying the particular state that provided the information, and provide information orally and not in writing. We will discuss during the kick-off meeting with DCH how best to protect the confidentiality of states while still providing meaningful, actionable information to Georgia.

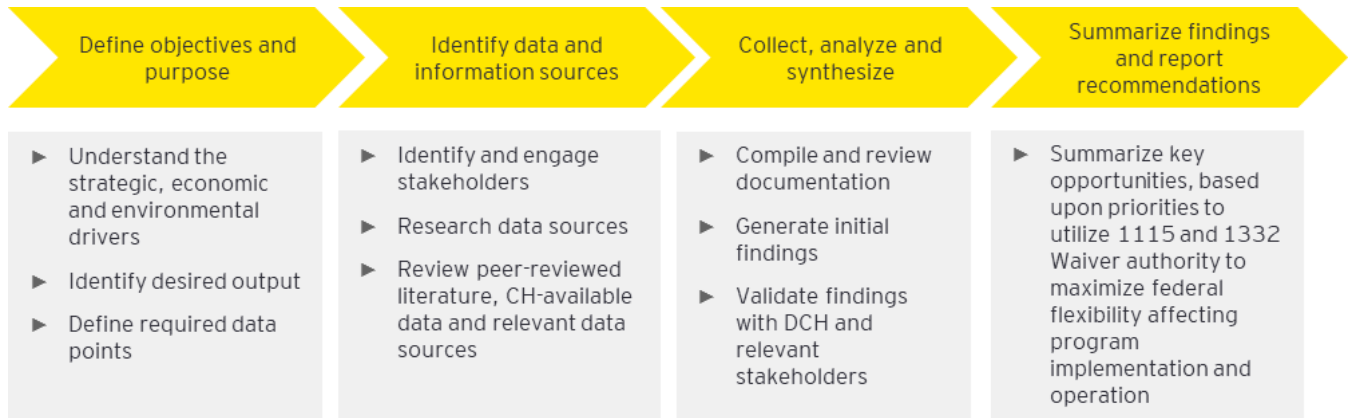
Conduct National Scan of Current Healthcare Environment

Our project team has specific experience conducting environmental scans of both the national healthcare environment as well as the Georgia-specific environment. As part of our research, our scan will include an analysis of macro and microenvironmental factors to identify strengths, weaknesses, opportunities and threat (SWOT analysis) at both the national and state-specific levels and to understand current state issues, emerging trends and factors impacting healthcare access, financing, costs, outcomes and quality. We will leverage multiple primary and secondary sources to inform our collection and analysis of healthcare data; representative of the key healthcare stakeholders (e.g., government, providers,

hospitals and health systems, health plans, industry groups/organizations). As indicated in Attachment A of the SON, the analysis will deep dive into several areas, including but not limited to:

- ▶ Health status - chronic and infectious diseases, physical and behavioral health
- ▶ Insurance status - uninsured, under-insured, public or private coverage
- ▶ Social determinants of health - social, economic, environmental factors affecting health outcomes
- ▶ Health disparities - rural health, underserved communities
- ▶ Provider network adequacy - mix and type of providers, distribution across geographic areas
- ▶ Population demographics - gender, race, ethnicity, age, rural, urban

To conduct the national scan, we will leverage the following approach:



Following completion of the analysis, we will summarize the findings and key opportunities to help inform the agency's ability to make data-driven decisions concerning waiver options considerations. We can tailor our submissions of findings to meet DCH's needs.

New payment models are estimated to reduce costs by 5% to 10% when rolled out across the full spending base

- Medicaid agencies are migrating from volume-based to value-based payment methods in order to keep costs down while increasing the quality of care
- Incentive programs are being tested to promote preventive care and healthier behaviors among the population, while reducing abuse and waste

Leading practices	
Value-based payment examples*	Health behavior and cost-sharing incentive programs*
Arkansas <ul style="list-style-type: none"> • Episode-based payment system • Providers meeting both cost and quality benchmarks are eligible to share in savings 	Florida <ul style="list-style-type: none"> • From 2006 to 2014, Medicaid beneficiaries earned \$15 - \$25 credits for compliance with healthy behaviors. About half were redeemed.
Minnesota <ul style="list-style-type: none"> • Encourages voluntary creation of Accountable Care Organizations • Providers are responsible for the total cost of care for their attributed patient populations (for both FFS and Managed Care) 	Idaho <ul style="list-style-type: none"> • Since 2007, Medicaid beneficiaries receive \$10 per month for keeping well-child exams and immunizations up-to-date, which is used to pay for premiums. 116% increase in CHIP children compared to 13% increase for children without incentives.
Oregon <ul style="list-style-type: none"> • Coordinated Care Organizations assume financial risk • State agreed with CMS to reducing per capita costs, increasing quality, and improving population health, while OR gained federal matching funds 	Michigan <ul style="list-style-type: none"> • Since 2014, enrollees have received a 50% reduction in managed care enrollee's required contributions or a comparably valued gift card to those who pursued healthy behaviors
Pennsylvania <ul style="list-style-type: none"> • Pay for performance: MCOs receive bonuses for meeting quality HEDIS measures. • Efficiency adjustments reduce base MCO rates for inefficient care determined by claims analysis 	Iowa <ul style="list-style-type: none"> • Co-payments for non-emergency use of emergency department for individuals 100-133% FPL • \$10 monthly premiums for beneficiaries 100-133% FPL and \$5 for beneficiaries 50-100% FPL.

Conduct Georgia-specific Environmental Scan

We recommend beginning this process with a similar approach used for our national scan. We will review literature provided to us by DCH about the current Medicaid and PeachCare for Kids™ managed care and fee-for-service models, followed by discussion with key DCH staff. We will review applicable federal and state statutes and rules, the State Plan, relevant policy manuals, current health plan contracts and relevant data and reports. We will ask the same set of core questions asked of all surveyed states, and identify questions specific to Georgia's programs. Through these surveys, we can gain a more in-depth understanding of the current delivery systems in Georgia, the funding sources, any overlap or duplicative services and opportunities for cost avoidance and increased efficiencies and identification of any known service gaps. We will want to learn from these individuals about their understanding of service gaps, potential program strengths and weaknesses. This "as-is assessment" will allow for us to gather comparable information for comparison to other states' programs and to establish a baseline of information to determine what data analyses are required.

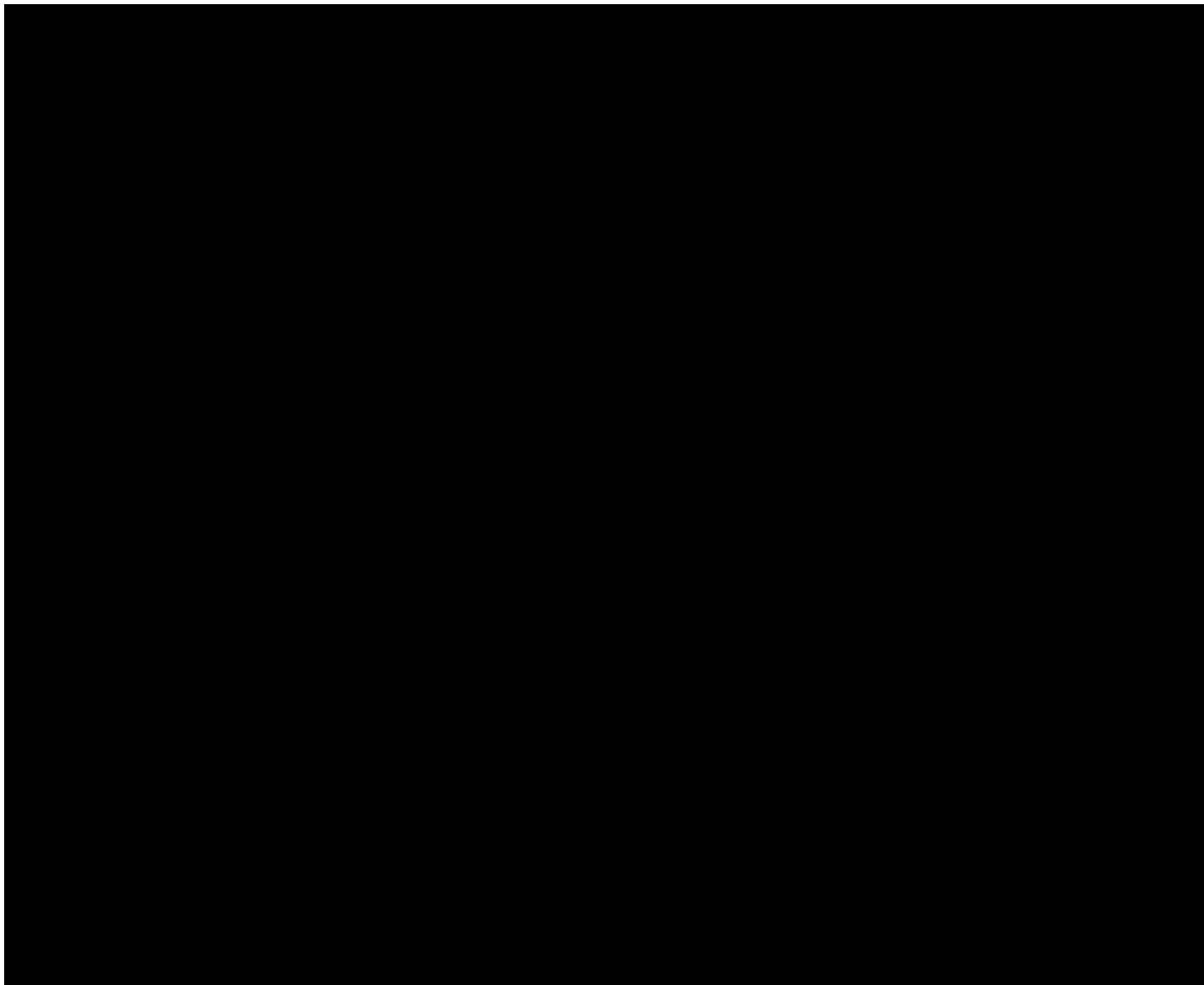
We will use quantitative and qualitative research and data analysis to evaluate two highly-dependent, critical elements of managed care services: processes and outcomes. We have experience in completing analysis of Medicaid managed care program data as our part of our program monitoring efforts for states across the country, so are well versed in the types of data required and analyses that are beneficial in reviewing programs. These analyses are generally two-tiered:

- ▶ **Program-level Analysis:** We leverage the baseline Navigant data regarding DCH MAP programmatic changes as a starting point for the analysis. For example, in Indiana, we completed program level data analysis in our annual Independent Assessment of the Hoosier Healthwise program mandated for the Indiana Legislature. As part of this process we conducted service specific utilization and access analysis by service delivery system (risk-based managed care, primary care case management and fee-for-service).
- ▶ **Member-level Analysis:** We have found that analyzing member-level claims records to evaluate patterns of care can be used to evaluate specific care issues within a managed care system. For example, for one of our clients, we used claims and encounter data to evaluate patterns of physician, outpatient and pharmacy usage pre- and post-inpatient psychiatric hospital stay to help identify gaps in services that may have led to repeated psychiatric hospitalizations among teenage Medicaid recipients. We used claims and encounter data to evaluate patterns of physician and dental visits by age cohort among Medicaid covered children. We have also created person-level records for people in managed acute care programs as well as home- and community-based waivers to evaluate the use of state plan services in conjunction with waiver services, with specific analyses of home health and personal care services.

We recognize that recent reports have been delivered to the Governor's office and will rely on those, as well as any existing reports and measures to the extent that they are available and appropriate and conduct original data analysis only as necessary. Depending on the type of information and reports DCH has readily available for review, we may need to conduct original data analysis to develop a baseline of overall Medicaid and CHIP expenditures that will be used later to model opportunities for budget predictability and cost management.

We will also conduct a service utilization analysis to identify potential service gaps specific to the managed care model and the fee-for-service model, as well as identify potential improper utilization. For example, we will review HEDIS data and other indicators available to DCH as a starting point for indications of issues on which we will want to focus our analysis.

We will also incorporate qualitative analyses based on subjective information, such as stakeholder perceptions of the current programs' strengths, weaknesses and opportunities for improvement as well as their support of and concerns about potential programmatic changes.



Relative to other states, Georgia is performing most poorly in Maternal/Perinatal Health and Care of Acute and Chronic Conditions

Prepare a Summary of Environmental Scan Findings

We typically use a matrix format that categorizes responses by subject area to succinctly deliver key findings. We can also use information from such matrices to easily develop comparison charts including Georgia-specific and across states from a national perspective to summarize key issues and lessons learned. We can also provide detailed analyses of the findings, for example, identifying trends, compare/contrast responses, and developing recommendations for best practices or program aspects that we believe DCH will want to consider. This summary will also include our own data sources, any limitations to the data, and findings from the literature review, surveys and analyses to make recommendations to address weaknesses in the current program. We will provide proposed deliverable templates to DCH for review and approval.

We recognize that effectively communicating our findings will be critical to gain stakeholder buy-in. The EY Team regularly develops and produces materials for a variety of initiatives and audiences - from consumers to providers to legislators to Medicaid executives. Some of the skills we would incorporate in our approach to developing communication resources are:

- ▶ **The capacity to generate content tailored to the target audience.** For example, our consultants understand how to generate targeted content to meet the diverse needs of members and the provider community, as well as to state policy makers at the executive or legislative levels.
- ▶ **The ability to generate content quickly and incorporate comments from DCH staff.** Often, we are working within tight deadlines for release of public documents. The EY Team will work to develop high-quality content within the client's requested timeframe. Additionally, before public documents are released, DCH project leadership will have opportunities to review the content. Our consultants are experienced at gathering and consolidating comments into a clean final draft.
- ▶ **The experience necessary to design user-friendly layouts.** The EY Team has a creative services group which we can leverage to enhance documents to focus the reader's attention and deliver the intended message and appropriate conclusions.

Phase Two: 1115 and 1332 Waiver Options Development

Phase Two

We help states align the pursuit of new initiatives with their goals, resources, and priorities. We also help state decision-makers consider the

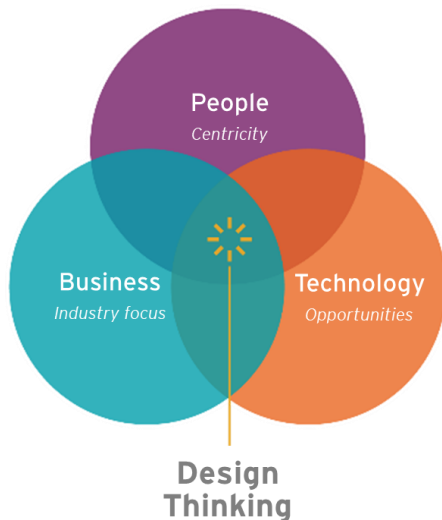
implications of pursuing these ideas, including the effort required, potential political implications, stakeholder concerns, impact on quality and access to care, and budget.

Following completion of the 1115 and 1332, national and Georgia-specific environmental scans, we will reconvene all the project stakeholders - DCH and MAP leadership, Governor's office, representatives from sister agencies and others as identified by the project sponsors to participate in the second wavespace™ session. The purpose of this session is to collectively review and discuss the findings, insights, opportunities and initiate the development of waiver options.

During wavespace™ session II, we will apply the design thinking methodology to facilitate the generation and of options for consideration. The value to DCH is not just our approach (Design Thinking) but the outcome of our approach which will result in a Human Centered Design in which we can execute/implement the path to meet DCH objectives.

We work with states to identify and evaluate options for improved healthcare delivery across multiple programs and populations:

- ▶ Physical and behavioral health
- ▶ Long-term care
- ▶ Home - and community-based services (HCBS)
- ▶ Foster care
- ▶ Dual-eligibles



What is Design Thinking?

A methodology used by designers to **solve complex problems**, and reach to desirable solutions. The methodology places focus on a **creative mindset** rather than being problem-focused, which will help to create **tangible and action-oriented outcomes**.

Design Thinking draws upon logic, imagination, intuition, and systemic reasoning to explore possibilities of what could be—and to create desired outcomes that benefit the end user.

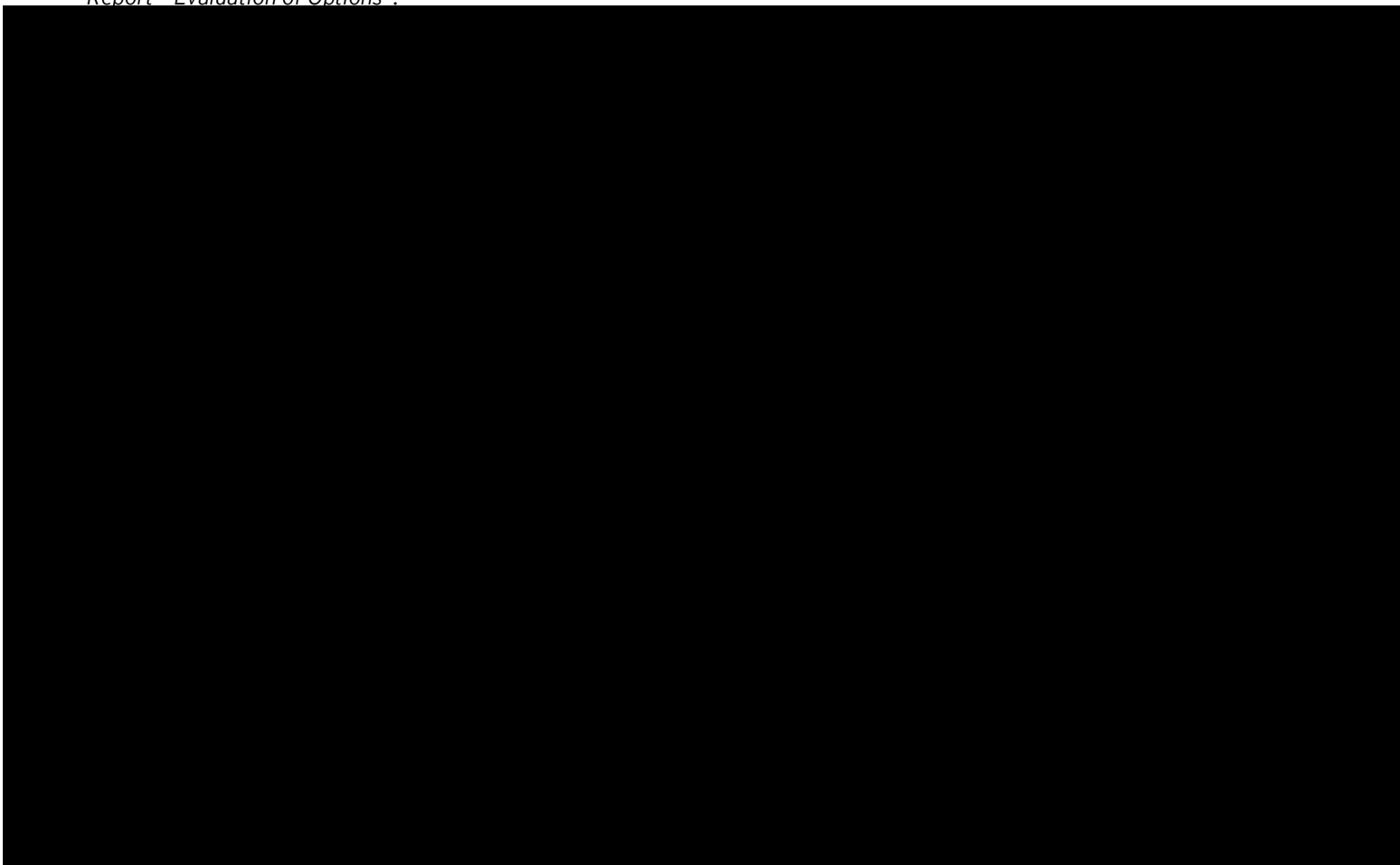
What are the benefits?

