

State of New Mexico
New Mexico Health Care Authority, Medical Assistance Division
RFP No. 26-630-8000-0003

Facility Rates, Audits, Payments, CMS Compliance, & Reporting

Questions

1. Appendix D, Cost Response Form states that the proposed costs will be evaluated using two different formulas; however, there is no proposed format for the cost/price to be presented in the response. Does the Department have a cost/price format they would like to use?

HCA Response: Yes, provide a summary of the total cost of the 4 year contract and provide an annual cost breakout by year. If the cost by year increase in each successive year, then please describe the cost inflator.

2. Appendix D, Cost Response Form states that the proposed total price will be evaluated using a formula of $C1 + C2 + C3 = T$. Can the Department explain if $C1$ = total price for the four-year contract why we would then sum it with $C2$ and $C3$ since those also include $C1$ according to the specifications.

HCA Response: To clarify please follow the cost formula below:

$$C1 + C2 + C3 + C4 = T$$

$C1$ = Total price for the first year of cost

$C2$ = $C1$ plus inflator (total price for year 2)

$C3$ = $C2$ plus inflator (total price for year 3)

$C4$ = $C3$ plus inflator (total price for year 4)

T = Total price of the four-year contract.

3. Page 42, under VIII.C.4, the Information section states, "Do not include gross receipts taxes in the calculation. Gross receipts taxes will be a pass through from the State to the Contractor and be paid by the Contractor." Can the Department clarify that Appendix D, Cost Response Form should also exclude the Gross Receipts Taxes since they will be paid separately as a pass through?

HCA Response: Do not include gross receipts taxes in the calculation

4. Page 37, under V.H.1, the Audit of the MLR Calculation states that the examination is to comply with the state periodic audit requirement in 42 CFR §438.602(e). In CMS's MLR toolkit which was released September 2024, CMS clarified that non-claims costs or administrative costs should be included in the validation of MLR components. Is it the Department's intention that validation of non-claims or

administrative costs be included in the MLR audit or is the audit limited to the MLR calculation?

HCA Response: Following CMS' tool kit and the non-claims costs or administrative costs should be included.