

REQUEST FOR PROPOSAL
BY THE MONTANA REINSURANCE ASSOCIATION

Background

Montana Senate Bill 125 (codified in 33-22-1301, MCA, et. seq). (the “Montana Reinsurance Association Act”) was signed into law on April 30, 2019. The bill establishes a reinsurance association as a Montana nonprofit entity and authorizes the creation of a state reinsurance program (“Program”) through a 1332 State Innovation Waiver to stabilize Montana’s individual health insurance market through state-based innovation. The Centers for Medicare and Medicaid Services approved the Waiver on August 16, 2019, and renewed it for an additional five-year period on September 17, 2024. Total funding for the reinsurance program for 2025 is estimated to be approximately \$65 million. The program is funded through a 1.2% assessment on major medical health insurance premiums, as well as federal grants.

The five-person board of directors consist of the following appointees:

1. Andrew Cziok, Blue Cross and Blue Shield of Montana;
2. Blair Fjeseth, Montana Health Co-op;
3. Erik Wood, PacificSource Health Plan;
4. Beau Larson, (Allegiance Benefit Plan Management (Commissioner appointment);
and
5. Tony Pfaff, (Governor appointment).

The Board adopted a preliminary Plan of Operation in June of 2019 and has issued updates annually.

Purpose

The Montana Reinsurance Association (the “Association”), through its Board of Directors (“Board”), is seeking qualified actuaries to assist the Board with actuarial studies needed to help in running the program.

Montana law gives authority to the Board to enter into contracts as necessary to carry out the purposes of the Reinsurance Act. The Board seeks an actuary to assist the Program as follows:

1. Perform all actuarial functions relating to the Association;
2. Submit necessary reports to the Board regarding the operation of the Association; and

3. Attend Board meetings upon request to provide actuarial insights needed to run the program.

Description of Actuarial Services

The Board is seeking bids for an administrator for one or all of the following functions:

1. Estimate the total funding for the reinsurance program each year. This will be the sum of the funding that is estimated to be available from the State's premium assessment and the amount of Federal pass-through dollars, calculated by CMS based on the estimated savings to Premium Tax Credits (PTC) from lower premiums.
2. Assist the MRA Board to predict, estimate (if needed) and recommend proposed program parameters (attachment point, cap, and coinsurance) annually for the reinsurance program.
3. Project certain reinsurance program components as support for annual budget projections, such as estimating future year reinsurance reimbursement to insurers participating in the ACA individual market and assessment that will be paid by insurers, or other estimates as required by the Board, Montana law, or the Section 1332 Waiver requirements.
4. Complete the annual Pass-Through reporting due September 15th of each year in accordance with Section 1332 Waiver requirements.
5. Attend board meetings (regularly scheduled and ad hoc) to assist the MRA Board.

Term of Contract

The initial term of any resulting contract or contracts will be for a two-year contract term starting January 1, 2026 and ending December 31, 2027 ("Contract Term") renewable annually thereafter, at the option of the Association, for up to five additional one-year terms.

Bidder will agree to a reasonable transition period not to exceed six months, at then existing contract rates (which may be prorated as reasonably necessary), after the termination of any contract or contracts.

Any contract will immediately terminate on termination or loss of funding for the Program.

Proposal Requirement

The bidder's proposal should include, at a minimum, the following:

1. Qualifications

The bidder's proposal should explain how your entity is organized and where the core team is located. The bidder's proposal should list its qualifications and expertise in administering a state-based reinsurance plan or similar programs.

2. Technical

The bidder's proposal should describe all systems used to provide its services including the capabilities and flexibility of such systems.

3. Personnel Qualifications and Experience

The bidder's proposal should describe the experience and background of the bidder's personnel, or subcontractors acting on its behalf, that will perform each function listed in the Description of Actuarial Services section. The description should include the qualifications and experience of key management and supervisory staff, including specific experience in the operations of state-based reinsurance programs.

4. Corporate Experience, Reputation and References

The bidder's proposal should describe the size of the company, corporate clients, length of time company has been in business, general financial status and stability of company and any other factors that contribute to the overall reputation of the company. The bidder's proposal may include references from other state-based reinsurance plans or other entities for which bidder performs functions similar to those listed in the Description of Actuarial Services section.