By using the fundamentals of design to **enrich customer value** and generate market opportunities, design thinking **embodies people centricity** and the opportunity for technology to address business needs and unlock innovation.

The adoption of design thinking aims to promote greater collaboration amongst teams and supports organizations' innovation agenda

Our work also regularly includes review and iteration with appropriate agency staff, Governor's administrations, the state legislature, or stakeholders. We have worked recently with a number of states to identify and evaluate options, models, and approaches to improving or redesigning care delivery models in their states. We will also employ several tools to aid in the evaluation of these options, including the Kepner-Tregoe model, to objectively evaluate and select ideas. The Kepner-Tregoe Decision Analysis is a structured, step-by-step approach for systematically solving problems. This method is used to quantitatively evaluate the likelihood that identified options will enable DCH to achieve its goals, which we categorize into "musts" (i.e., its non-negotiable needs) and "wants" (i.e., its negotiable needs). Especially when policy decisions may be highly scrutinized by the public, having objective criteria against which options are assessed can demonstrate to stakeholders that DCH's decisions were not made "on a whim."

The screenshot below is an example of the Kepner-Tregoe methodology that we used in our evaluation of delivery system options as part of the Medicaid Redesign Strategy Report we prepared for the State of Georgia. Please note that we include this example since we developed it as part of a publicly available report, *State of Georgia Medicaid Redesign Strategy Report - Evaluation of Options*¹.



We conduct option and decision analyses to help states develop policies most appropriate for their programs, stakeholder community, current political environment, and other factors. We will carefully consider and present waiver options proposed/used in other states, innovative options not considered to date by other states, and other non-waiver innovative options permitted by CMS that complement and work in tandem to strengthen the success of the proposed waiver. Options analysis considers the following:

- ▶ Alignment with state and agency goals
- ▶ Budget impact
- ▶ Implications for quality of and access to care
- ▶ Opportunities to actively enhance patient-physician engagement models
- ▶ Opportunities to actively enhance patient advocacy models
- ▶ Improved patient health and well-being initiatives, design and integration
- ▶ Reinsurance and high-risk pool mechanisms (market-specific and market-wide)

¹ The approach used for this evaluation was modified slightly, at the State's request, to use a two-phased analysis and to evaluate based on the "wants" and not the "musts". Upon request, we can provide a copy of the full, publicly available report, which provides an example of our extensive research, options development and analysis, and recommendations development.

- ▶ Likelihood of federal approvals
- ▶ Potential barriers and other state mitigation strategies to overcome identified barriers
- ▶ Feasibility of agency success in operating the program(s)
- ▶ Political palatability for the Governor's Office, legislators, and other stakeholders

In the event of legislative or other changes impacting the Medicaid program, we will use similar strategic planning, research, and decision-making approaches to support Georgia as it considers or implements changes. We will also schedule regular or ad hoc meetings designed to update you on the status of the project, prioritize the options that best align with Georgia's goals, and if warranted, develop implementation workplans.

As we discuss further in our response to *D.* and *F.*, our team has extensive experience conducting a variety of fiscal, access, and economic impact analyses for healthcare payers, including states and health plans. We routinely project program enrollment, expenditures, provider network capacity, and other factors to determine what policy or program changes may be needed to improve these factors.

As DCH's actuary, Navigant develops actuarially sound CMO capitation rates for Georgia, including the development of data book and CMS certifications covering TANF, BCC, CHIP, foster care, and special waiver populations. This includes separate capitation rates developed for the brokers participating in the Medicaid non-emergency medical transportation (NEMT) program. We also conduct an annual analysis of Incurred but not Reported (IBNR) payments for the entire Medicaid program (both FFS and managed care), which allows the state to better budget future Medicaid expenses. Navigant actuaries developed quality withhold program and evaluated reasonably achievable thresholds in accordance with the managed care rule and have analyzed the impact of auto assignment changes on health risk status between CMOs through development of risk scores. Our models have used a combination of health risk status, utilization patterns, and socio-economic factors to develop a list of ABD members who could benefit from intensive medical coordination and Medical Homes. We have also assisted with CMO PBM procurements, and value-based purchasing support. Other ad hoc projects included an analysis of block grant and per capita scenarios as part of potential health reform in the most recent Congress, as well as successful implementation of risk adjustment for all major rate cells in the MCO rate development process. In addition, to the core capitation rate development and ad hoc actuarial work, we routinely respond to the requests from DCH that are driven by the legislature, advocacy groups, or providers where actuarial modeling is needed to develop a fiscal impact analysis report.

Navigant serves as DCH's actuary, which will provide seamless, unique insight into Georgia's unique healthcare market, population demographics, and other factors that will be critical in developing comprehensive options assessments.

Having assisted both Georgia and other state clients in program design, we recognize the importance of modeling programs that are resilient to some of the most high-cost populations. Our underlying analytics and history with Georgia's programs coupled with our deep understanding of the national markets for these expansion populations allows us to carefully consider and propose high-risk pools and reinsurance structures to safeguard against catastrophic loss and to allow CMO partners to thrive in serving the proposed expansion population. We know these individuals often have forgone health services to address other household income needs such as childcare, transportation, housing, and nutrition. Those in this expansion category often seek urgent or emergent care in lieu of preventive services. As such, it is important to appreciate there may be a host of underlying, undiagnosed health conditions to account for in our modeling and projections. Likewise, expectations of initial utilization patterns biased towards emergency room rates will be expected as the program works towards achieving a steadier state of managed care. Our fiscal and actuarial models will carefully consider such trend and forecast data to support long-term sustainability.

In addition to our Georgia work, our national experience will help inform analysis and projection findings, which in turn will help DCH determine appropriate waiver options for consideration:

- ▶ Our Navigant actuaries have developed a proprietary Payment and Network Transformation tool that can evaluate cost trends and simulate future state financial scenarios. We use this tool to assist payers and providers in the evaluation of provider performance relative to local, regional, and national benchmarks; it also allows providers and payers to measure and track cost and utilization performance.
- ▶ We recognize the significance and importance of recent payment model innovations, including the application of models to identify healthcare-related preventable events. Our extensive payment policy and clinical experience with public and commercial payers and with hospital providers nationally, will

Our team of actuaries and policy staff has extensive experience providing states with structured and/or ad hoc actuarial, financial, and healthcare quality and access analyses that adapt to changing regulatory and reimbursement environments.

allow us to help DCH identify potential waiver impacts on hospital, physician, behavioral health, long-term care, and other payments.

- ▶ We conduct financial forecasting and modeling, and infrastructure budget development for provider sponsored organizations, bundled payment programs, commercial, Medicare and Medicaid ACOs, and other capitation arrangements for both payers and providers
- ▶ Our team has experience designing, implementing, and managing State-sponsored high-risk pools. One of our key team members, Russ Ackerman, served as a leader of the actuarial committee for the Minnesota Comprehensive Health Association (MCHA) board for many years in his capacity as chief actuary for the MCO that the State contracted with to be its administrative services only (ASO) administrator for this high-risk pool. He was involved in all operations, plan design, reserving, solvency, and stakeholder communications for MCHA. He has also written position papers to Congressional Budget Office (CBO) and Presidential transition team for possible ways of integrating high risk pools with Medicaid programs and/or marketplace options via waiver approaches. Opportunities include innovations such as Medicaid premium buy-in of high risk members. An example of a state that has had past direct integration of high risk pools with Medicaid programs is Navigant's current client, Tennessee's TennCare program.
- ▶ Our actuarial team understands the marketplace and all actuarial considerations for how reinsurance has been and could further be integrated via waivers as marketplace opportunities. For example, Russ Ackerman has also directly led reinsurance programs in his prior capacity as chief actuary for an MCO.
- ▶ We develop claims-based and risk-adjusted P4P, bundled payment and ACO reports that include care gap identification, utilization opportunity identification, claims expenditures compared to baseline cost/shared savings targets, quality measure reporting and utilization cost and trends by disease, service category, care setting, physician and care transition (pre-hospitalization, hospitalization, post-acute care, preventive care).

Finally, we conduct healthcare cost trending analytics designed to identify trend drivers and quantify the impact of price, utilization, provider mix, and service mix on cost trends. We use analytics (actuarial methodologies and customized dashboard development) to alter assumptions and project future healthcare expenditures.

Phase Three: 1115 and 1332 Waiver Application Development

Phase Three

Once waiver options are approved, we will work with State leadership to develop an implementation workplan. Our implementation workplans will consist of detailed steps for each work stream needed to address the change. For example, we recently helped Nevada in evaluating various Medicaid reform options as cited by Kaiser Family Foundation (KFF). We have assisted other states in responding to their state legislation and related impacts to their current programs and operations. For these states, we provided a complete, comprehensive workplan for changes needed in each of the following areas:

- ▶ Waiver and State Plan Amendments
- ▶ Rule Changes
- ▶ Contract Changes
- ▶ Implementation Advanced Planning Documents (IAPDs)
- ▶ Medicaid Management Information System (MMIS) Changes
- ▶ Operational and Infrastructure Changes
- ▶ Stakeholder Engagement and Provider Education
- ▶ Legislative Support

We help you navigate through what can be a complicated approval process, so that you gain the federal approvals you need to implement your program and achieve DCH transformation goals and objectives.

Developing Federal Authority Documents

For state Medicaid programs, one of the critical activities for policy and program implementation is developing and receiving Centers for Medicare and Medicaid Services (CMS) approval of relevant federal authority documents. Our team will support your program implementation efforts by working with you hand-in-hand, from the initial program and policy design period until the time you receive the required federal approvals. To assist you in securing federal approval for your program, we will start by understanding what it is you wish to implement, the intended objectives, and the desired timing of implementation. We will provide strategic direction on how to frame the program or initiative in a manner that is most likely to achieve federal approval. We recommend first engaging CMS during the program design phase, so that CMS is aware of the upcoming requests. For instance, we can assist you to develop a concept paper to share with CMS and other stakeholders to set the stage and seek preliminary input.

Today, states have more federal authority vehicles from which to choose. While not all requests can be approved through more than one federal authority (e.g., only Section 1115 waivers can be used for certain expenditure authorities), when more than one option exists, states should strategically choose the federal authority that best supports their program objectives and minimizes onerous ongoing reporting and renewal requirements. Because we are familiar with the advantages and disadvantages of various options and how they translate to the need for up-front and ongoing state resources, we will advise you on the recommended approach. Further, CMS now has multiple options for a given federal authority (e.g., escalated review, expedited review, fast track). We will help you decipher these approaches so that you select the one that best meets your needs and leads to timely approval.

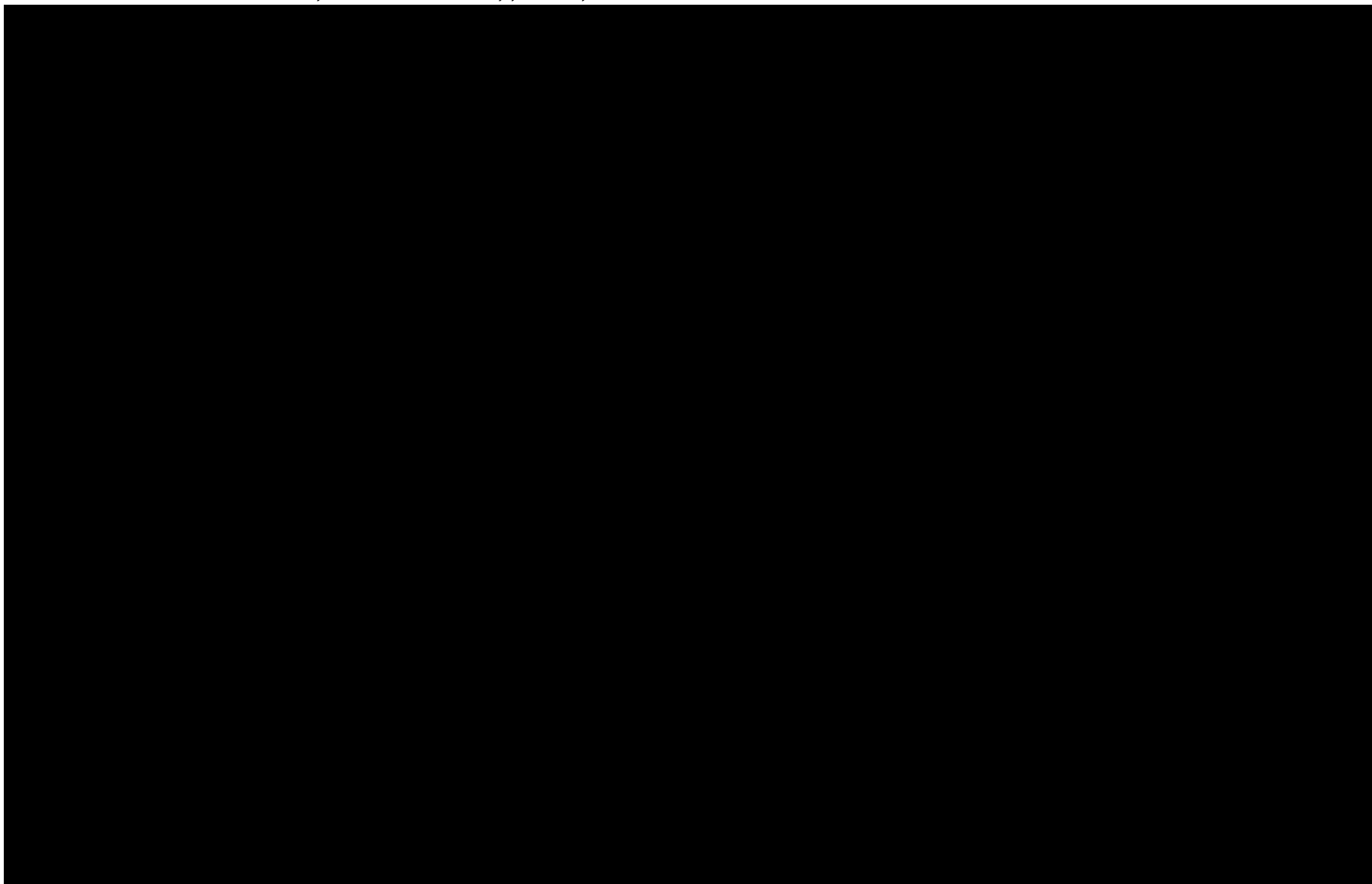
Once the federal authority document is identified, our team will support you in drafting the waiver application or state plan amendment. If a public comment process is required, we will develop the required notices, presentations for public forums, and assist in cataloguing and responding to public comments. Even if a public comment period is not required, it is still important to have a stakeholder engagement strategy, and we will use our stakeholder engagement toolbox to support these efforts.

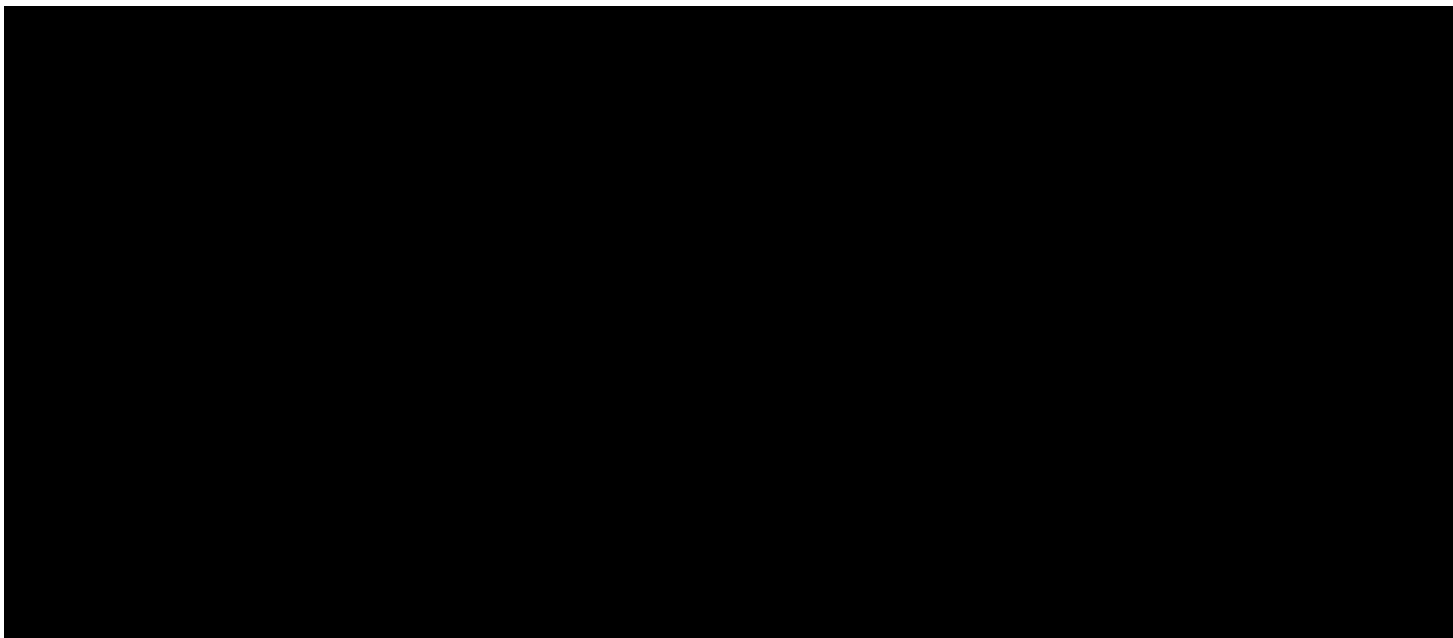
Following a public comment process, we recommend any changes to incorporate into the federal authority document based on the comments received and will document the public comment efforts for submission to CMS. As part of the approval process for Section 1115 demonstration waivers, for example, we will also assist in drafting language for and negotiating Special Terms and Conditions.

Throughout the entire process, our team supports you in your communications and negotiations with CMS. Our team has strong relationships with CMS staff and we are experienced in navigating our state clients through the waiver and state plan amendment process. We anticipate questions and documentation requests that CMS will require, and will help you to proactively address them to minimize delays in the process. Examples of the support we will provide throughout the process includes:

- ▶ Suggesting agenda items for the CMS calls to keep the negotiations on track and support efficient meetings
- ▶ Supporting you in developing responses to questions from CMS, as well as other federal agencies, such as the Office of Management and Budgets and the Agency for Healthcare Quality and Research
- ▶ Conducting research on topics that arise as part of the negotiation process
- ▶ Tracking follow-up items identified during communications with CMS, both for the State and CMS

Our goal is to help you receive the required federal approval, so that you can implement your program or initiative on time. Figure 5 is a Federal Authority checklist for the key elements of the implementation workplan that we employ with our clients to track critical steps in the federal approval process.





