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Date: November 21, 2025

Subject: Written Questions and Answers for RFP #26-630-8000-0012

New Mexico Health Care Authority Rural Health Care Delivery Fund Auditing Services

#	WRITTEN QUESTION	NM HCA RESPONSE
1.	<p>Can you clarify the timing of the work to be performed under this RFP?</p> <p>When the RFP talks about an initial 2-year-period and that the contract will be awarded through 12/31/27, is that the 2-years ended 12/31/27, which would be 1/1/25 to 12/31/27? Given that state's fiscal year is 7/1-6/30 and funding began in 2024, I assume it's early than 1/1/25, but just need more clarity here.</p>	<p>The anticipated award date is December 24, 2025. Accordingly, the initial two-year contract term is expected to run from the effective date of the contract in late 2025 or early 2026 through approximately December 2027.</p> <p>The contract will therefore span parts of three fiscal years (FY26, FY27, and FY28): roughly half of FY26 (~January–June 2026), all of FY27, and roughly half of FY28 (~July–December 2027).</p> <p>For context only: The majority of organizations in the first cohort (FY24–26) will reach the end of their contract periods on June 30, 2026. The majority of organizations in the second cohort (FY25–27) will each the end of their contract periods on June 30, 2027. Because audits for the FY25–27 cohort are expected to occur following the close of FY27, those audit activities are anticipated to extend through the end of the 2027 calendar year.</p>
2.	<p>Given that the number of recipients receiving funds will vary, can the proposal state the amount that would be charged for each recipient's audit versus a total amount since that amount would vary based on # of recipients and thus # of audits to conduct?</p>	<p>Offerors may include a per-audit rate and may estimate a total cost based on the number of organizations currently receiving funding. However, the proposal must still include the total cost per state fiscal year as required in Appendix D.</p> <p>See 12. and 13. below for additional information on Cost Proposals.</p>



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3.	Is it accurate that there were 44 recipients receiving \$80M in funds for the first '24-'26 funding cycle?	The RHCDF contracted 50 organizations totaling ~\$80 million in the FY24-26 cohort. In the FY25-27 cohort funded 29 organizations totaling ~\$46 million. The list of currently funded organizations for active cohorts (FY 24-26 and FY25-27) can be found on the RHCDF website .
4.	<p>Can you clarify the timing of the specific recipient audits? The RFP talked about audits at the conclusion of funding, but when a funding cycle is > 1 year, that can leave a lot of time to have issues occur and repeat each year before an audit would identify them and require correction.</p> <p>It seems like annual audits would make more sense to identify and address issues more timely, so can you please address this more.</p>	The RFP requires audits to occur at the conclusion of each funding recipient's contract period, which aligns with the statutory requirement in Senate Bill 7 to reconcile awarded amounts with audited operating losses. The Contractor may provide recommendations throughout the process to strengthen compliance and reduce risks prior to the final audit.
5.	For the forensic audit component, which will be up to the State to determine when necessary, is it okay to quote an hourly fee that would be charged for forensic work? Or did you have another idea in mind for this work?	Due to the fact that forensic audit work is dependent on whether the HCA requests it, Offerors may include an hourly rate for forensic services as part of their cost proposal. Any forensic work would be billed at the proposed hourly rate only if the State elects to use those services.
6.	For the required field that asks for New Mexico Office of the State Auditor approval status, can you clarify whether Offerors are required to be on the State Auditor's list of approved audit firms in order to bid on this procurement? If so, would Offerors with pending status also be eligible to bid?	HCA will accept proposals from firms that are either approved or pending on the Office of the State Auditor's Approved Firm List at the time of proposal submission. However, any firm in pending status must receive full approval no later than the first day of the Proposal Evaluation Period (12/08/2025). Firms that remain unapproved as of that date will be considered ineligible.
7.	Will Submittable allow for pasting tables, more complex text editing?	Submittable allows basic text editing features such as bold, italics, underline, bullets, numbering, and