5. Price

The bidder's proposal should provide a price for each function listed in the Description of Actuarial Services section. The bid may also include a global price for all listed functions. The price proposal may be in any form including without limit a fixed monthly or yearly price. The bidder's proposal should include any price escalator desired by the bidder.

Best Value, Evaluation Criteria, and Related Terms

The Association's selection of a bidder or bidders for the Contract Term will be based on scoring as set forth below. While price is important, a final determination may not be based solely on price and will also depend on the other factors outlined in this Request for Proposal. A question-and-answer session may be requested of proposal finalists.

A points system will be used to evaluate bids based on the following factors and possible points.

- Organization's experience with the 1332 waiver program – up to 40 points
- Technical – up to 40 points
- Personnel qualifications and directly related experience – up to 40 points
- Corporate experience, reputation and references – up to 20 points
- Price – up to 60 points

Should an award or awards result from this Request for Proposal, such an award will be made to the entity or entities whose proposals best serve the interest of the Association.

The Association reserves the right to reject any proposal received after the designated due date and time. Proposals must be valid for a period of 180 days from the date of submittal.

The Association reserves the right to award a contract or contracts based upon initial proposals without further discussions. The Association may, in its sole discretion, require on-site bidder presentations.

Issuance of this Request for Proposal in no way constitutes a commitment by the Association to award a contract and the Association may reject any or all proposals. This Request for Proposal represents a definition of requirements, not an offer to contract. Only the execution of a written contract will obligate the Association according to the terms and conditions contained in such contract. The Association, in its sole discretion, reserves the right to:

1. waive any formality.
2. cancel or terminate this Request for Proposals.
3. reject any or all proposals received in response to this Request for Proposals.
4. award all or part of this Request for Proposals to one or several bidders.
5. not award any contract as a result of this RFP.

6. change the initial effective date of any contract.
7. choose to engage the Centers for Medicare and Medicaid Services (“CMS”) to perform any function without requiring CMS to submit a bid.

At the time specified by the deadline for submission of proposals, the bidder must have and keep current any professional licenses and permits required by federal, state, and local laws for performance of the resulting contract. Employees performing work on behalf of bidder must have all industry standard licenses or certifications in order to perform work. Bidder must also procure and carry industry standard insurance coverage.

Timeline

This timeline represents the best estimate of the schedule that will be followed for this Request for Proposal. If a component of this schedule is delayed then the remainder of the schedule may also be delayed.

On or before December 1st, 2025 a bidder may submit written questions related to this Request for Proposal. Responses to bidder questions will be posted publicly on the MRA website prior to the submission deadline

On or before December 15th, 2025, bidders should submit their proposals electronically (via .pdf or Microsoft Word format).

The Association will notify bidders of any questions it has regarding their RFPs by December 31st, 2025.

The Association will use its best efforts make its final decision and notify bidder or bidders of the award on or before January 31st, 2026. However, the Association may extend its final decision deadline and the start date of any resulting contract at its option.

Responses Not Confidential

Responses to this RFP will be public record and will not be held in confidence.

Submission Instructions

Please email your written proposal to the following:

Andrew Cziok, Chairman of the Board

Andrew_Cziok@bcbsmt.com

And

RaeLynn Williams, Executive Director

Rwilliams@mtreinsurance.org

Please include contact information for you or your organization.

How to Contact the Association

If you have any questions or require further information or clarification, please contact:

Andrew Cziok, Chairman of the Board

Andrew_Cziok@bcbsmt.com

or

RaeLynn Williams, Executive Director

Rwilliams@mtreinsurance.org

Each bidder who submits a proposal represents its understanding of and agrees to the terms and conditions of this Request for Proposal. The bidder further understands and agrees that it has a duty to explain and clarify any and all conditions imposed on or included in its responses to the requirements and questions set forth in this request for proposal. The costs for developing and delivering responses to this request for proposal are entirely the responsibility of the bidder and the Association is not liable for any expense incurred by the bidders in the preparation and presentation of their proposals. The Association, at its option, may incorporate any or all parts of a bidder proposal in the contract resulting from this request for proposal process. The Association may retain one copy of the materials submitted as part of a proposal and such material will become the property of the Association and will not be returned. Bidder agrees to enter into a contract containing the terms and conditions or substantially similar terms and conditions as those provided in response to this Request for Proposals.

Bidder

Signature

Printed Name

Title

Date