Program and Policy Evaluation

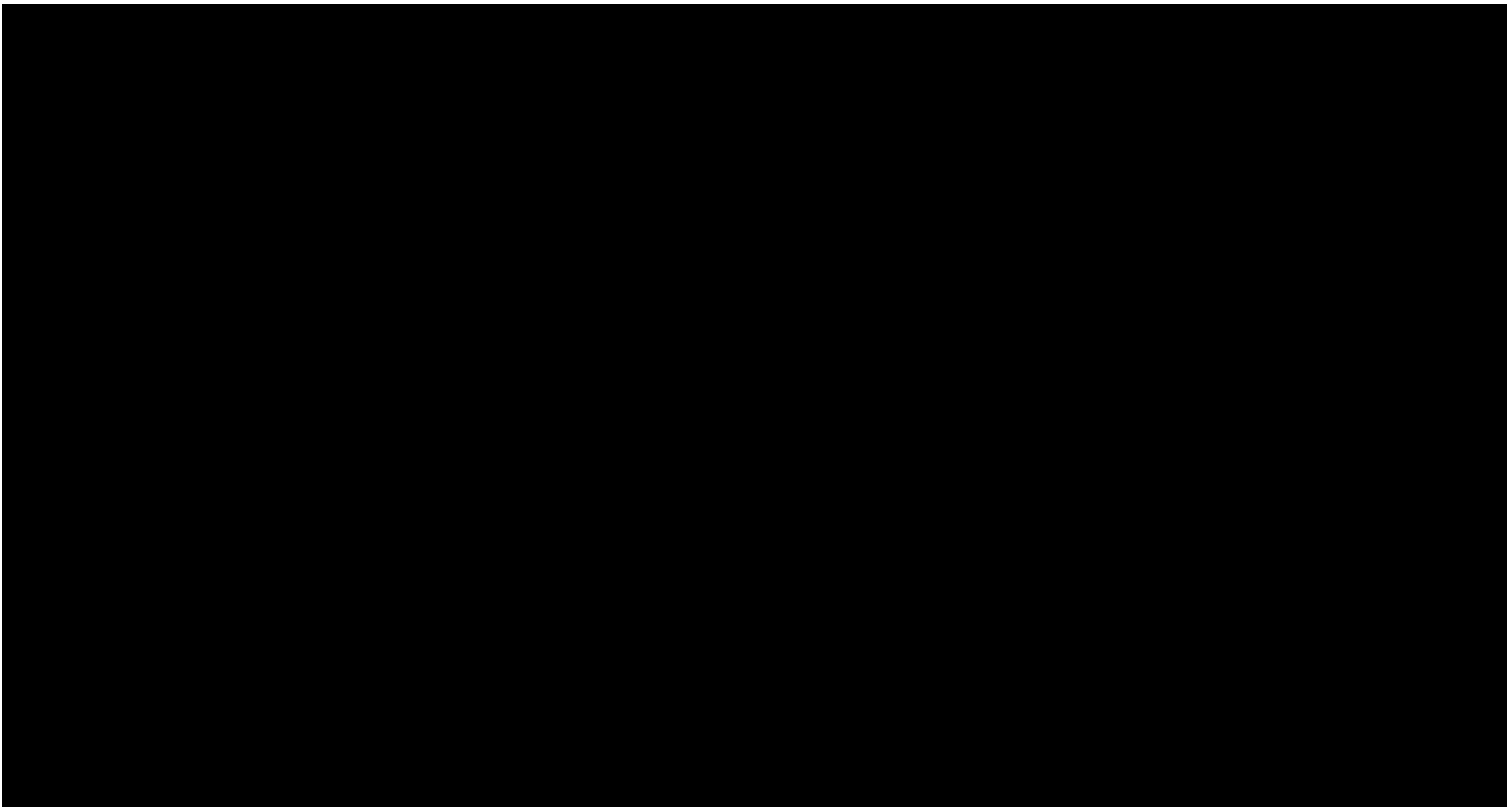
Along with program strategy and design, program evaluation is a critical component when planning healthcare program changes. States, other payers, plans, and providers must be able to account for fiscal and policy decisions to justify their program expenditures, often answering to the Federal government, state legislatures, taxpayers, and consumers. Program evaluations provide the necessary analysis to support and guide these decisions.

Our approach establishes an evaluation framework that is inclusive of a program's strategy and design so that we consider the entire picture. We assess whether a program is meeting expectations and where improvements can be made. We employ the full range of study designs - from exploratory case studies to large-scale studies using multi-variate statistical methods. We have conducted these evaluations at the behest of state legislators, for Medicaid agencies and to comply with Federal waiver requirements, and tailor our approach accordingly. Evaluations can vary from complex statistical analyses to consumer survey findings, but for any analysis the information must be reliable and answer the questions about the program's performance.

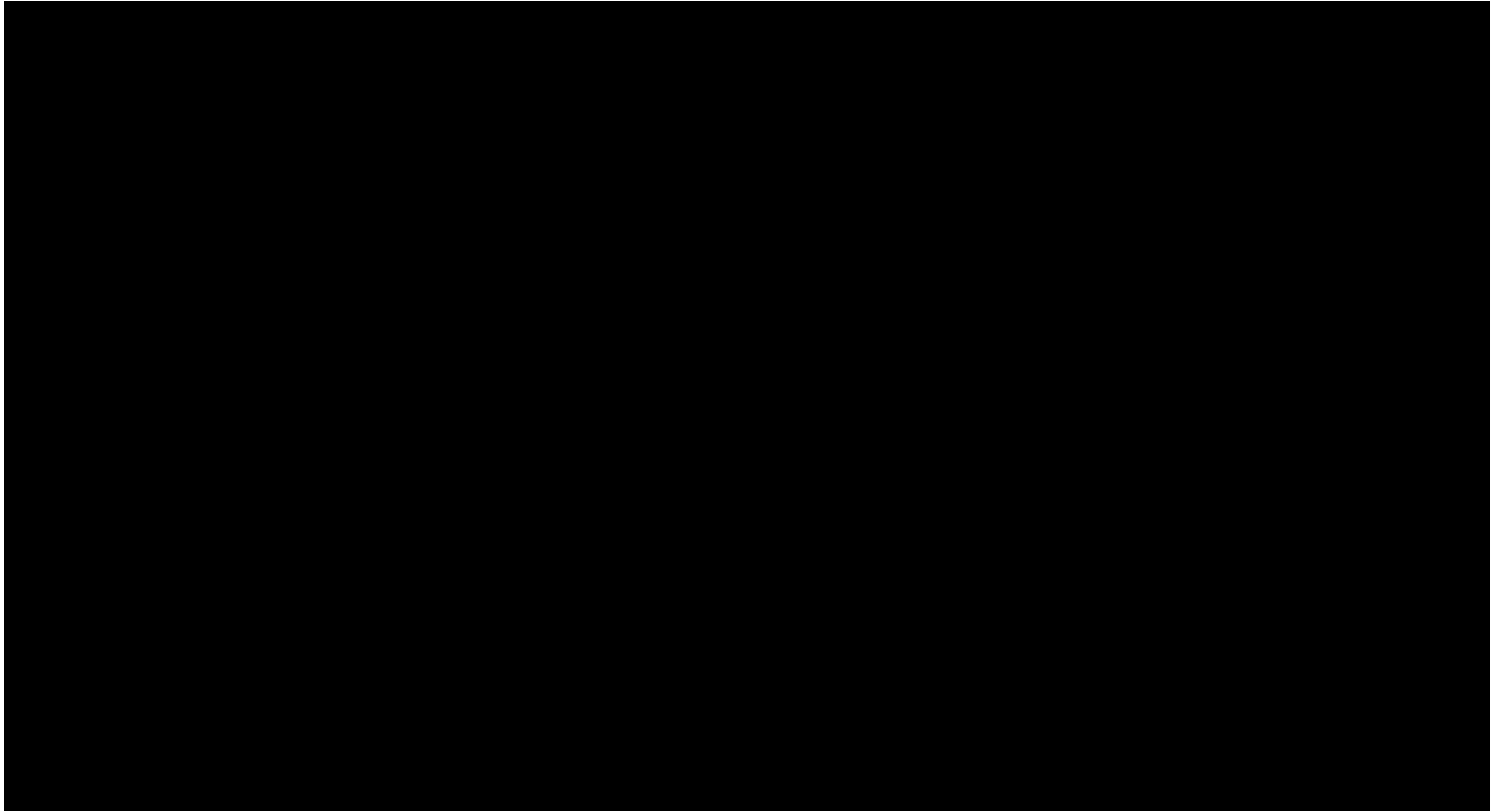
Our team

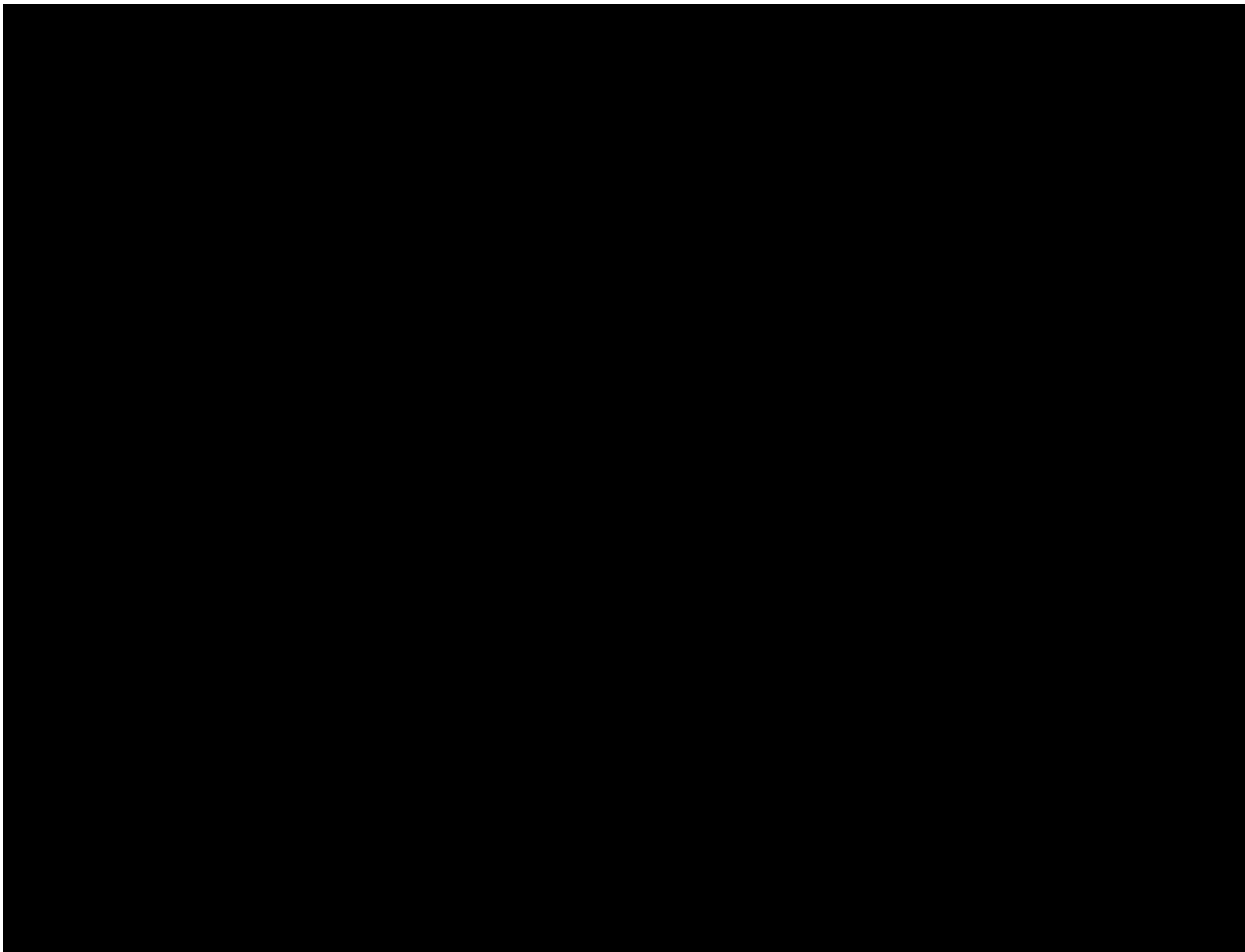
A team has been hand-selected for the State of Georgia to meet all your requirements and expectations. We leverage our local resources (40% of collective team members are in Atlanta) and capabilities, when appropriate, which helps expand quality and leads to work that is grounded in local knowledge. You will also have access to our subject-matter resources (SMRs), who will be leveraged to act as advisors on the engagement. Our SMRs bring an added depth of skills to the core team to confirm you receive superior levels of service, knowledge and results. Our experience includes strong subject-matter resources, research and analytical capabilities and relevant insights that drive actionable recommendations. We are diverse and complementary. Our team includes multidisciplinary capabilities to deliver a full range of services required to address your needs.

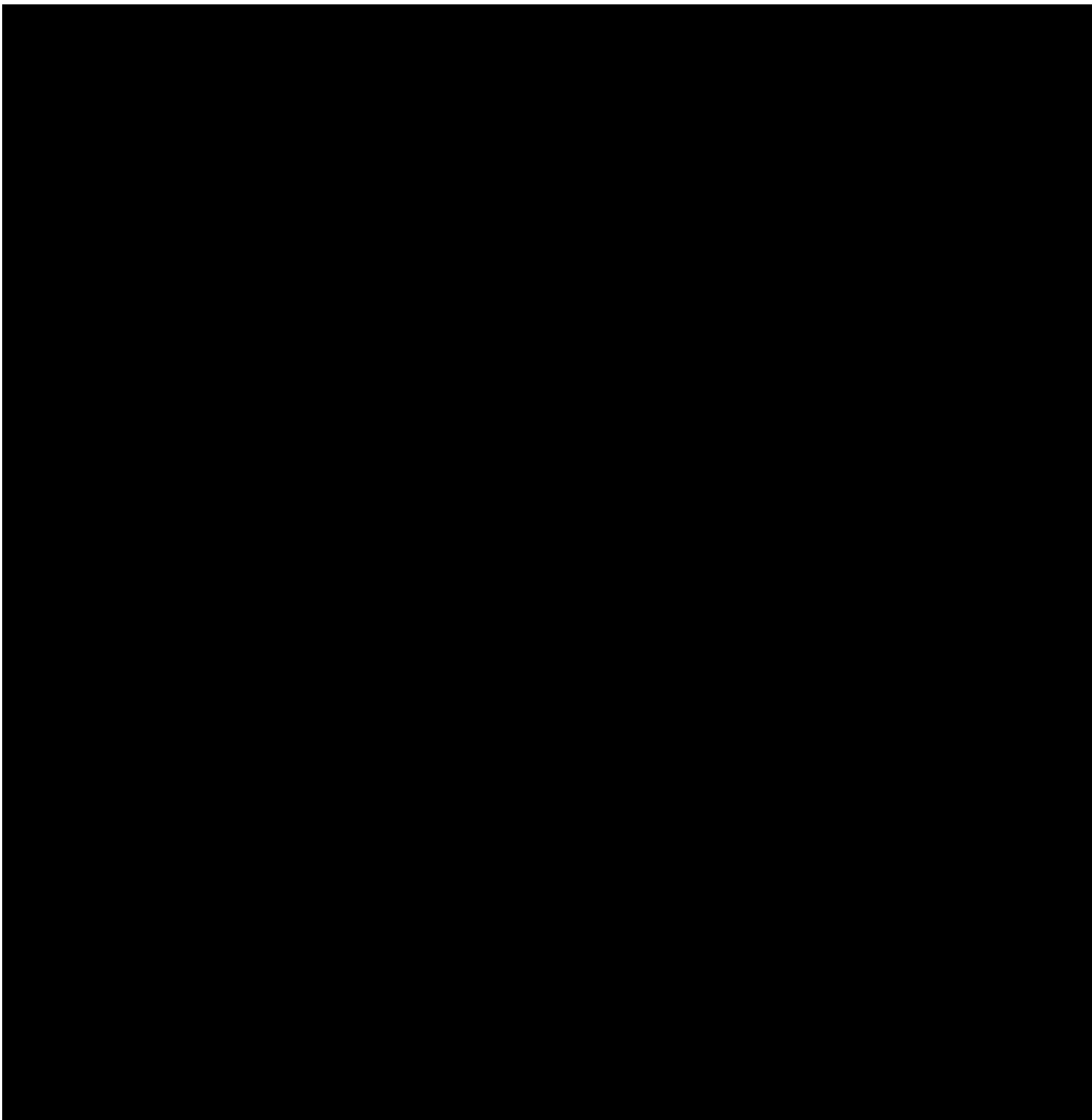
Below is our proposed organizational chart for the Medicaid 1115 and 1332 Waiver Project.