		linking to things like external documents and websites.
8.	<p>The only word count stated in the RFP was on page 22 in reference to the (optional) Proposal Summary, which was listed as 600 words.</p> <p>Are there word limits in other fields in Submittable?</p>	<p>The only word count specified in the RFP itself is the 600-word limit for the optional Proposal Summary. However, Submittable includes built-in word limits for all long-answer fields. These limits are intentionally set to ensure consistent proposal length and to support a manageable evaluation process.</p>
9.	<p>How many grant recipients will need audits?</p> <p>And is the audit period for the first cycle 7/1/24-6/30/26? or 6/30/27?</p>	<p>The number of grant recipients requiring audits will vary. For context, the FY24–26 cohort includes about 50 organizations and FY25–27 includes about 29. The list of organizations receiving funding can be found on the RHCDF website. There are 3 organizations not listed whose contracts have been terminated, but still received state funds that are not published on the RHCDF website.</p> <p>The audit period will begin upon completion of Phase I when all advisory services are complete. The period will run until all organizations have been audited.</p>
10.	<p>The RFP notes that there may be multiple awards, can you elaborate on that?</p>	<p>While the State’s preference is to contract with a single firm for administrative efficiency, the scope and volume of work may require more than one Contractor. Multiple awards would allow the State to ensure adequate capacity to complete all required audits within the necessary timelines.</p>
11.	<p>On pg. 2, the RFP states, “The contract(s) resulting from this procurement are anticipated to have a term of two (2) years;” however, on pg. 27, the RFP states, “The offeror will be evaluated based on the total cost of implementation of the program for the 1-year contract period.”</p>	<p>The reference on page 27 to a “1-year contract period” should be read as “2-year contract period,” consistent with the contract term described on page 2, as you’ve identified. Offerors should base their proposals on the two-year contract term.</p>



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	Can the State please clarify whether it expects bidders' proposed costs to reflect a one- or two-year period?	
12.	<p>Appendix D as well as all other references to the cost proposal states, "The cost should be inclusive of completing all of the specifications related Random Moment Surveys, Administrative Claiming & Direct Medical Service Cost Reporting & Settlement." These specifications as listed do not appear to apply to this RFP.</p> <p>Should bidders create their own cost breakdown based on the Detailed Scope of Work?</p>	<p>You are correct, this statement does not apply to this RFP. The reference to "Random Moment Surveys, Administrative Claiming & Direct Medical Service Cost Reporting & Settlement" can be disregarded anywhere it appears in the RFP, including at the top of Appendix D.</p> <p>This statement should instead read: "The cost should be inclusive of all specifications contained in the Detailed Scope of Work in this RFP."</p> <p>Yes, Offerors should create their own cost breakdown based on the Detailed Scope of Work. The submitted spreadsheet should include a breakdown of costs by state fiscal year, along with a total proposed cost for the full two-year contract period.</p>
13.	<p>In the procurement platform, the instructions under "Cost Proposal" direct bidders to "Complete the cost proposal form and save it as a Excel...."</p> <p>Can the State please clarify if there is an Excel form required that should be available for download/edit/submission instead of the word document that is currently attached?</p>	<p>No Excel form is required. The reference in the procurement platform to saving the Cost Proposal as an Excel does not apply to this RFP and can be disregarded wherever it appears.</p> <p>There is no specific file format required beyond submitting a complete cost proposal that clearly presents the proposed cost for each state fiscal year of the initial two-year contract period. Offerors may use the format that most effectively conveys this information.</p>
14.	The New Mexico RHCDF website states there are 44 rural health care organizations that were funded with \$80 million for FY24-26; however, the list includes 41 bulleted organizations. Can the State please confirm the total number	The RHCDF website was in need of an update when this RFP was issued, those updates have now been made. Please refer to the RHCDF website for a full list of currently funded organizations by fiscal year. Please note, there are currently 3 organizations not listed whose contracts have been terminated, but still received state funds that are not published on the RHCDF website.

