



PROCUREMENT JUSTIFICATION FORM (PJF)

This form must accompany all contract requests and sole source requisitions (RQS) over \$5,000 submitted to the Division of Procurement Services.

INSTRUCTIONS: Please provide the requested information in the white spaces below. All responses (except signatures) must be typed; no hand-written forms will be accepted. See the guidance document posted with this form on the Division of Procurement Services intranet site (Forms page) for additional instructions.

Table with 4 columns and 10 rows. Section: PART I: OVERVIEW. Fields include: Department Office/Division/Program: DPFR / Insurance; Department Contract Administrator or Grant Coordinator: Mary M. Hooper, 34 State House Station, Augusta, ME 04333-0034, mary.m.hooper@maine.gov, 624.8449; Amount: \$ 45,500; Advantage CT / RQS #: 20190307 2547; Dates for CONTRACT, AMENDMENT, and GRANT; Vendor/Provider/Grantee Name: NovaRest Consulting, 156 W. Calle Guija, Suite 200, Sahuarita, AZ 85629; Brief Description of Goods/Services/Grant: Actuarial Consulting Mandated Benefits – Health Insurance.

Table with 4 columns and 7 rows. Section: PART II: JUSTIFICATION FOR VENDOR SELECTION. Header: Check the box below for the justification(s) that applies to this request. (Check all that apply.) Rows include: A. Competitive Process, B. Amendment, C. Single Source/Unique Vendor, D. Proprietary/Copyright/Patents, E. Emergency, F. University Cooperative Project, G. Grant, H. State Statute/Agency Directed, I. Federal Agency Directed, J. Willing and Qualified, K. Client Choice, L. Other Authorization.

Please respond to ALL of the questions in the following sections.

PART III: SUPPLEMENTAL INFORMATION

1. Provide a more detailed description and explain the need for the goods, services or grant to supplement the response in Part I.

Mandated health insurance benefits require that health insurance policies cover specific health services, specific diseases, or specific health care provider service categories. The Provider engaged by this contract performs studies on health benefits mandated by the legislature. Each study must address the criteria outlined in 24-A MRSA §2752. The criteria include social impact, financial impact and medical efficacy of mandating the benefit, and the effects of balancing those considerations. The Department's Bureau of Insurance ("MBOI") may request as an alternative an estimate of the premium impact of a specific mandate as required by subsection 3(B)(6) of the law.

2. Provide a brief justification for the selected vendor to supplement the response in Part II. Reference the RFP number, if applicable.

NovaRest Consulting ("NRC") is not unique. Past mandated benefit contracts have been awarded to Oliver Wyman and NRC. Both have provided acceptable services. Both have executed their reports in a timely fashion. Both have a working knowledge of the Maine health insurance market. Oliver Wyman work was substantially more expensive than NRC. NRC will be assigned mandated benefit projects as a result of the Second Regular Session of the 130th Maine Legislature.

3. Explain how the negotiated costs or rates are fair and reasonable; or how the funding was allocated to grantee.

The report rates proposed by NRC are competitive with those of other actuarial consulting firms. While not an apples-to-apples, comparison, hourly rates observed by the MBOI have ranged from \$185-\$270 for an assistant actuary up to \$508-\$611 for a principal actuary.

4. Describe the plan for future competition for the goods or services.

The MBOI views mandated benefit projects as special cases necessitated by the timeline set forth by the Legislature and the governor's office. The MBOI anticipates that mandated benefit analysis will follow the sole source contract parameters set forth by Purchases.

PART IV: AMERICAN RESCUE PLAN ACT (ARPA) / MAINE JOBS & RECOVERY PLAN (MJRP)

Does this request utilize ARPA/MJRP funds?

Yes – If Yes, please attach the approved Business Case(s).

No – If No, proceed to Part V.

PART V: APPROVALS

The signatures below indicate approval of this procurement request.

Signature of requesting
Department's Commissioner
(or designee):

Anne L. Head

Typed Name:

Anne L. Head

Date:

04/ 24 /2023

Signature of DAFS
Procurement Official:

DocuSigned by:
Thomas Paquette
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Typed Name:

Thomas Paquette

Date:

4/25/2023