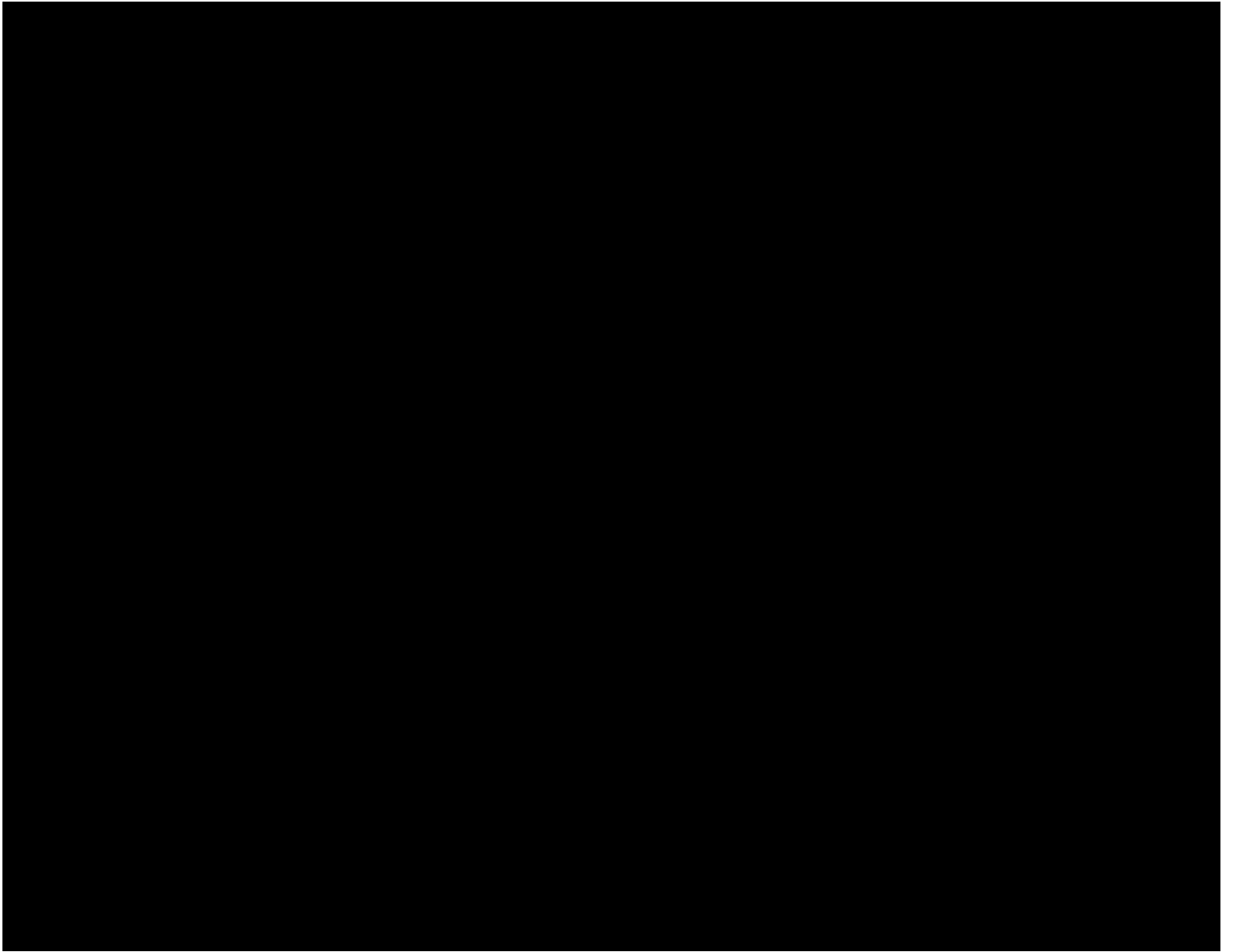


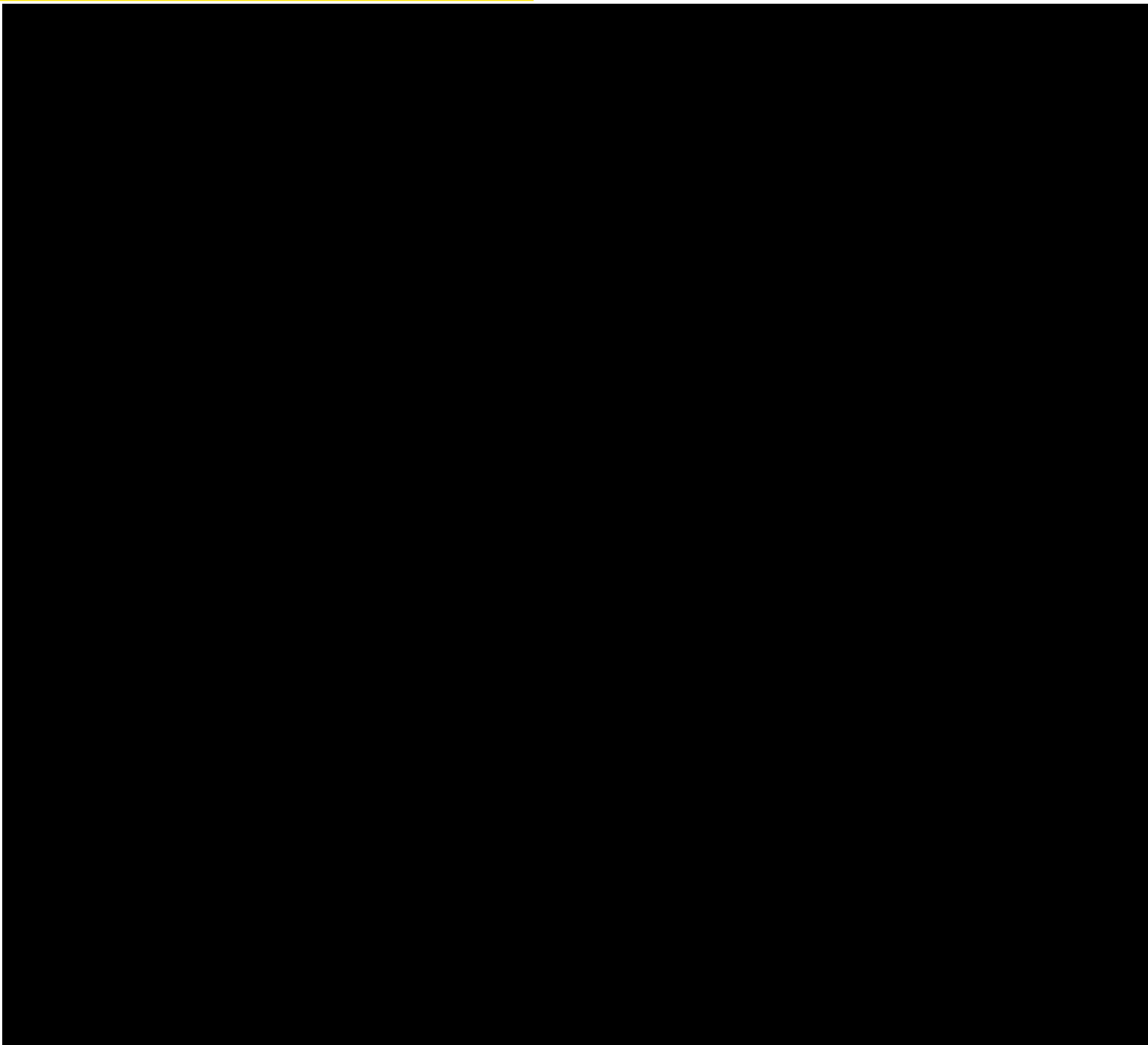
Key Personnel

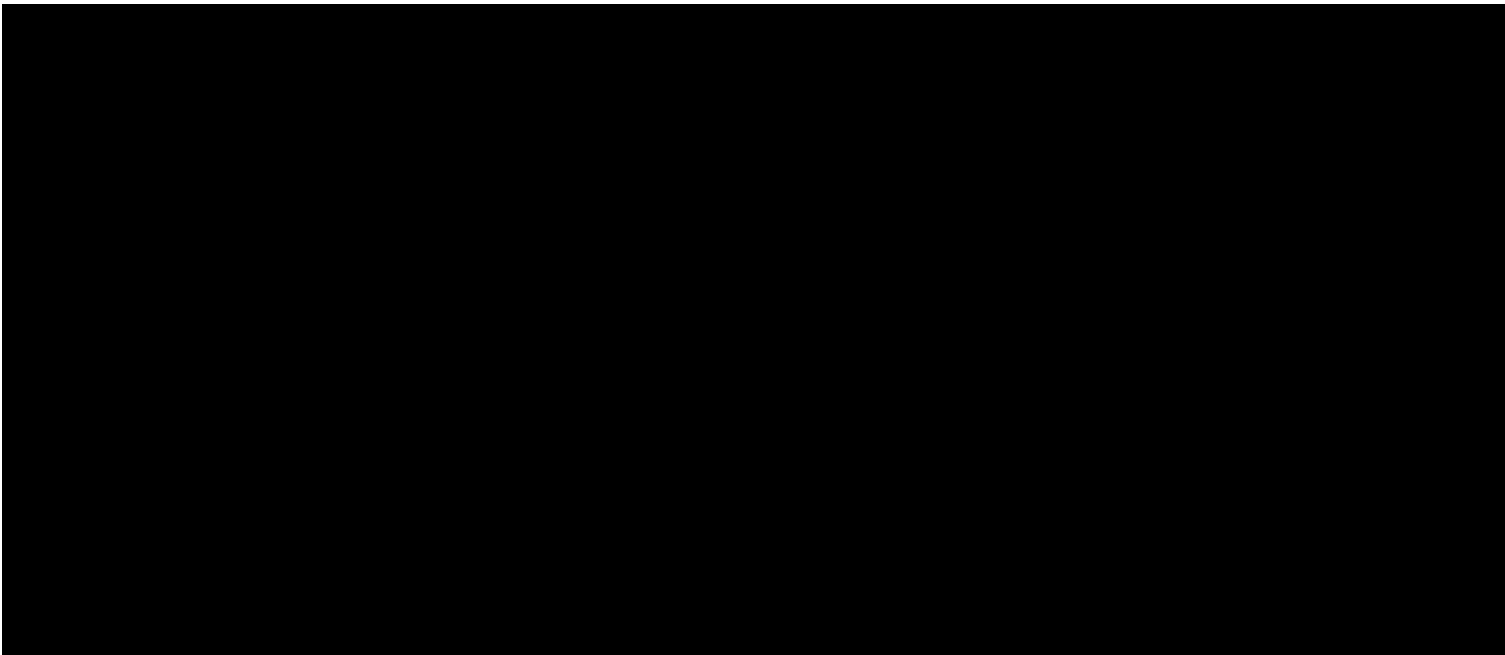


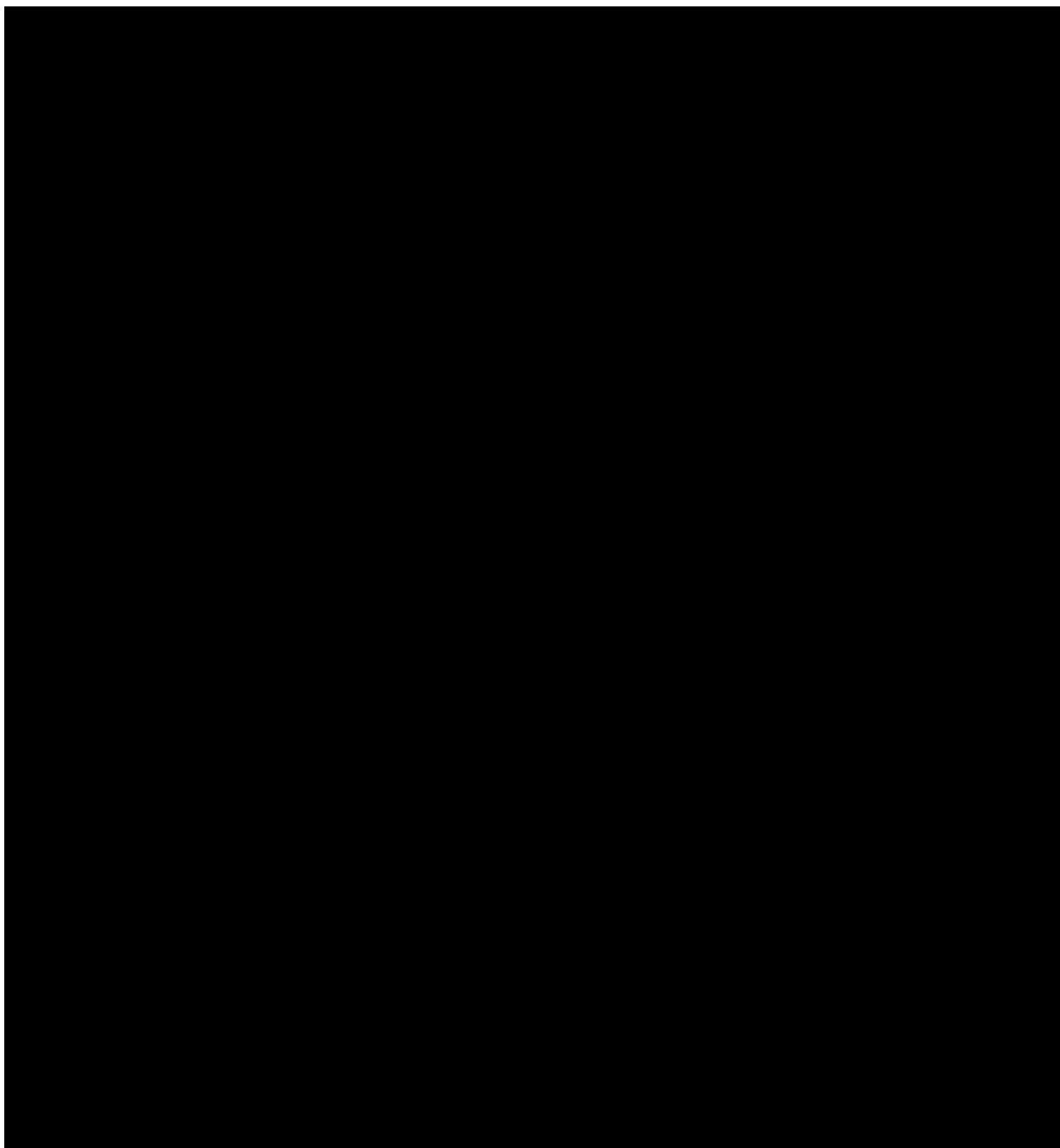


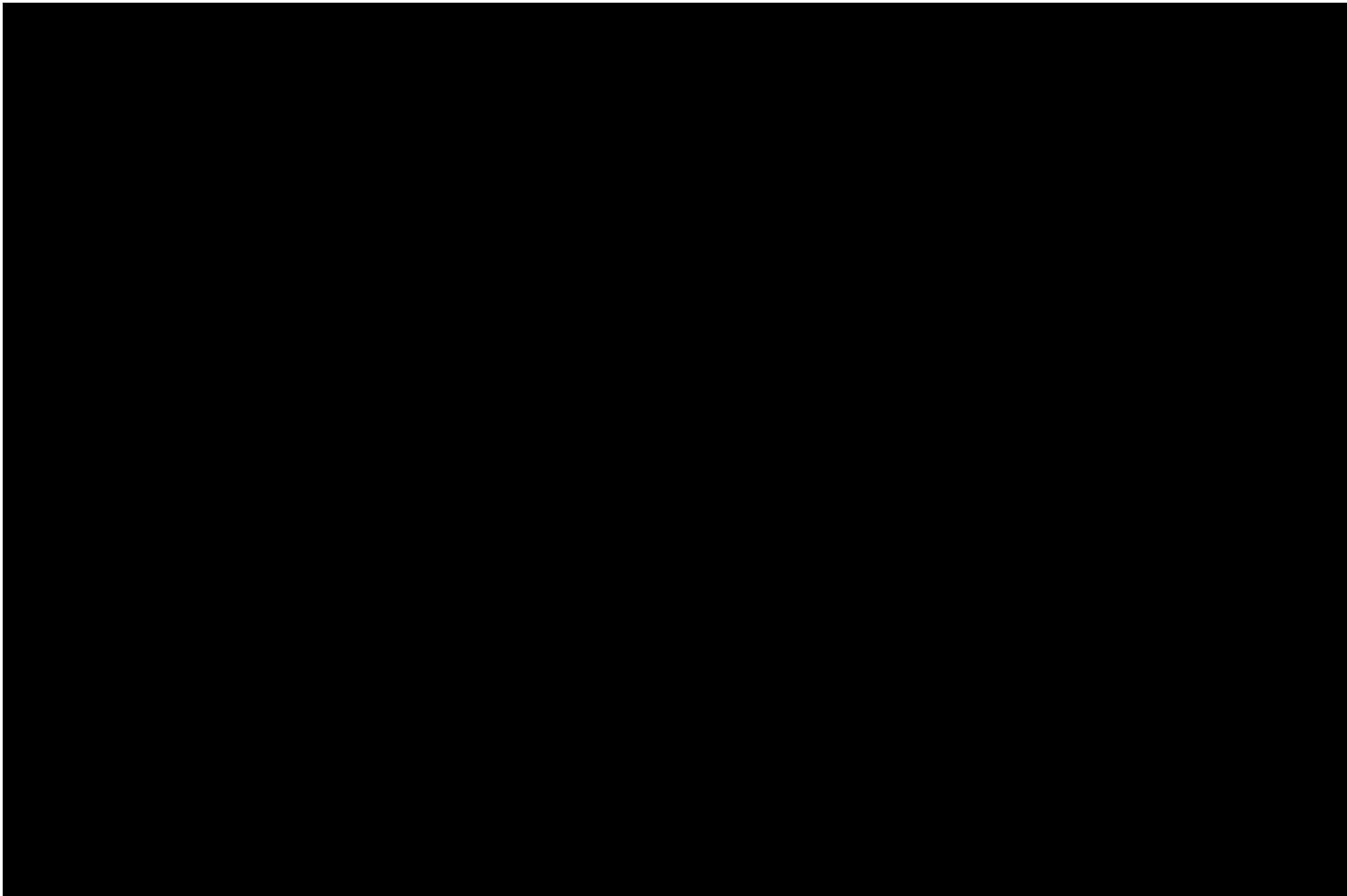


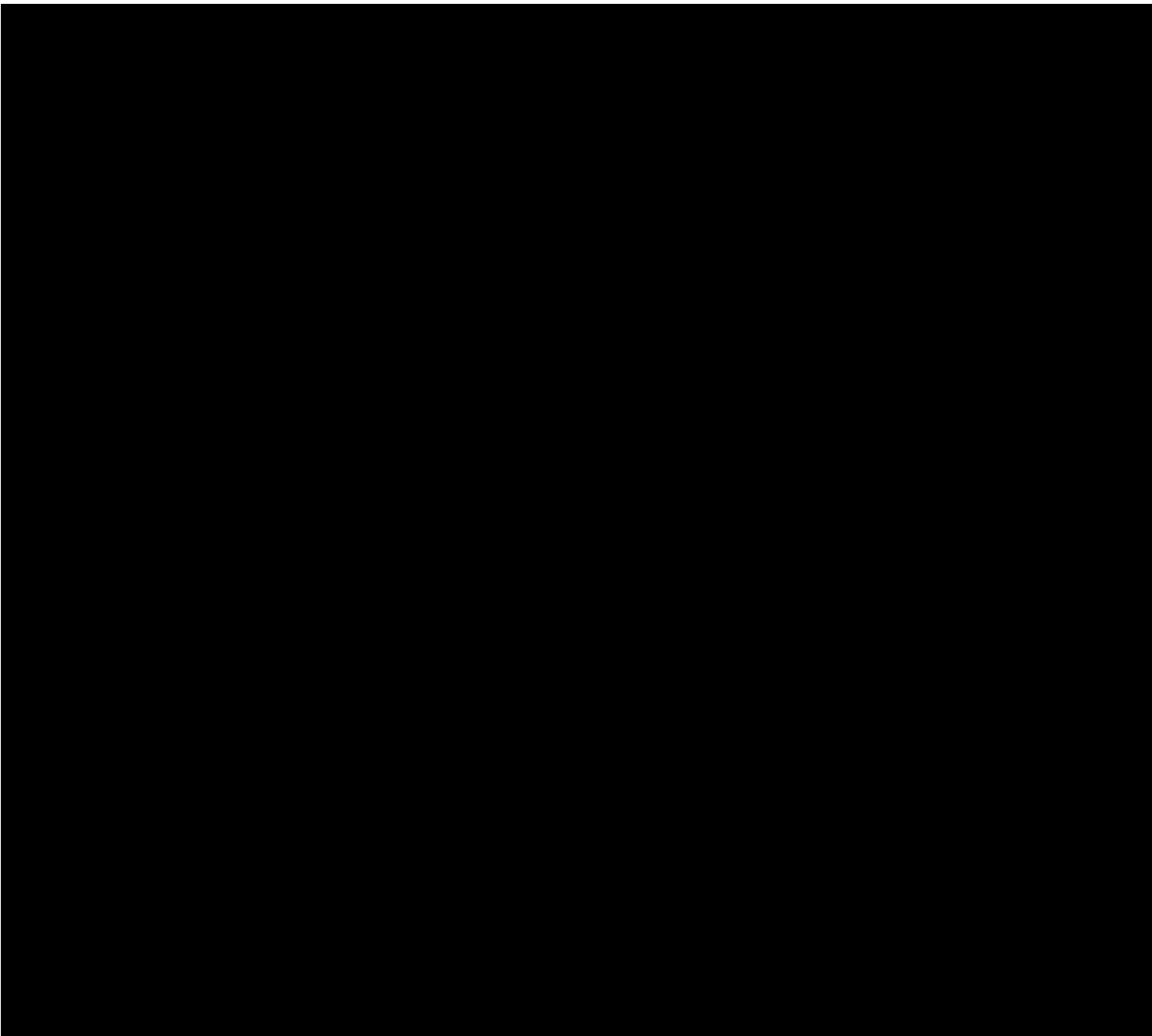


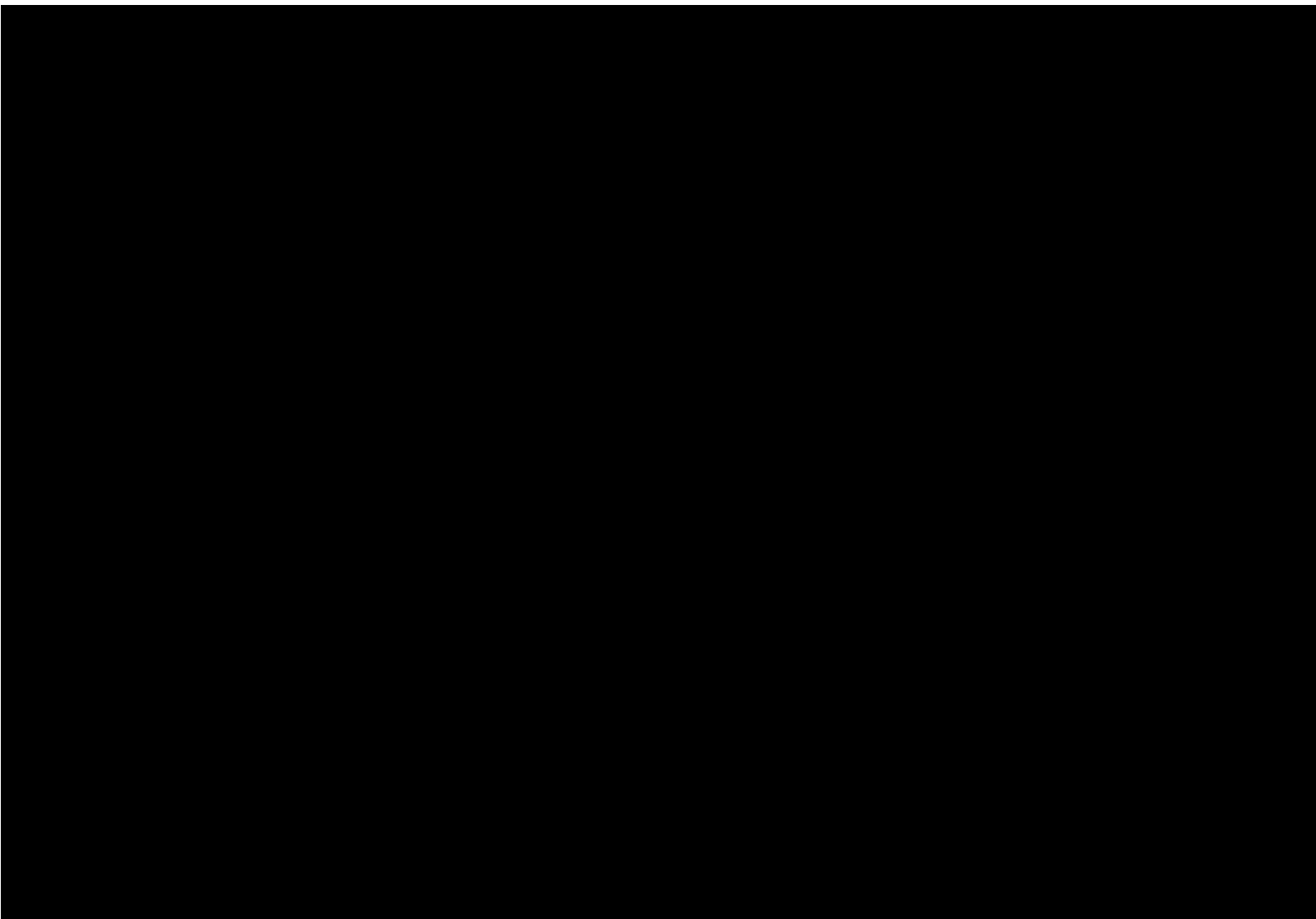


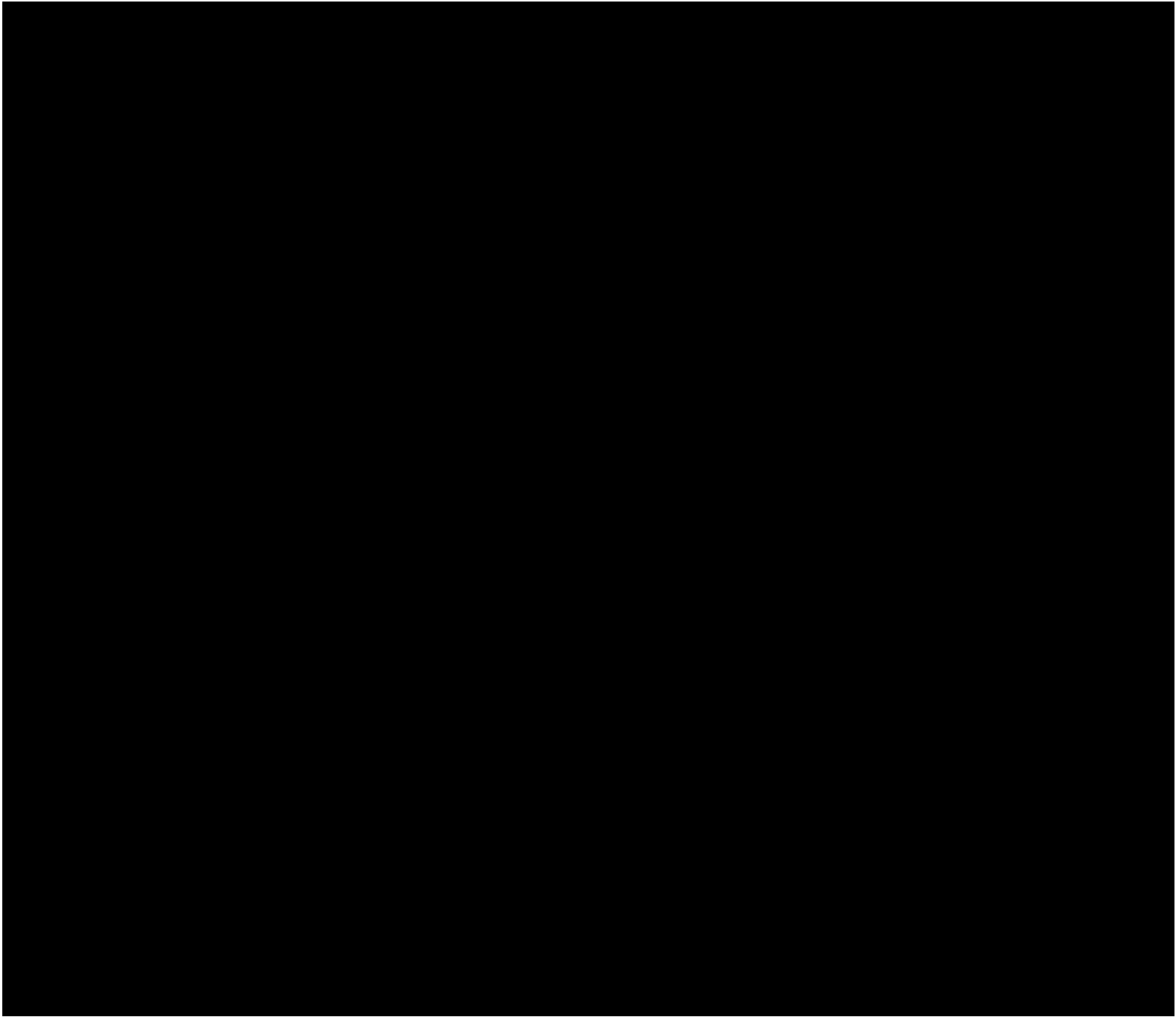


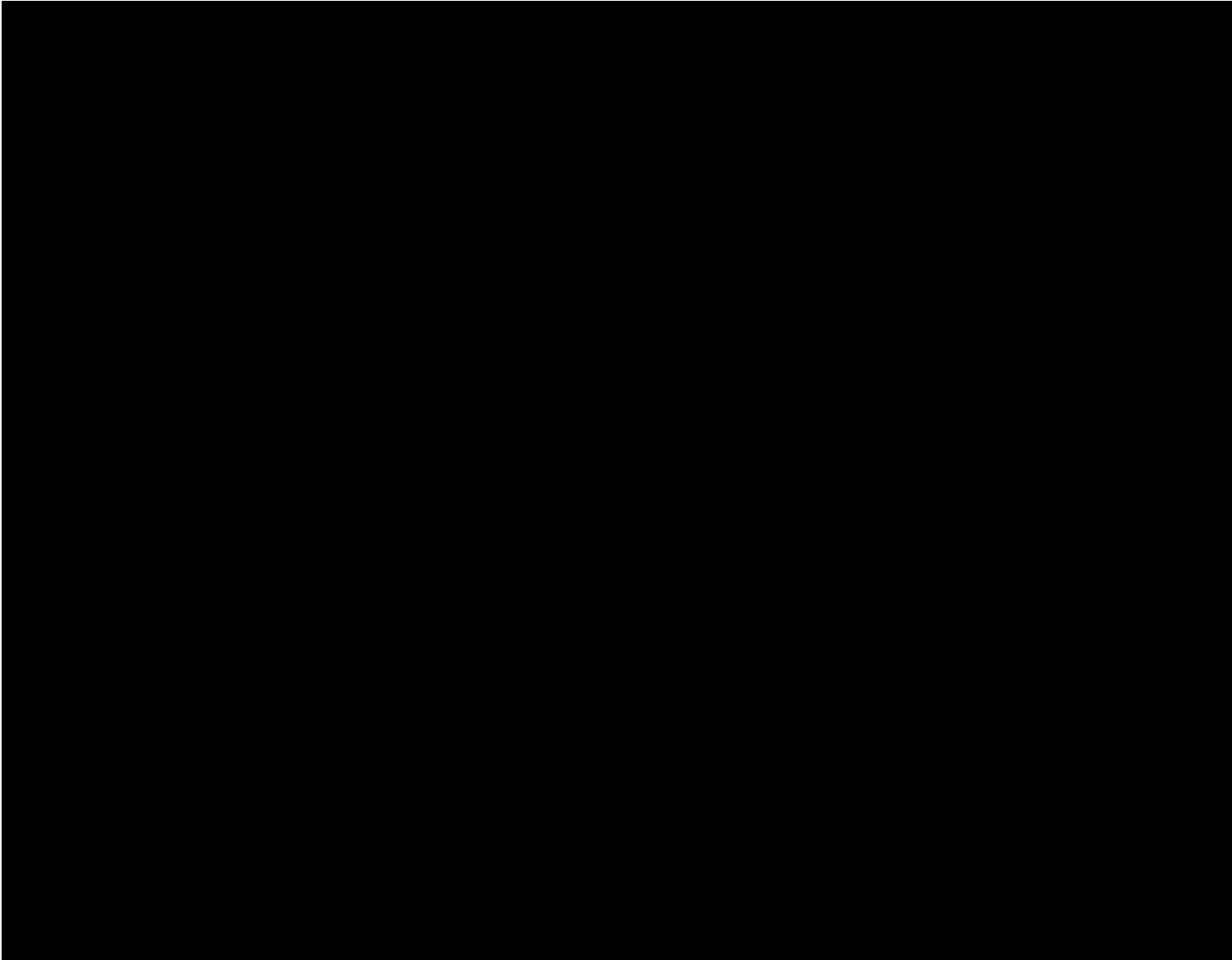


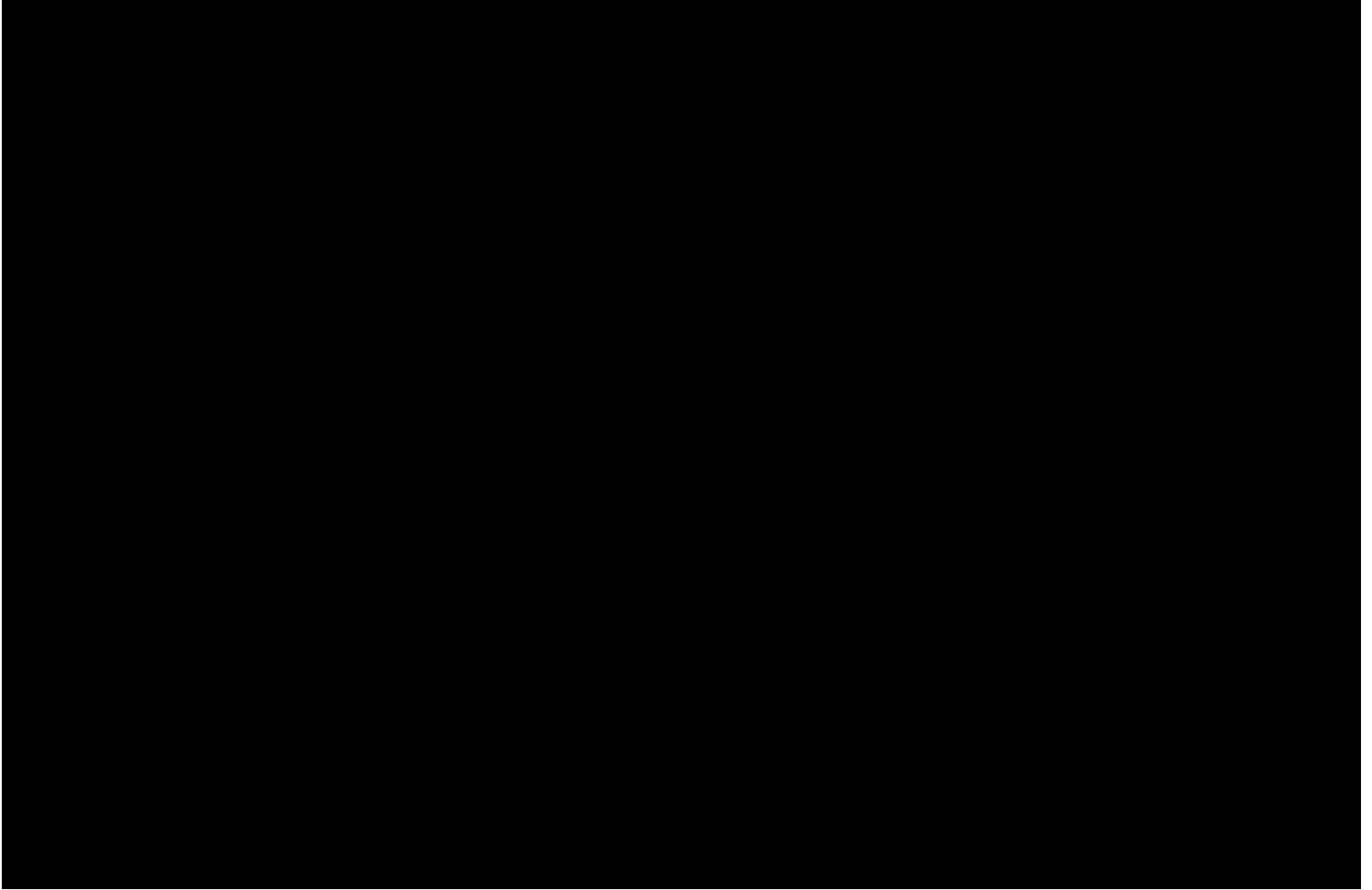


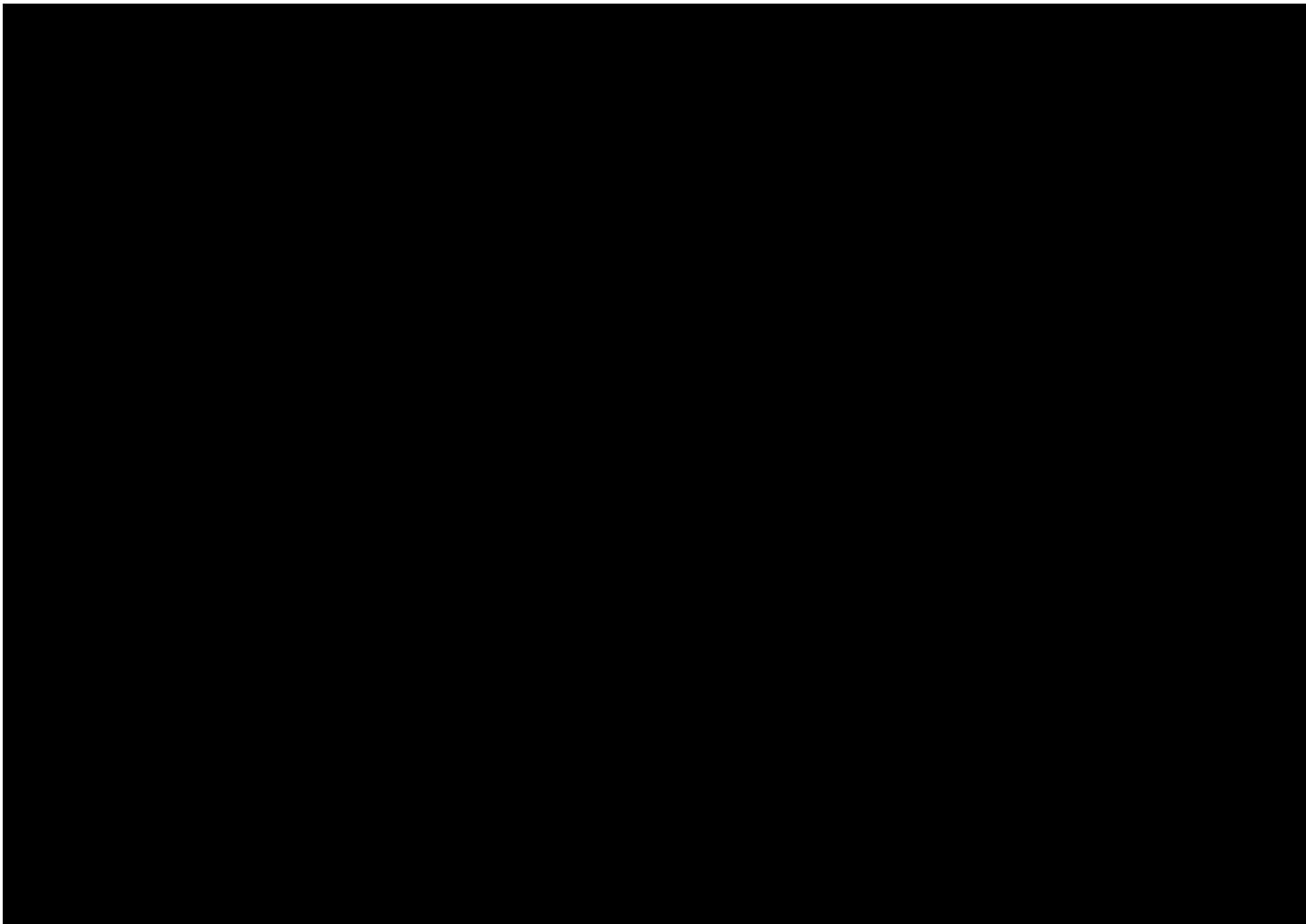


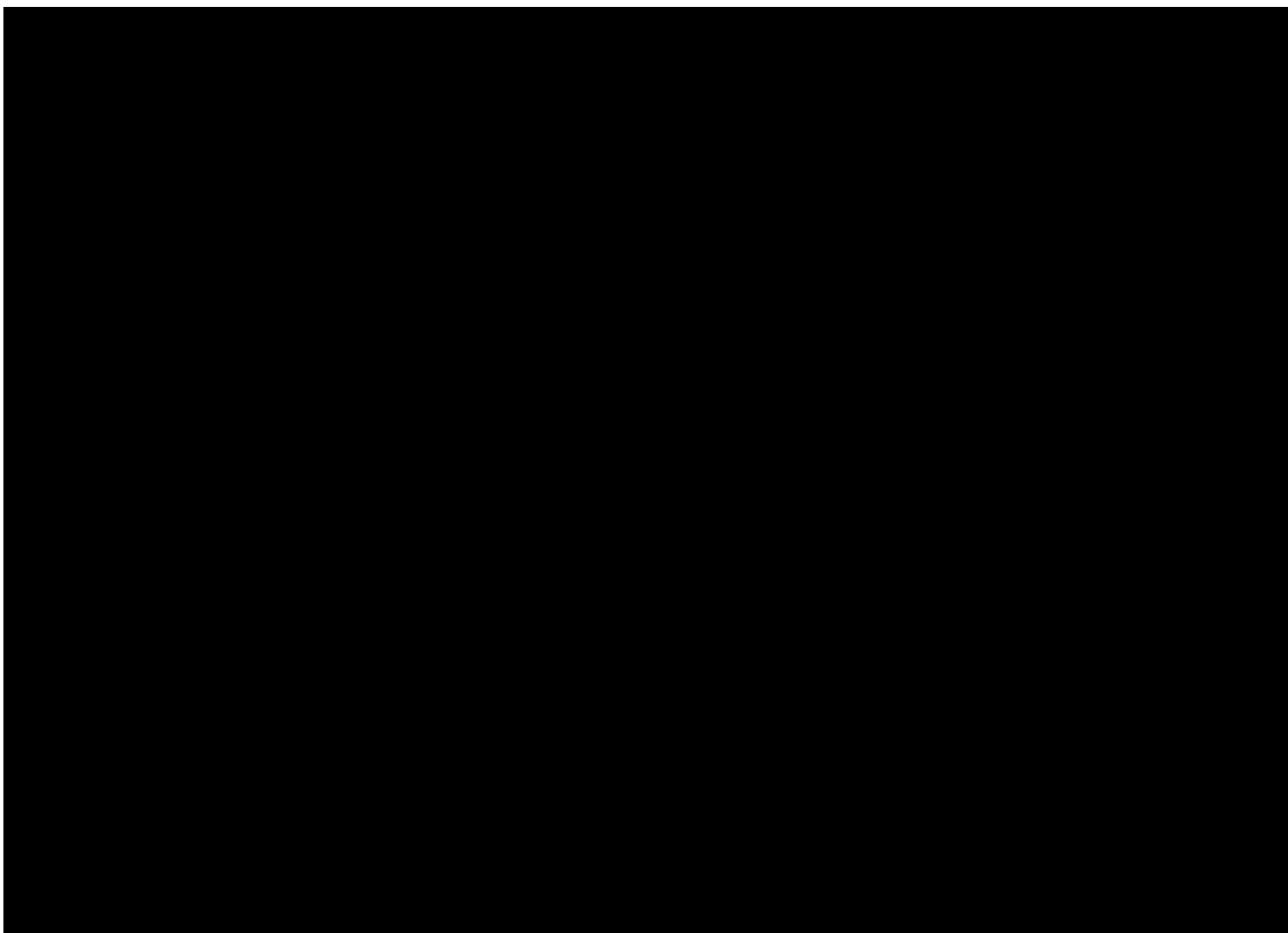






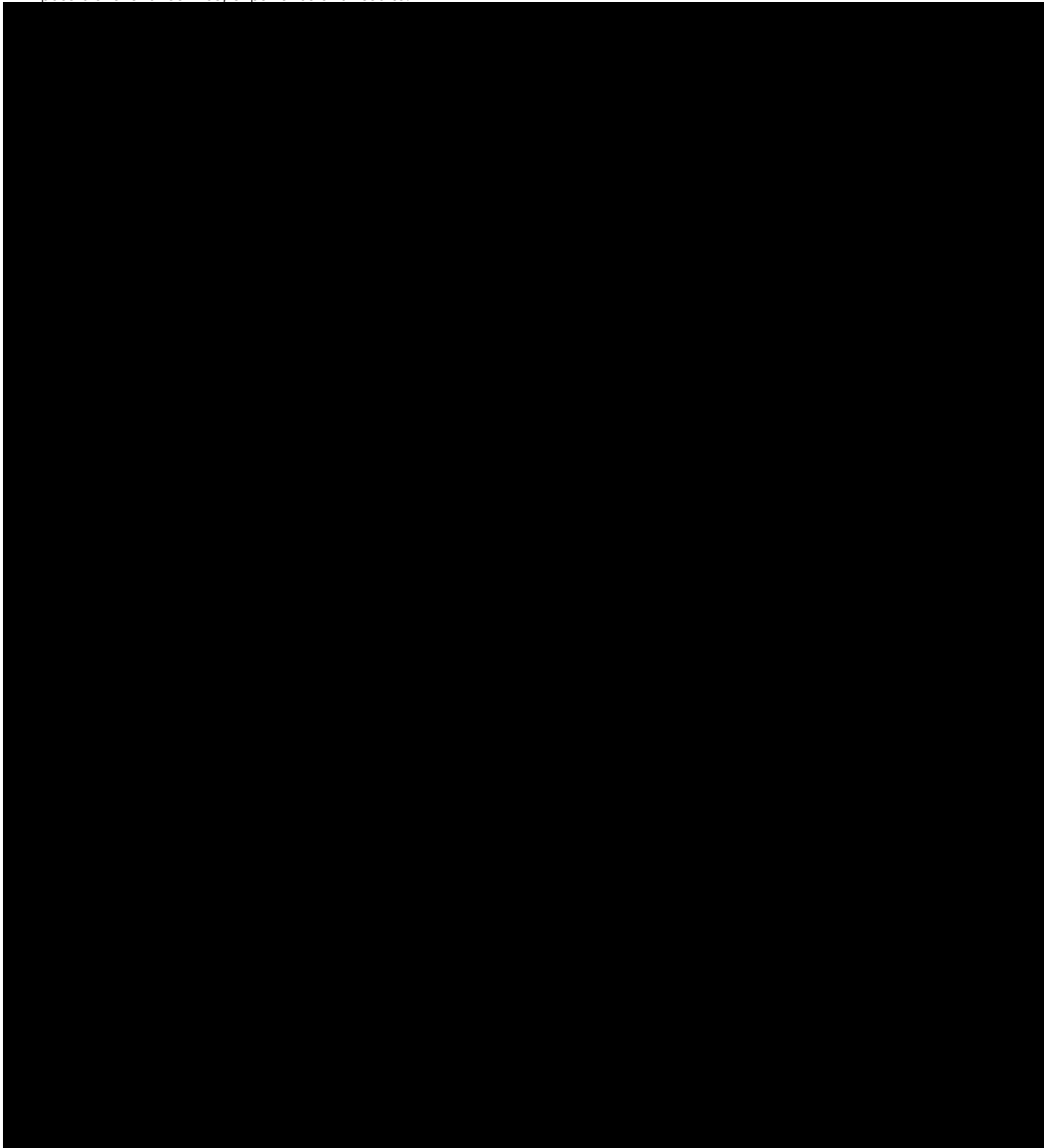


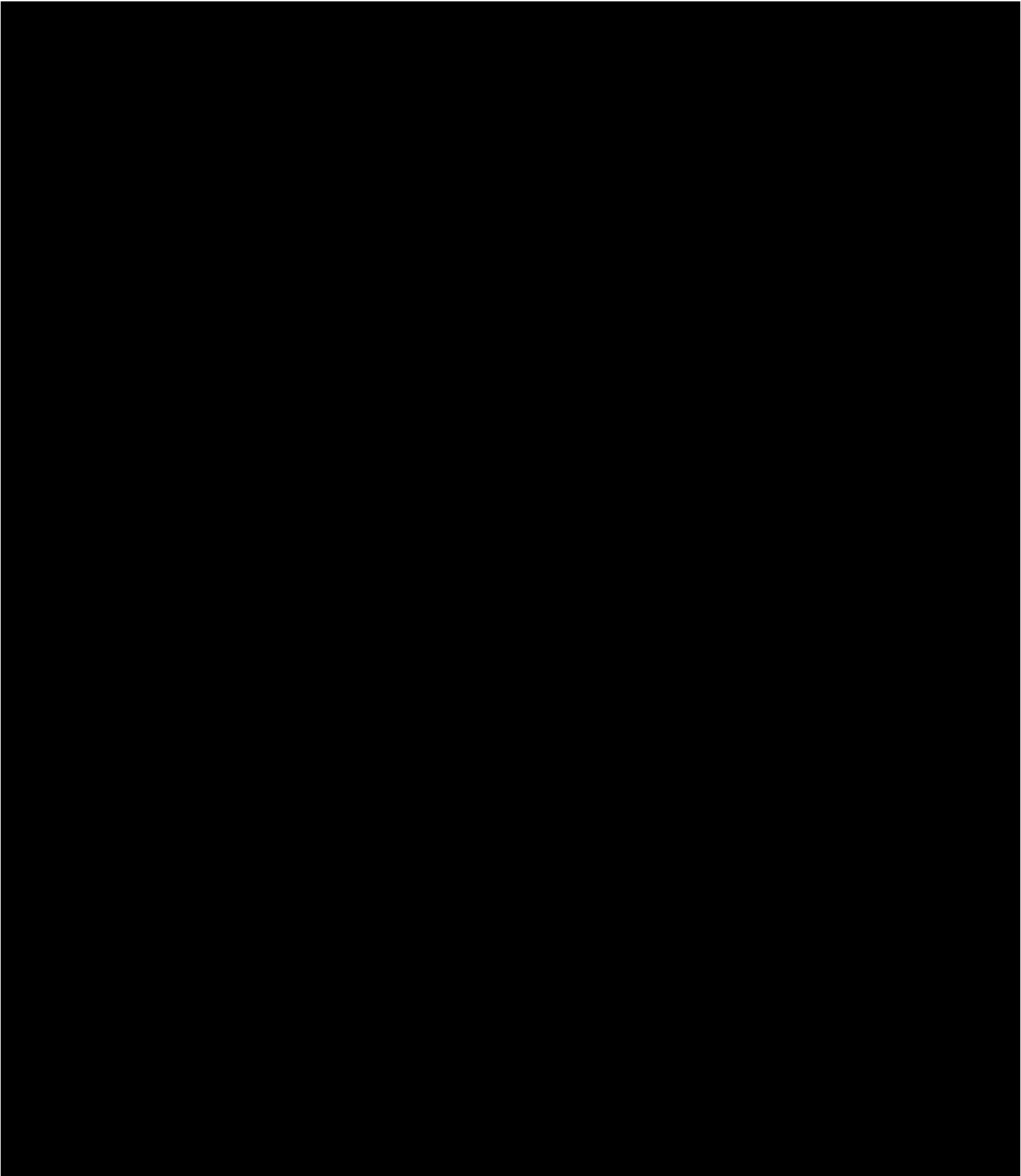


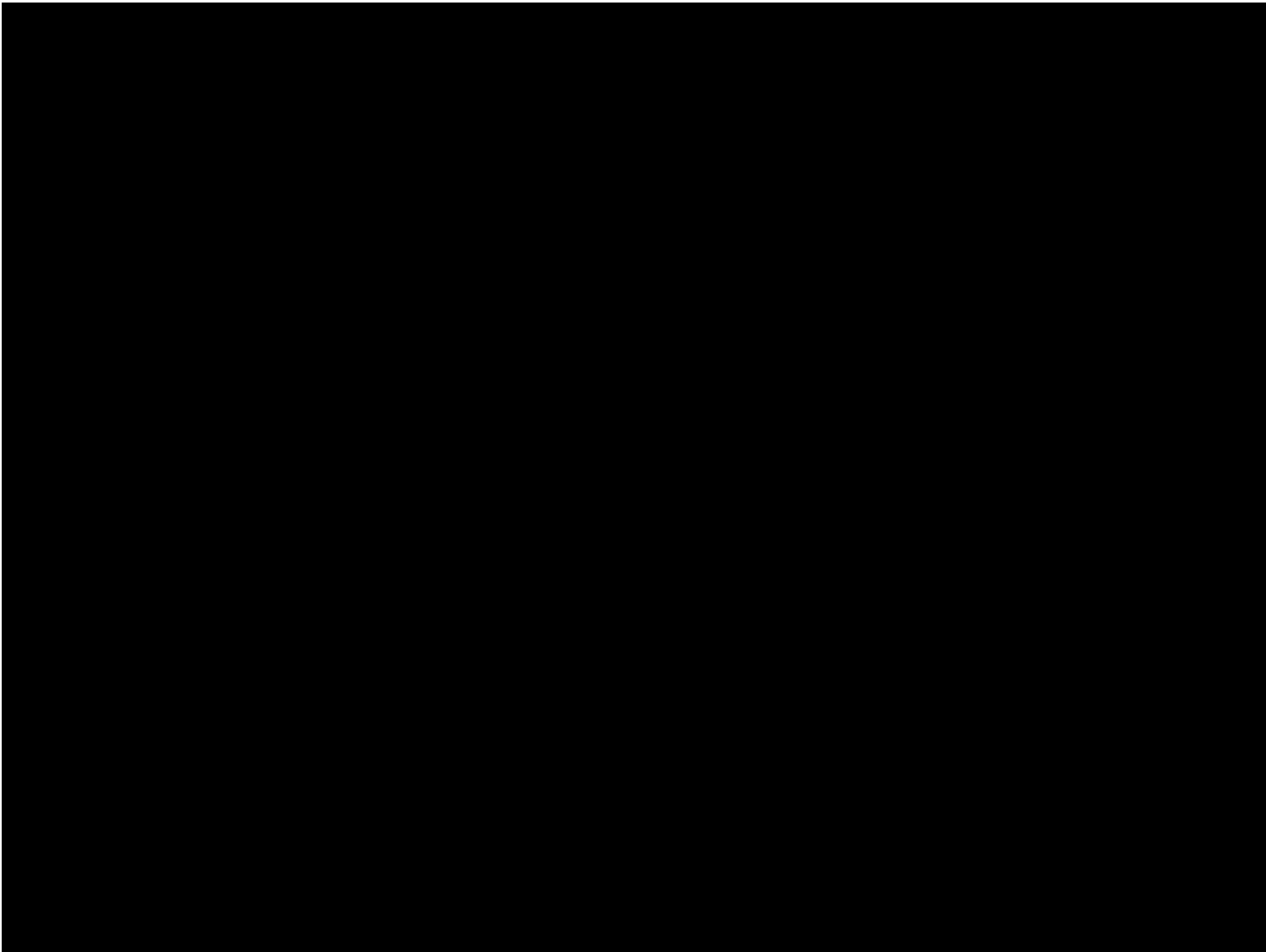


Subject Matter Resources

Throughout the term of the contract, DCH will also have access to our subject-matter resources (SMRs), who will act as advisors on the engagement. Our SMRs bring an added depth of knowledge to the core team to bring you the highest possible level of service, experience and results.







B. An overview of one or more states in which the offeror has been engaged that has resulted in the state's 1115 and/or 1332 Waiver request by the federal government. Offerors must have actual experience assisting one or more states that have received approval for a 1115 or a 1332 Waiver.

Our extensive experience developing waivers and actively participating in CMS negotiations, combined with our broader Medicaid managed care programs with state agencies that have mature managed care programs, is an asset to DCH as it works to analyze potential 1115 and 1332 waiver program options and ultimately obtain timely approval of its finalized waiver request applications and related protocols. Waiver development work requires a thorough understanding of federal authorities and federal regulations, strong working relationships with CMS, and a familiarity with other state efforts and associated waivers. The EY Team experience related to 1115 and 1332 waivers, as well as other types of waivers includes:

