

## State of Maine Procurement Justification Form

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

PART I: OVERVIEW			
Department Office/Division/Program:	DPFR / Insurance		
Department Contract Administrator or Grant Coordinator:	Mary M. Hooper 624.8449		
(If applicable) Department Reference #:			
Amount: (Contract/Amendment/Grant)	\$30,000	Advantage CT / RQS #:	20200921 1005
CONTRACT	Proposed Start Date:	09/22/2020	Proposed End Date: 06/30/2021
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:	Wakely Consulting Group, LLC 19321 US HWY 19N STE 5151 Clearwater, FL 33764		
Brief Description of Goods/Services/Grant:	Actuarial Consultation Services		

### PART II: JUSTIFICATION FOR VENDOR SELECTION

Mark an "X" before the justification(s) that applies to this request. (Check all that apply.)

	A. Competitive Process		G. Grant
	B. Amendment	X	H. State Statute/Agency Directed
X	C. Single Source/Unique Vendor		I. Federal Agency Directed
	D. Proprietary/Copyright/Patents	X	J. Willing and Qualified
X	E. Emergency		K. Client Choice
	F. University Cooperative Project		L. Other Authorization

### PART III: SUPPLEMENTAL INFORMATION

Please respond to ALL of the following:

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

On March 23, 2010, the President signed into law a comprehensive health reform legislation measure, the Patient Protection and Affordable Health Care Act, PPACA (P.L. 111-148). Included in this law is the potential for the merging of the individual and small group health insurance markets. In order to provide meaningful support to the legislature's Committee on Health and Human Services, it is necessary that the Bureau of Insurance, as directed by the Governor's office, perform a study targeted at merging Maine's individual and small group health insurance markets.

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Since 2010, the State of Maine and the Maine Guaranteed Access Reinsurance Association ("MGARA") requested that two different actuarial firms, Gorman for the State of Maine and Milliman for MGARA, provide input into the impact of pooling the small group and individual market to serve as a comparison. The two actuarial firms' provided estimates of the Federal Pass-through funding. The two actuarial firms' Federal Pass-through estimates differed considerably. This service contract is intended to aid the State of Maine to better understand the reasons that the two estimates diverge, to what extent the assumptions and methodologies used diverge from other public sources, and what the implications of the assumptions and methodologies would be on the market premiums and Federal Pass-through funds for the State of Maine.

**2. Provide a brief justification for the selected vendor to supplement the response in Part II.**

The Gorman results differ from MGARA's consulting actuary, Milliman's.

Wakely was selected by the Department of Health and Human Services. Wakely has extensive experience with the aspects of PPACA and Public Law 90.

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

The hourly rates are within usual and customary hourly rates which range from \$508-\$611 for a principal actuary.

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

The MBOI views this as a special case necessitated by the timeline set forth by the governor's office. The MBOI anticipates that future needs for actuarial services will follow the competitive RFP process when appropriate.

### PART IV: APPROVALS

<b>Signature of requesting Department's Commissioner (or designee):</b>	<i>By signing below, I signify that I approve of this procurement request.</i>		
	<i>Anne L. Head</i>		
<b>Printed Name:</b>	Anne L. Head	<b>Date:</b>	09/23/2020
<b>Signature of DAFS Procurement Official:</b>	<small>DocuSigned by:</small> <i>Kathy Paquette</i>		
<b>Printed Name:</b>	<small>41C2BA36FAF44CD...</small> Kathy Paquette	<b>Date:</b>	9/24/2020