	of organizations that will be included under the audit requirements?	
15.	The Pre-Proposal Conference slide deck confirms the contract will be awarded through December 31, 2027. Is it the State's intention that each of the 40+ funded organizations will be audited only once over the two-year contract period?	The reference to work occurring through December 31, 2027 reflects the timeframe during which the majority of Cohort 1 (FY24-26) and Cohort 2 (FY25-27) audits are expected to be completed.
16.	<p>The RFP states that contractors will provide "Independent audits of funding recipients at the conclusion of their funding periods to reconcile awarded funding amounts with audited operating losses."</p> <p>Should we understand this to mean the funded organization will provide the audited operating losses to use as source documentation in the audit/review and reconciliation to the RHCDF funded amounts?</p>	Funding recipients will be required to provide audited operating losses when available. However, due to timing, additional documentation and records necessary for the Contractor to perform that audit.
17.	Does the State expect a certain number of on-site inspections?	As stated in the Scope of Work, the Contractor will recommend to the HCA which funding recipients should undergo on-site inspections. The recommendation will be based on risk, documentation requirements, and audit objectives and proposed to the HCA. HCA reserves the option to decline and/or add additional on-site inspections.
18.	Can the State please clarify whether bidders are required to be on the State Auditor's list of approved audit firms in order to bid on this procurement?	See Q/A 6.



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	If so, would Offerors with pending status also be eligible to bid?	
19.	Could you provide information on the fees or budget allocated for similar audit engagements in the prior year(s)?	No prior RHCDF audit engagements or associated pricing exist. This is the first time the HCA is procuring auditing services for the Rural Health Care Delivery Fund. The program was established in 2023, and the first funding cohorts are still in the process of implementing their projects. Offerors should propose pricing based on their methodology and the requirements outlined in the RFP.
20.	What is the anticipated timeline for completing the audit work, including key milestones for Phase I (Audit Readiness) and Phase II (Audit Execution)?	The Contractor will work with the HCA to develop the audit readiness plan and establish a schedule for audit execution after the contract is awarded. While the State's goal is for Phase I to be completed and an audit plan in place by the end of FY26 (June 30, 2026), the detailed timeline will depend on the Contractor's proposed approach and coordination with funding recipients. The ideal start date for Phase II is the start of FY 27, July 01, 2026.
21.	Does the HCA have a preferred approach for audit activities—remote, on-site, or a hybrid model? Are there specific circumstances under which on-site visits will be required?	HCA does not prescribe a preferred approach for audit activities. At present, all RHCDF oversight and support activities occur remotely, and we anticipate that most audit work can also be completed remotely. On-site visits may be recommended to HCA when necessary and may be conducted based on the Contractor's professional judgment and HCA's approval.
22.	Will supporting documents be provided in electronic format (e.g., PDF, Excel), or should we expect hard copies for certain records?	The documentation will be provided in electronic format.
23.	Can you share prior audit reports to help us understand historical findings and expectations?	No prior audit reports are available for this program. The Rural Health Care Delivery Fund was established in 2023, and the first funding cohorts are still in the process of implementing their projects. As a result, no RHCDF audits have been conducted to date, and there are no historical audit reports to share.

		Offerors should base their approach on the requirements outlined in the RFP.
24.	<p>Under Section B. Proposal Content and Organization, 2. Detail on Proposal Content (Form 2 in Submittable), item f. Completed Cost Response Form on page 21, please clarify and or confirm the following:</p> <p>Is there a separate Excel file for the Cost Proposal (with multiple tabs) that is supposed to come with the RFP Packet? On the Submittable site in the cost section the only form available to download is the Appendix D Cost Response Form which is a PDF with just Firm Name, Signature, and Date sections to be filled out.</p> <p>If the RFP is not supposed to have an excel cost sheet, are we allowed to export the Appendix D form and create an Excel file ourselves, adding tabs for each fiscal year and associated fees, then upload that as the single required cost excel file?</p>	<p>There is no separate Excel file required for the Cost Proposal. The reference to completing or saving the cost form “as an Excel” does not apply to this procurement and can be disregarded.</p> <p>Offerors may create their own supplemental spreadsheet (or document in another format) to present a breakdown of costs by state fiscal year, including tabs or supporting detail. All proposals must clearly show the proposed cost for each state fiscal year of the initial two-year contract period.</p>
25.	When is the project expected to start?	The project will begin upon execution of the contract following award. The anticipated award date is December 24, 2025, with contract execution expected shortly thereafter. Work under the contract will start once the agreement is fully executed, likely in early 2026.
26.	Are there any confidentiality agreements or legal restrictions that may limit access to certain records or information?	Access to some records may be subject to confidentiality requirements. The Contractor must follow all confidentiality provisions in the RFP and