- ▶ Working with Medicaid programs across the country on waiver development and renewal projects
- ▶ Working with stakeholders to prepare waiver design and implementation
- ▶ Writing applications for 1115, 1915(b), and 1915(c) waivers and State Plan Amendments
- ▶ Conducting research and analysis of 1332 waiver options
- ▶ Drafting language for Special Terms and Conditions
- ▶ Participating in negotiations with CMS
- ▶ Conducting waiver evaluations
- ▶ Developing waiver quarterly and annual reports for CMS

Most recently, we have supported the Kansas Department of Health and Environment and Alabama Medicaid Agency in 1115 waiver application activities, very similar to the support that DCH requests under this scope of work. We have also conducted 1332 State Innovation Waiver research and analysis for both state and provider clients.

State: [REDACTED]	
Experience	Description
[REDACTED]	



State: [REDACTED]

Experience	Description
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

In the table below, we have listed the areas of expertise and projects that demonstrate our ability to perform the Scope of Work requirements.

	Selected Project Experience																																			
	GA DCH	AL AMA	AR DHS	AZ AHCCCS	CA DHCS	CA PHIE	Centene	Cigna	CO HCPF	FL AHCA	IA Health System	IL DHFS	KS KDHE	KY DMS	MA EDHHS	MA MDMAC	MS MID	NC DMA	NM HSD	NM RMD	OK HCA	OK OSDH	PA DPW	Partners HC	TN HCFA	TX DADS	TX HHSC	United HC	WA HCA	WI DHS	WV DHHR	WY DOH	100+ Providers			
1115 Waivers	▼	▼		▼	▼				▼		▼		▼	▼	▼	▼				▼			▼		▼											
1332 Waivers (Research and Assessment)			▼			▼			▼		▼		▼	▼	▼	▼	▼			▼		▼			▼		▼									
