



PROCUREMENT JUSTIFICATION FORM (PJF)

This form must accompany all contract requests and sole source requisitions (RQS) over \$5,000 submitted to the Office of State 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 Procurement Services intranet site (Forms page) for additional instructions.

PART I: OVERVIEW			
Department Office/Division/Program:		DHHS/Office of MaineCare Services	
Department Contract Administrator or Grant Coordinator:		Chris Moiles / Emily Clifton	
(If applicable) Department Reference #:		OMS-26-207	
Amount: (Contract/Amendment/Grant)	\$ 428,000.00	Advantage CT / RQS #:	CT 10A 202506230000OMS26207
CONTRACT	Proposed Start Date:	7/1/2025	Proposed End Date: 12/31/2025
AMENDMENT	Original Start Date:		Effective Date:
	Previous End Date:		New End Date:
GRANT	Project Start Date:		Grant Start Date:
	Project End Date:		Grant End Date:
Vendor/Provider/Grantee Name, City, State:		MERCER HEALTH & BENEFITS LLC Pasadena, CA	
Brief Description of Goods/Services/Grant:		Accountable Communities Actuarial Services	

PART II: JUSTIFICATION FOR VENDOR SELECTION			
Check the box below for the justification(s) that applies to this request. (Check all that apply.)			
<input type="checkbox"/>	A. Competitive Process	<input type="checkbox"/>	G. Grant
<input type="checkbox"/>	B. Amendment	<input type="checkbox"/>	H. State Statute/Agency Directed
<input checked="" type="checkbox"/>	C. Single Source/Unique Vendor	<input type="checkbox"/>	I. Federal Agency Directed
<input type="checkbox"/>	D. Proprietary/Copyright/Patents	<input type="checkbox"/>	J. Willing and Qualified
<input type="checkbox"/>	E. Emergency	<input type="checkbox"/>	K. Client Choice
<input type="checkbox"/>	F. University Cooperative Project	<input type="checkbox"/>	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.

The Accountable Communities Program is a Department initiative, under which groups of MaineCare providers can share in savings for an assigned population, with the amount of any shared savings payments tied to the ACO's score on a range of quality measures defined by the Department to assess the quality and care furnished to MaineCare members. Given that the Centers for Medicare and Medicaid Services require that certain actuarial services related to the AC be provided by an independent actuary, the purpose of this Agreement is to engage the Provider to perform such actuarial analyses and related consulting advisory services.

The Provider shall 1) implement a complex methodology to assign MaineCare members to various ACs; 2) create reports for each AC that calculate the AC's benchmark costs, Reporting Period costs, and Reporting Period savings; 3) develop Completion Factors; and 4) design and implement methodologies to control for the impact of regulatory changes that could skew the comparison of Base Year to Reporting Period spending; (5) make savings projections; and (6) perform other ad hoc work as requested by the Department.

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

The contract resulted from a competitive award under RFP# 20181006. The Department is planning to extend this contract for one additional six-month period beyond the final renewal period to accommodate major program changes. Accountable Communities (ACs) are groups of MaineCare providers who volunteer to participate in a performance-based shared savings payment arrangement with DHHS. Mercer is the vendor responsible for providing actuarial and analytic services to assess AC performance in these Total Cost of Care contracts and in the underlying attribution that supports this work.

The AC payment model was slated to change in 2023 to require shared financial accountability with ACs ("downside risk"), in alignment with DHHS delivery system and cost containment goals. This means that, if actual costs for the AC's attributed population are higher than projected, the AC would owe the Department back a portion of the loss. This work was delayed one year to give health systems additional time to financially recover from the COVID-19 pandemic and due to shifting features within the MaineCare program (e.g. rate and delivery system reform, unwinding from continuous coverage requirements).

MaineCare is on target to require downside risk in July 2024. It would be highly unfavorable to switch vendors during this transition period and would risk potential disruption of program operations. Stability in execution of the established methodology and contractual obligations will be critical in fall 2024 under the heightened scrutiny of a shared-risk contract. In addition, if no AC elects to continue on with the AC program past July 2023, the scope of work for Mercer regarding AC would shift dramatically and warrant a potentially different procurement approach as the AC program would only need limited vendor support through SFY 26. OMS will know whether ACs will continue onward by May 2024.

Additionally, OMS/DHHS is intending to include additional related services within this actuarial RFP to support broader OMS financial management needs. This includes actuarial services for developing and maintaining MaineCare budget forecasts and broader analytic support. The skill sets needed and operational steps for this are similar to those used in the AC program and the two scopes of work should be fully aligned for maximum utility. Due to the uncertainty with the AC program's future, it is important to note that this scope of work will be required of the vendor regardless.

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

Costs were reviewed and scored during the RFP review process to assure best value.

PART III: SUPPLEMENTAL INFORMATION**4. Describe the plan for future competition for the goods or services.**

The Department has issued RFP 202504053 to procure these services going forward, with an anticipated new contract start date of 1/1/2026

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

Does this request utilize ARPA/MJRP funds?

☐ Yes, MJRP funds (023) – If Yes, please attach the approved Business Case(s).

☐ Yes, ARPA funds (025) – If Yes, please be aware of the requirements from awarding federal agencies.

☒ No – If No, proceed to Part V.

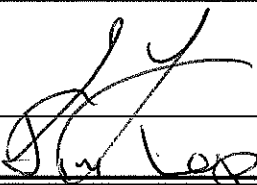
PART V: CONFLICTS OF INTEREST (COI); CONTRACT WITH THE STATE

Maine law contains Conflict of Interest statutes directed to State Departments, State Officers, and Employees Generally under MRS Title 5, §18 and §18-A, in harmony with MRS Title 17, §3104.

☒ The requesting department signatory understands and acknowledges Maine's Conflict of Interest statutes.

PART VI: APPROVALS

The signatures below indicate approval of this procurement request.

Signature of requesting Department's Commissioner (or designee):			
Typed Name:	<u>John Lapinski</u>	Date:	<u>7-Jul-25</u>
Signature of DAFS Procurement Official:			
Typed Name:		Date:	