1915(b) and 1915(c) Waivers	▼	▼																																		
Budget Neutrality	▼			▼	▼				▼		▼	▼	▼	▼	▼	▼			▼		▼				▼		▼									
Cost Effectiveness	▼			▼	▼			▼	▼		▼	▼	▼	▼	▼	▼			▼		▼				▼		▼									
Actuarial Opinions	▼																																			
Financial Data Management	▼	▼								▼	▼	▼	▼	▼	▼	▼			▼		▼				▼		▼									
Data Modeling	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
Budgeting and Forecasting	▼	▼	▼			▼		▼	▼	▼	▼	▼	▼	▼	▼	▼			▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
Uncompensated Care / DSRIP	▼	▼		▼	▼				▼	▼	▼	▼	▼	▼	▼	▼																				
Provider Payment Methodologies	▼	▼							▼	▼	▼	▼	▼	▼	▼	▼									▼		▼									
Directed Payments	▼	▼							▼	▼	▼	▼	▼	▼	▼	▼																				
Hospital Rate Setting	▼	▼		▼					▼	▼	▼	▼	▼	▼	▼	▼									▼		▼									
ACO Models		▼																																		
Risk Adjustment	▼								▼	▼	▼	▼	▼	▼	▼	▼																				
CMS Negotiations	▼	▼						▼	▼	▼	▼	▼	▼	▼	▼	▼			▼		▼				▼		▼									
Legislative Inquires	▼	▼							▼	▼	▼	▼	▼	▼	▼	▼			▼		▼				▼		▼									
Stakeholder Engagement	▼	▼			▼		▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
MCO Operations	▼	▼							▼	▼	▼	▼	▼	▼	▼	▼			▼		▼				▼		▼									
Technical Guidance	▼	▼	▼			▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
Program Design	▼	▼	▼			▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼

C. A detailed description of the subject matter expertise the offeror proposes to dedicate to this engagement

The EY Team specializes in strategy, valuation, public policy and market analyses. Our team has a deep understanding of advanced actuarial and economic modeling techniques and extensive experience, in particular, in assessing the economic and fiscal consequences of state and local policy options and changes, as well as first-hand experience supporting DCH actuarial analyses.

As required under SON section C, we have provided summaries of our experience for the specific subject matter expertise requested under the designated topics:

- 1. Federal and state law, rules, regulations, guidance and related policies to the Medicaid program in general, as well as opportunities to leverage Social Security Act Waiver authorities to advance policy and budget priorities identified by the state of Georgia.*

Our team possesses extensive experience across the spectrum of state Medicaid programs, federal and state healthcare law, CMS guidance and regulations, and federal healthcare programs. We have had engagements and contracts with nearly all 50 states performing a myriad of Medicaid-related consulting work for state health and human services agencies ranging from waiver development, hospital and capitation rate setting, and value-based purchasing to revenue maximization, feasibility studies, and program evaluations.

The list is representative of our broad portfolio of Medicaid and government healthcare consulting expertise:

- ▶ Drafting of 1115, 1915(b) and (c) waiver documents, submission to CMS, and assistance in negotiating special terms and conditions
- ▶ Research and options analyses for 1332 waivers
- ▶ Provision of recommendations for improved administrative efficiencies including HCBS waiver consolidation and contract consolidation
- ▶ Implementation of State Innovation Model (SIM) grants, including work with the states of Hawaii and Illinois to develop multi-payer approaches to healthcare reform and work with stakeholders in these states to create consensus-driven approaches
- ▶ Economic and healthcare impact studies of state Medicaid initiatives, including Medicaid expansion and rural healthcare
- ▶ Development of options for addressing the issues of the uninsured, including establishing indigent care funding for hospitals, promoting healthier behaviors, increased accountability and personal responsibility of members
- ▶ Facilitation of task force meetings comprised of legislators, government representatives, insurance industry, business stakeholders, advocates and other stakeholders and the public
- ▶ Development and presentation of policy papers to advisory task forces
- ▶ Identification of opportunities to improve provider access (e.g., through the use of technology and physician extenders), particularly in rural areas and for member with developmental disabilities
- ▶ Development of options and recommendations regarding implementation of healthcare reform and transformation
- ▶ Identification of funding and resources required to implement program changes
- ▶ Development of options and recommendations regarding implementation of alternative healthcare models
- ▶ Development of implementation plans, with timelines and identification of responsible parties; ongoing monitoring of implementation
- ▶ Development of payment reform initiatives such medical home or health home initiatives, episodic bundling, and value-based purchasing.
- ▶ Processes to improve interagency coordination
- ▶ Data analytics and reporting to support the development of options, modeling of cost options, budget impacts and calculation of ongoing state and federal funds required
- ▶ Recommendations for eligibility criteria and cost-sharing requirements
- ▶ Early planning regarding strategies for the Exchange, including grant development for Maryland, and CMS rate reviews
- ▶ Technical assistance on a national basis to CO-OP (Consumer Operated and Oriented Plans)
- ▶ Examination of options to provide insurance coverage to the uninsured and impact of new programs on employer sponsored insurance.

2. Federal and state law, rules, regulations, guidance and related policies pertaining to the Patient Protection and Affordable Care Act (ACA)

Our team has a thorough understanding of the Federal and state laws, regulations and policies as they relate to the ACA and have participated in the development of supporting frameworks, such as the Medicaid Information Technology Architecture (MITA) Framework 3.0, designed to provide guidance to Medicaid agencies in implementing new policies and complying with the requirements of the ACA. We have worked directly with White House policy analysts, CMS, the National Medicaid Enterprise Hub (NMEH) workgroup, as well as the State Technical Advisory Group (S-TAG) as it relates to the ACA and its implementation.

WCEY runs a coalition of employers and business trade associations united to achieve workable rules around new ACA employer requirements. During a highly-charged, anti-ACA political environment, the WCEY health team built a broad-based coalition of employers to engage constructively with the Administration and Congressional officials to implement key ACA employer requirements in a more flexible manner. WCEY secured key wins for the coalition in the regulatory process and advanced multiple bipartisan and bicameral bills to address outstanding legislative priorities.

3. Private sector health insurance market design and administration, including but not limited to individual and small group health insurance markets, large group fully-insured plans and self-funded plans established under authority of the Employee Retirement Income Security Act (ERISA)

Our teams' combined experience within the private sector healthcare marketplace fully serves to empower the active healthcare reform requirements specifically enabled through the ACA 1332 waiver initiatives, their continued expansion, and the broader movement of the state empowerment market reform movement.

The EY Team has the ability to successfully empower state government market reform and expansion initiatives inclusive of the key objective requirements to effectively expand:

- ▶ Private market health insurance protection coverage
- ▶ Affordable patient access to improve health, healthcare and health caring services
- ▶ Management of sustainable spending growth/savings
- ▶ Successful state management, innovation, risk mitigation and market-wide empowerment, and support for those in greatest need

Selected examples of our work in private sector health insurance market design and administration include:

- ▶ **Federal Insurance Market Services** - The WCEY health team served as the policy lead for an EY healthcare advisory project for a large payor group focused on evaluating the potential outcomes of legislative and regulatory proposals - with a focus on 1115 Medicaid and 1332 State Innovation waivers and related Administrative guidance - and their impact on state-level insurance marketplaces. The project included evaluating alternative product options in light of the legislative and regulatory landscape, assessing necessary capability requirements for the payor, and creating a roadmap and sequencing of events for bringing the products to market.
- ▶ **New Mexico Human Services Department** - Conducted background research and assisted with implementation activities related to developing state health insurance market reforms. As part of this process, members of our EY Team conducted in-depth interviews and developed a stakeholder consultation process, comprised of New Mexico legislators, business associations, economic development leaders, consumer advocates, healthcare providers, insurance carriers, broker representatives, small businesses, and health policy analysts, to assess insurance market perceptions and develop a foundation of qualitative conclusions upon which quantitative research could build.

As part of the stakeholder consultation process, we developed primers and presentations on federal policies, rules, and regulations related to state insurance market reform to educate state leaders, staff, and internal and external stakeholders. The team also provided analysis estimating the impact various state health insurance market reforms would have on New Mexico's small group, individual, and large group insurance markets including employer sponsored insurance. In terms of project outcomes, we helped the state and its stakeholders understand the federal impact of implementing state health insurance market reforms, leverage federal funding opportunities, and determine how to align the design and development of the selected reforms to best meet the needs and objectives of the state while still complying with federal law.

- ▶ **Mississippi Insurance Market Reform Redesign** - Members of our EY Team were contracted by the Mississippi Insurance Department (MID) to conduct background research and assist with implementation activities related to developing state health insurance market reforms. As part of this process, we developed a point-in-time overview of healthcare coverage in the state as well as market research on health insurance options, including factors impacting price, choice and access to the individual and small group markets. Key tasks included:

- ▶ Assisted state officials in conducting an analysis of health plans and benefits using resources such as the Bureau of the Census' Current Population Survey (CPS) and the University of Minnesota's State Health Access Data Assistance Center (SHADAC).
- ▶ Conducted a demographic analysis of the Mississippi health insurance market (e.g., number of uninsured that are eligible for subsidized healthcare coverage in the individual market, Medicaid, and those with available employer coverage).
- ▶ Conducted an eligibility analysis for Medicaid, CHIP, and exchange subsidies. Directed research and analysis aimed at quantifying the potential market to be served by eligibility changes to Medicaid and the establishment of subsidized coverage through the individual market.
- ▶ Conducted in-depth interviews with Mississippi legislators, business associations, economic development leaders, consumer advocates, healthcare providers, insurance carriers, broker representatives, small businesses, and health policy analysts to assess insurance market perceptions and develop a foundation of qualitative conclusions upon which quantitative research could build.
- ▶ Issued surveys and conducted a series of town hall focus groups to assess consumers' needs and health insurance preferences in different regions of the state, including populations in Mississippi's rural areas and the Delta region. The town hall meetings were advertised locally and regionally on television, on the radio, and in newspapers. Over 1,000 Mississippians participated in the survey and hundreds more participated in the town hall focus groups.

Other consulting services provided by our team members included:

- ▶ Developed primers and presentations on federal policies, rules, and regulations related to state insurance market reform to educate state leaders, staff, and internal and external stakeholders.
- ▶ Provided analysis estimating the impact various state health insurance market reforms would have on Mississippi's small group, individual, and large group insurance markets including employer sponsored insurance.
- ▶ Designed and facilitated a stakeholder consultation process and plan to promote partnerships between MID and key stakeholders, including legislators, hospitals and members of the medical community, employers and insurance carriers.
- ▶ Developed a health insurance market-reform policy framework and assessed the feasibility of various insurance market reforms and analyzed issues related to different reform "models."
- ▶ Assisted the state in applying for federal grants and market reform blueprints.
- ▶ Assisted in the development of federal-facing program integration and cost-allocation plans.
- ▶ Provided consultation to the legislature on the state's proposed reform policies and the department's plans and goals.

In terms of project outcomes, we helped the State understand the federal impact of implementing state health insurance market reforms, leverage federal funding opportunities, and determine how to align the design and development of the selected reforms to best meet the needs and objectives of the state while still complying with federal law.

4. Federal and state 1115 and 1332 approval processes, including depth of knowledge that the offeror believes would be advantageous to the State of Georgia in order to evaluate, develop, submit and receive federal approval of both Waivers

As mentioned in the above section, our team has direct experience with several states navigating the entire 1115 and 1332 waiver approval process, and we will use this expertise and our relationship with CMS to guide Georgia through the waiver approval and negotiation processes. We also have waiver-related experience in more than half of the states across the country and are well-versed in applying best practices from other states in the waiver development process to optimize Georgia's waiver programs.

Our subject matter resource team is considered to be one of the pre-eminent authorities on 1332 and other waivers, the team:

- ▶ Maintains a State 1332 Waiver Tracking Tool that includes information on states that are actively planning or considering a 1332 waiver application, as well as states that have submitted waiver applications or introduced legislation on the topic of 1332 waivers
- ▶ Has presented on 1332 waivers to many audiences, including the National Association of Insurance Commissioners, the Wisconsin Association of Health Plans, National Institutes of Health Care Management, and the legislature of North Dakota.

- ▶ Has consulted with several states and numerous stakeholders on reform opportunities associated with 1332 and 1115 waivers, as well as application requirements that are stipulated for adoption
- ▶ Maintains a proprietary database combining healthcare data assets that are publicly available, purchased, or developed through primary research to model, analyze, and evaluate the economic, political, and financial impact of healthcare reform solutions and insurance market reforms.

Our subject matter resources will provide valuable marketplace expertise to complement our program, policy, operational, and analytical capabilities. Our combined EY Team has helped states design and implement insurance market reforms and public healthcare coverage waivers of all types, including 1332 waivers. These projects have required that we:

- ▶ Develop a deep understanding of the healthcare landscape
- ▶ Learn the pain points affecting the individual insurance market and its stakeholders, which range from state regulatory agencies to payers to providers to individual members and other interested parties such as the legislature
- ▶ Lay out the available options, avenues, and recommendations for change
- ▶ Work with stakeholders to facilitate consensus
- ▶ Perform the necessary analysis to predict the impact of various changes.

Our data and research teams, including our actuarial team, are also capable of developing sound estimates using national, regional, and Georgia-specific datasets that can guide the development of the policy framework.

5. Understanding of existing healthcare delivery systems, including utilization of Medicaid Care Management Organizations (MCOs), Fee-For-Service (FFS) programs, as well as potential future state delivery system innovation available under federal and state authorities

In addition to our extensive experience working with Medicaid managed care, fee-for-service (FFS), and primary care case management (PCCM) programs, we work with both providers and payers to design new delivery and financing initiatives that create greater value for all stakeholders. We have in-depth understanding of existing program design, regulations, and operations combined with knowledge and experience to assist multi-payer initiatives with a variety of challenges related to all current CMMI alternative payment models, for example. This knowledge and hands-on experience will allow us to critically examine potential opportunities and enhancements within the current environment and DCH's future plans to implement additional healthcare programs under the 1115 and 1332 waivers.

We have participated in ACO assessments, including market assessment, medical management review and design, product review and design services. We also have experience in developing innovative payment models for state Medicaid and other health purchasing agencies, Medicare, and health plans. We regularly conduct complex healthcare cost trending analytics using proprietary tools and algorithms. We work with our payer clients to bundle payments and analyze avoidable costs, thereby providing opportunity for financial reward by finding ways to reduce unnecessary services and avoiding preventable complications and readmissions. For example, we have:

- ▶ Developed claims based and risk adjusted pay for performance (P4P), bundled payment, and ACO programs that include care gap identification, utilization opportunity identification, claims expenditures compared to baseline cost/shared savings targets, quality measure reporting, and utilization cost trends.
- ▶ Developed our proprietary Payment and Network Transformation tool to evaluate cost trends and simulate future state financial scenarios. We use this tool to assist payers and providers in the evaluation of provider performance relative to local, regional, and national benchmarks; it also allows providers and payers to measure and track cost and utilization performance.
- ▶ Facilitated 25 payer/provider ACO/Clinically Integrated Networks (CINs)/new contract engagements with commercial payers (Blues, etc.) on Medicaid, Medicare Advantage, etc., requiring extensive data analysis of all payer claims data. Our work includes payment model assessment and implementation relative to global and service-level capitation, fee-for-service, bundles, guarantees and shared savings, case rate implementation, risk adjustment, internal funds flow and compensation and out-of-network.
- ▶ Provided application assistance to six of the 32 Pioneer ACOs, including conducting the planning and financial feasibility assessment and assisting with day-to-day project management for one of the nation's largest and most successful Pioneer ACOs.
- ▶ Assisted four leading healthcare organizations in a collaborative effort to establish a statewide organization dedicated to addressing the requirements of health reform and accountable care. The goals of the new organization were to create new models of care delivery and to manage risk more to improve healthcare quality and cost effectiveness. We

completed an environmental assessment and initial strategy, and once the organization confirmed the direction, our team was retained to support the initial implementation phase over six months. We assisted in planning and implementing initiatives related to:

- ▶ Medicare Advantage - Assessed opportunity and resource requirements for Medicare Advantage expansion and prepared five-year business plan
- ▶ Managed Medicaid - Identified potential Medicaid payer partners and evaluated opportunities for the systems to collaborate in managing avoidable costs, including sharing data and possibly a common platform
- ▶ Associate Health - Evaluated the opportunity to commit employees from all four organizations into a common health plan and share population management resources

We are working currently with both payers and providers - including Medicaid payers - to develop shared savings models and episodic or bundled payment approaches, which are more consistent with value-based purchasing programs. We are helping payers develop, for example, shared savings models, under which an organization is paid on a fee-for-service basis, but has an opportunity to earn a portion of savings if it reduces the overall healthcare spending for its patients below the level that the payer would have otherwise expected.

Our recent work for DCH in conducting Georgia-specific analyses of the Medicaid landscape, provides a launching point to further expand upon and positions the EY Team in collaboration with DCH the ability to deliver a truly innovative and sound platform for the State of Georgia.

6. A thorough understanding of healthcare priorities of the President, HHS and CMS leadership, particularly with regard to the Affordable Care Act and 1115 and 1332 Waiver opportunities

Our team has a thorough understanding of the programmatic and policy priorities of the President, HHS, and CMS leadership, and has consistently engaged with state Medicaid Directors across the country to understand of state-specific healthcare priorities. Throughout our work across the 50 states and our current client engagements, we have built a solid and comprehensive foundation of knowledge that we will use to assist Georgia in pursuing policies and programs that will not only correspond to Georgia program objectives and priorities, but will also account for national healthcare trends and initiatives.

7. Expertise and experience in engaging federal officials, at the direction of and in conjunction with the Department, to participate on technical assistance and Waiver approval discussions to advance the priorities of Senate Bill 106, the "Patients First Act."

We have extensive experience engaging federal officials and producing documentation needed for federal engagements in support of obtaining approvals for a variety of federal waivers. We are familiar with the language and authority set forth by the Georgia Senate Bill 106 to increase Medicaid coverage up to 100 percent of the federal poverty level (FPL) using authorities and programs available under the 1115 and 1332 waivers. We also understand that obtaining the planned 90% federal match for a partial Medicaid expansion under the "Patients First Act" will require intricate negotiations and discussions among state and federal stakeholders that can signal a major CMS policy shift, if approved. Additionally, engagement with and buy-in from other external stakeholders, such as the Georgia Hospital Association, consumer advocacy groups, state and local business associations, will be critical. We are prepared to leverage our extensive experience implementing state Medicaid waivers and negotiating approvals with CMS as described in this section to guide Georgia through this important initiative of providing the most vulnerable Georgians with necessary healthcare coverage and access.

In addition to our firm experience highlighted above, below we have included individual team member experience as it relates to SON Section C items 1 - 7.

Experiences															
Subject Matter Expertise	Project Resources														
	Program and Policy Team										Actuarial and Finance Team				
	Tim Calhoun	Belinda Minta	Laura Dillon	Jason Duhon	Hanford Lin	Jon Hamdorf	Christina Koster	David Mosley	Eric Swanson	Jason Duhon	Russ Ackerman	Rowen Bell	Christer Johnson	Erica Mitchell	Don Wakefield
1. Federal and state law, rules, regulations, guidance and related policies to the Medicaid program in general, as well as opportunities to leverage Social Security Act Waiver authorities to advance policy and budget priorities identified by the state of Georgia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
2. Federal and state law, rules, regulations, guidance and related policies pertaining to the Patient Protection and Affordable Care Act (ACA)		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
3. Private sector health insurance market design and administration, including but not limited to individual and small group health insurance markets, large group fully-insured plans and self-funded plans established under authority of the Employee Retirement Income Security Act (ERISA)	✓		✓		✓		✓	✓	✓		✓	✓	✓	✓	✓
4. Federal and state 1115 and 1332 approval processes, including depth of knowledge that the offeror believes would be advantageous to the State of Georgia in order to evaluate, develop, submit and receive federal approval of both Waivers				✓	✓	✓	✓	✓	✓	✓	✓				✓

Experiences															
Subject Matter Expertise	Project Resources														
	Program and Policy Team										Actuarial and Finance Team				
	Tim Calhoun	Belinda Minta	Laura Dillon	Jason Duhon	Hanford Lin	Jon Hamdorf	Christina Koster	David Mosley	Eric Swanson	Jason Duhon	Russ Ackerman	Rowen Bell	Christer Johnson	Erica Mitchell	Don Wakefield
5. Understanding of existing healthcare delivery systems, including utilization of Medicaid Care Management Organizations (MCOs), Fee-For-Service (FFS) programs, as well as potential future state delivery system innovation available under federal and state authorities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6. A thorough understanding of healthcare priorities of the President, HHS and CMS leadership, particularly with regard to the Affordable Care Act and 1115 and 1332 Waiver opportunities		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓			✓
7. Expertise and experience in engaging federal officials, at the direction of and in conjunction with the Department, to participate on technical assistance and Waiver approval discussions to advance the priorities of Senate Bill 106, the "Patients First Act."				✓	✓	✓	✓	✓	✓	✓	X	✓	✓		X

D. A comprehensive overview of the offeror's experience in evaluating and advising with regard to national and state healthcare environments, including but not limited to, health insurance status, demographic, employment and household composition, and how such 1115 and 1332 Waivers would likely affect Georgians

Environmental and marketplace evaluations are critical to assess and manage healthcare program change. States, other payers, plans, and providers must account for fiscal and policy decisions to justify program expenditures, often answering to the Federal government, state legislatures, taxpayers, consumers, and other stakeholders. Systemwide evaluations provide the analysis necessary to support and guide these decisions and confirm that these decisions provide positive impacts to the targeted populations.

Our team has unsurpassed experience and qualifications related to healthcare data analysis, including analytics relating to healthcare access, system capacity, provider cost coverage, and state demographics - all of which we will use to assess the potential impact of 1115 and 1332 waivers on Georgians. We conduct analyses that help inform policy-making decisions

and define public health priorities in a quantitative, evidence-based manner and in the evaluations of the effectiveness of the programmatic activities.

We often provide policy and planning support in connection with public and private healthcare delivery systems and payment mechanisms. For many projects, we develop and organize available datasets including claims data sets, cost report data, state hospital discharge database and all-payer claims databases, among others. We then incorporate program data analyses, including utilization, cost and quality indicators, to develop recommendations for improving current systems including options to improve access to care and increase cost effectiveness. We develop and execute focus studies on healthcare delivery system purchasing, as well as delivery impact studies assessing probable outcomes in the design and implementation of new/revised policies, procedures and programs. We bring the technology to support clients in automating and running advanced reports to inform strategic thinking, create “what-if” scenarios and conduct predictive modeling. Through a combination of our seasoned staff, best-in-class analytic tools and approach we routinely offer clients:

- ▶ Experience using human services data from states - eligibility and demographic data, service utilization data and provider data- to develop databases of claims, cost, demographic, financial and other data and prepare reports for issue identification and solutions development - for example, we have identified for some clients the unnecessary services and avoidable costs, and then translate such analytics into new operational models designed to improve care efficiencies.
- ▶ Experience defining analytic reports to evaluate spend trends, identify cost savings and translate reports into operating models, and to model the consequences of policy initiatives that might influence health and healthcare spending. We also conduct retrospective outcomes evaluations of policy decisions based on historical claims data.
- ▶ A proven process to integrate input from key stakeholders so that reports solve key business problems and surface innovative, forward-thinking ideas.
- ▶ Expertise in integrating financial analysis and quality metrics from claims data to identify performance trends and benchmark comparisons.
- ▶ Payment Accuracy Measurement (PAM) and Payment Error Rate Measure (PERM) studies

Our team has hundreds of analytic models, including a library of reports and performance metrics that we use in our consulting engagements. We have developed, for example, analytic tools used by our clients, which are customized to meet their needs in evaluating cost and utilization trends against benchmarks, simulate future state scenarios and allow for drill-down analysis to support day-to-day operations. In addition to our team’s proprietary analytic products, we have access to resources and tools that support our analytics and data mining efforts. For example, we frequently use SAS Analytic, which provides an environment for predictive and descriptive modeling, data mining, text analytics, forecasting, optimization, simulation and experimental design. SAS provides a range of techniques and processes for the collection, classification, analysis and interpretation of data to reveal patterns, anomalies, key variables and relationships.

We will leverage our extensive skillset in healthcare system analytics and modeling to assist DCH in evaluating healthcare access variables across the entire spectrum of healthcare providers and identifying any deficiencies of healthcare access coverage across the state. We will employ our knowledge of both state and national expenditures and utilization datasets to construct detailed models that will provide DCH with a concise and clear representation of Georgia’s healthcare access across the continuum of providers.

E. A comprehensive overview of the offeror’s experience in evaluating and advising with regard to healthcare access variables, such as provider availability and healthcare system capacity to deliver care across multiple specialties (physical health, behavioral health, long term care services, Home and Community-Based (HCBS) services, dental services and vision services) and the ability to evaluate current state and advise the Department on potential strategies to address any noted deficiencies in access to care for citizens across the state of Georgia

We assess whether a program is meeting expectations and where improvements can be made. We employ the full range of study designs - from exploratory case studies to large-scale studies using qualitative and quantitative methods, including multi-variate statistical models when appropriate. We have conducted these evaluations at the behest of state legislators, for Medicaid agencies and to comply with Federal waiver requirements, and tailor our approach accordingly. Evaluations can vary from complex statistical analyses to consumer survey findings, but the information and underlying data must be reliable and answer the questions about the program’s performance.

Specifically, we have conducted and orchestrated comprehensive uncompensated care and safety net program studies for Arizona, California, Florida, Kansas, and Massachusetts as a part of the 1115 waiver monitoring process. We have also performed assessments and evaluations of states’ waiver policies and impacts, conducting holistic systemwide analyses

focusing on both the states' current healthcare environment as well as comparisons to the current environment of peer states across the nation. Specific analyses include:

- ▶ Identification and calculation of bad debt and charity care populations
- ▶ Simulation of fiscal impact and total uncompensated care shortfall impact as a result of expanded service coverage and access through existing waivers, potential future waiver implementations, and Medicaid expansion
- ▶ Demographic analysis of populations that contribute to a high share of uncompensated care costs
- ▶ Analysis of provider cost coverage and healthcare access availability as a result of 1115 waiver funding

As described in the section above, we have direct experience drafting, implementing, and supporting the 1115 waiver process, as well as the process for other federal waivers, for a variety of states and has been consistently engaged in evaluating the impact of these waivers on behalf of the states and CMS to determine how these policies have affected the states' healthcare environment and contributed to the Triple Aim.

F. A comprehensive overview of the offeror's experience in evaluating federal, state and potentially local fiscal impacts of various proposals, including actuarial services and fiscal impact forecasting capabilities.

Our team has extensive experience conducting a variety of fiscal impact and projection analyses for healthcare payers, including states and health plans. Many of our projects, whether for the development of FFS systems or in support of other healthcare payment transformation initiatives or policy development, include significant simulation modeling efforts. We constructed fiscal simulation models using historical claims data that, for example, bundle and/or re-price claims under revised payment rates and estimated the impact on state savings and healthcare system stability from proposed changes. Such modeling allows us to project expected results from the implementation of systems or other policy initiatives and to understand the sensitivity and impacts of alternative policy or system parameters.

Our consultants typically prepare payment simulation models in a SAS platform, based on historical FFS paid claims data or MCO encounter data. Using similar modeling techniques and/or our analytics tools, we also help payers and providers identify key unit cost and utilization savings targets and tactics across the care continuum, including emergency room utilization, specialty drugs, inpatient admissions and days and the impact on hospitals, clinics and ancillary healthcare providers. Once our models are complete, we help our Medicaid clients to prepare budget projections and related documentation required at both the state and federal levels.

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

G. A comprehensive overview of the offeror's experience in monitoring indirect economic development activity associated with increased access and coverage of healthcare services within states. Such overview should also include experience in identifying state funded services, such as behavioral health, corrections, public health and other state-funded services that would be impacted by 1115 and 1332 Waiver approval for affected populations.

[REDACTED]

[REDACTED]

H. Offerors should also identify and propose additional areas of focus, based upon successful experience, not described herein

Our engagements often require significant communication and support to state leaders, members of the legislature, providers, individuals, families, advocates, and other stakeholders. We have worked alongside states to develop and communicate policies, including policy options, fiscal impacts, and policy and budget recommendations. We have facilitated public meetings, focus groups, webinars and technical advisory groups as a means to meet with and include affected stakeholders in the process of program changes.

Our legislative support experience includes:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

- ▶ We are working with a legislatively appointed task force in one state to help assess approaches to new legislation calling for implementation of Medicaid accountable care organizations (ACOs) and patient-centered medical homes (PCMHs).

Sample Policy Development and Legislative Support Experience	
Client	Experience
[REDACTED]	<ul style="list-style-type: none">■ [REDACTED]■ [REDACTED]
[REDACTED]	<ul style="list-style-type: none">■ [REDACTED]■ [REDACTED]■ [REDACTED]■ [REDACTED]
[REDACTED]	<ul style="list-style-type: none">■ [REDACTED]■ [REDACTED]
[REDACTED]	<ul style="list-style-type: none">■ [REDACTED]■ [REDACTED]
[REDACTED]	<ul style="list-style-type: none">■ [REDACTED]■ [REDACTED]■ [REDACTED]■ [REDACTED]■ [REDACTED]■ [REDACTED]■ [REDACTED]■ [REDACTED]■ [REDACTED]

We have presented to legislative and executive branch leaders in many states and are familiar with the types of questions and concerns that are often raised by these audiences. [REDACTED]

- [REDACTED]
- [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Based on the above responses, we work with states to develop appropriate processes and materials to best work with the legislature. For some clients, this means quarterly legislative briefs, similar to what we developed for Iowa (available online at: <https://dhs.iowa.gov/ime/about/performance-data/MC-quarterly-reports>), that the agency can share with the legislature. For other clients, this may mean an issue brief "one-pager" that educates legislators on a specific initiative or policy that the agency is trying to implement. Finally, our team also supports states with responding to specific legislative requests. For example, we are often asked to assist with conducting budget impact analyses to inform legislatures on the financial impact of specific program or policy changes. When fulfilling these types of requests, we work with our clients to develop materials that provide an appropriate level of detail, with an understanding that legislators may not be healthcare experts and therefore, may need often complex program concepts explained in layman's terms.

2. Minimum qualifications

Offerors must satisfactorily meet the following minimum qualifications to be considered for this engagement

The EY Team has addressed each of the minimum qualifications in the following sections of our proposal.

A. For which states has your firm been responsible for research, analysis, correspondence with CMS, and all responsibilities from preparation of waiver application/s through approval with CMS? For each state, (a) list the specific dates in year/s of engagement for each state, (b) indicate the type/s of waiver/s sought, (c) indicate status of each waiver request: pending, denied, approved. If approved, date of approval, (d) indicate whether your firm is still involved in each of the waiver requests.

State	Waiver Experience	Waiver status	Waiver approval date	Engagement time period ²	Currently involved
[Redacted content]					

² Engagement time period represents best estimates. For some states, proposed team members provided waiver support as part of other capacities.

A. For which states has your firm been responsible for research, analysis, correspondence with CMS, and all responsibilities from preparation of waiver application/s through approval with CMS? For each state, (a) list the specific dates in year/s of engagement for each state, (b) indicate the type/s of waiver/s sought, (c) indicate status of each waiver request: pending, denied, approved. If approved, date of approval, (d) indicate whether your firm is still involved in each of the waiver requests.

State	Waiver Experience	Waiver status	Waiver approval date	Engagement time period ²	Currently involved

³ Our team continues to be engaged with KY for other waivers.

A. For which states has your firm been responsible for research, analysis, correspondence with CMS, and all responsibilities from preparation of waiver application/s through approval with CMS? For each state, (a) list the specific dates in year/s of engagement for each state, (b) indicate the type/s of waiver/s sought, (c) indicate status of each waiver request: pending, denied, approved. If approved, date of approval, (d) indicate whether your firm is still involved in each of the waiver requests.

State	Waiver Experience	Waiver status	Waiver approval date	Engagement time period ²	Currently involved
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

B. Is your firm experienced in providing services as summarized in the state agency's "1115 and 1332 Waiver Research and Development Overview"?

Yes, please refer to section 1. Overview, pages 6-58 for our detailed experience in providing 1115 and 1332 Waiver Research and Development of this proposal.

C. Are key staff based in Georgia who will perform services under this engagement? If so, which city? If not, where are they based?

Yes, 40% of our key staff are in Atlanta. Please refer to the Team Resumes section, pages 23-41 of this proposal for each staff members office location.

D. Are key staff immediately available to perform the services sought under this engagement?

Yes, all key staff are available.

E. Is your firm presently assisting with waiver implementation in any state? If so, which state?

Yes, we are presently assisting Kansas with 1) amending its 1115 waiver to incorporate legislatively mandated changes due to the state budget, and 2) developing an implementation plan for IMD exclusion, and 3) updating 1915(c) waiver language. We support almost all our state clients, including Alabama, Kansas, Kentucky, Tennessee, and West Virginia in the ongoing operations of their waiver programs, including implementation and evaluation of required waiver activities and services.

F. Will your firm provide references specific to the type of work sought under this engagement?

Yes, references are included in the following table.

References	
Project Title	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
Project Title	[REDACTED]
Duration of Project	[REDACTED]
Contact Information	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
Brief Description of Project	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

References

	[REDACTED]
Project Title	[REDACTED]
Duration of Project	[REDACTED]
Contact Information	[REDACTED]
Brief Description of Project	[REDACTED]

G. Does your firm intend to utilize internal staff and resources for completion of this engagement, or do you intend to utilize subcontractors for components of the work? If the firm intends to subcontract with external parties, identify the parties, provide your justification for subcontracting with the party, and identify what functions the subcontractor is expected to perform under the engagement.

Yes, we intend to utilize both internal EY staff and have partnered with Navigant Consulting for components of the work to expand the breadth and depth of our experience and to empower Georgia to realize success in their waiver efforts. We believe that this partnership offers a unique, national perspective and unparalleled voice in the regulatory healthcare arena that will resonate and compliment the expertise of our core team.

Our teams are integrated and working together on all elements of the SON. Key functions for our Navigant Consulting partner include:

- National and Georgia environmental scans
- Waiver options and application development
- Waiver negotiations

H. Are key staff, as identified by the state, willing to participate in meetings, conference calls and videoconference meetings utilizing Skype on an as needed basis as determined by the Department within reasonable working hours and as necessary on weekends?

Yes, all key staff will participate in meetings, conference calls, and videoconference meetings on an as needed basis within reasonable working hours and as necessary on weekends.

3. Fees

In response to the Department of Community Health Statement of Need for Management Consulting Services, we have prepared the fee structure to support our proposal. Our estimates are based on the following assumptions and information provided within the SON:

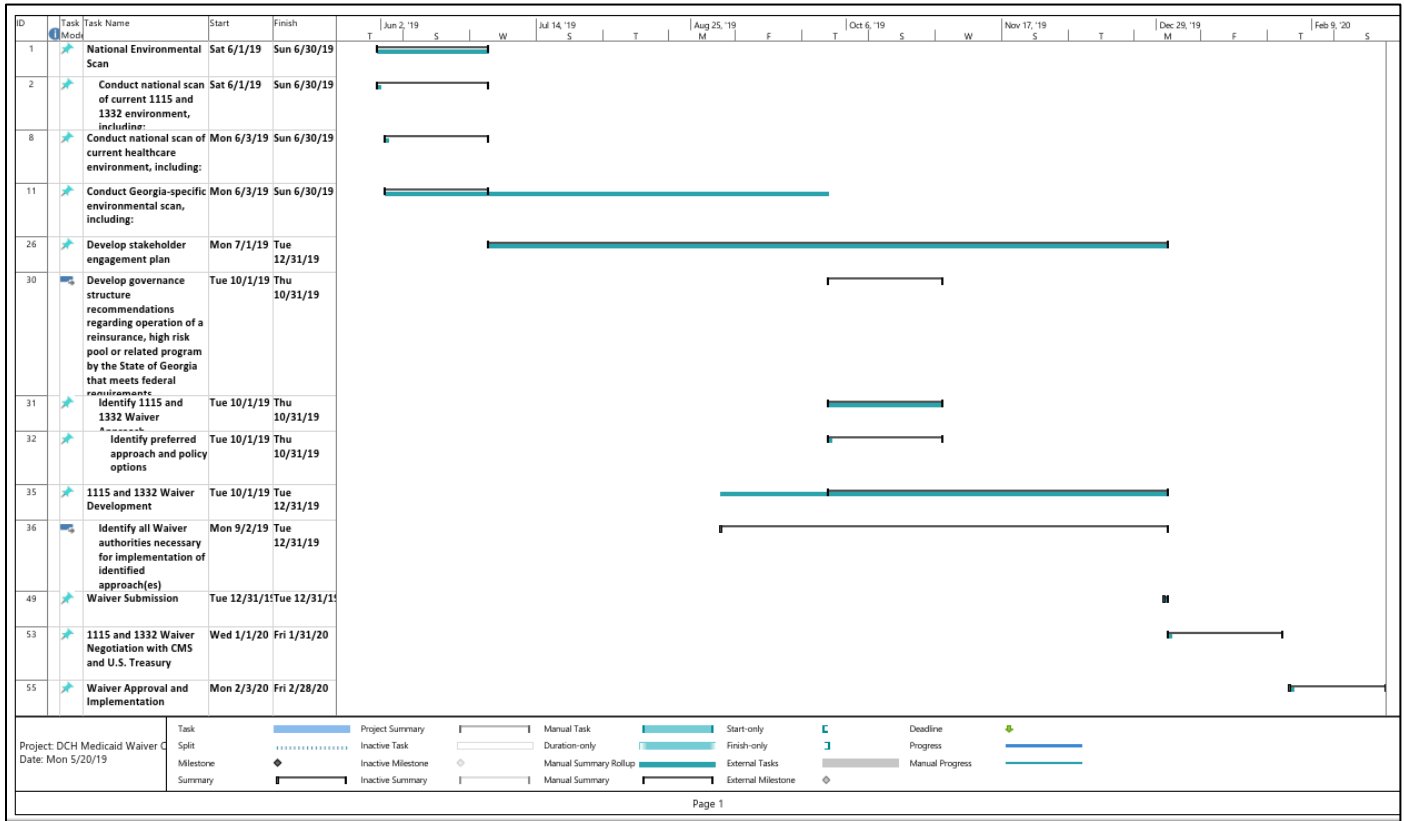
- ▶ Per SON Q&A #4: Proposal only includes activities up through and including formal submission of 1115 and 1332 waiver application to CMS and Treasury by December 31, 2019. Does not include activities following formal submission. Additional work activities will follow the management consulting rate schedule under which this SON was issued.
- ▶ Per SON Q&A #15: Proposal includes all actuarial support for 1332 waiver development and supporting services for 1115 waiver development in consultation with the Navigant actuarial team.
- ▶ Timeline assumes availability and timely responses of state staff and other key stakeholders for state-required meetings, review of draft deliverables, decisions, and other activities, especially with the November and December holidays.
- ▶ Conduct up to five onsite stakeholder engagement / public comment period sessions across the state.

Should DCH have any questions or seek clarification, please do not hesitate to let us know.

Professional services fee	\$2,421,725
Estimated expenses	\$ 152,430
Total (including estimated expenses)	\$2,574,155

Appendices

Below is an initial project plan that will be used to capture project activities, assign ownership and track progress and timeline. We will work with DCH to further build out the details and finalize the plan.



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