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		contract, and certain documents may require redaction under applicable state or federal law.
27.	How will potential conflicts of interest with recipients or independence issues be addressed? Can you provide a list of recipients so we can run a conflict-of-interest check?	Information about currently funded RHCDF recipients is publicly available on the RHCDF website . Conflicts will be evaluated as part of the proposal review process based on the disclosures and certifications submitted by each Offeror in the Offeror Questionnaire.
28.	Are there any specific requirements for subcontractor arrangements?	Offerors must identify any subcontractors in the Letter of Transmittal (Appendix E) and are responsible for ensuring that subcontractors meet all requirements of the RFP, including independence, confidentiality, and professional standards. The Contractor remains fully accountable for all work performed under the contract.
29.	Is there a total budget available for audit services, or any caps on hourly rates, travel, or other reimbursable expenses?	No. The RFP does not include a predetermined budget, cost cap, or limits on hourly rates, travel, or other reimbursable expenses. Offerors should propose pricing that reflects their methodology, staffing, travel needs, and the full scope of work described in the RFP. All proposed costs will be evaluated based on the requirements and scoring criteria outlined in the RFP.
30.	What financial systems, data formats, or reporting tools are used by HCA and the funding recipients?	Funding recipients submit invoices, reconciliation forms, detailed budgets, payment breakdown forms, financial backup documentation and required quarterly reports.
31.	Will the auditor have direct access to these systems, or will data be provided by the recipients?	The Contractor should expect to receive data and supporting documents from HCA and funding recipients rather than accessing internal systems directly.
32.	Is the consultant's role expected to be purely advisory, or will it include direct drafting and implementation of policies and procedures?	<p>The Contractor will provide advisory support and the development of materials. As described in Phase I of the Scope of Work, the Contractor will help establish audit standards, documentation requirements, and customary practices, and will also draft deliverables such as the Audit Readiness Checklist, recommended documentation standards, and other tools needed to support consistent audit execution.</p> <p>Materials provided may be used by the HCA to draft policies and procedures.</p>



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33.	What criteria will HCA use to require on-site inspections vs. remote testing, and should costs assume a minimum on-site percentage of engagements?	<p>The Contractor is expected to use professional judgment to recommend on-site inspections based on factors such as audit risk, documentation needs, or other audit objectives. Any on-site visit must be recommended by the Contractor and approved by HCA before being conducted.</p> <p>Offerors should propose costs that reflect this approach; however, the HCA does not require a minimum percentage of engagements to include on-site inspections.</p>
34.	Would HCA require any part of the services to be performed on-site?	HCA does not require that any specific services be performed on-site. The Contractor is expected to use professional judgment to recommend on-site inspections only when they are necessary based on audit risk, documentation needs, or other audit objectives, and any on-site work must be approved by HCA before being conducted. Most audit activities may be performed remotely.
35.	Please confirm the operational definition HCA will use (e.g., accrual basis per GAAP; treatment of depreciation, uncompensated care, and noncash items) and whether a standard cost framework will be issued for uniformity across providers.	RHCDF recipients include a wide range of provider types with different service models, cost structures, and documentation practices. The HCA does not intend to impose a single uniform cost framework across all organizations. During Phase I, the Contractor will work with HCA to establish documentation expectations and clarify the treatment of allowable and non-allowable costs in a way that ensures consistency where appropriate while still accommodating the operational differences among provider types.
36.	Are internal audit standards expected to be used?	Audit standards will be established in Phase I.
37.	Are audits expected to follow GAGAS (Yellow Book), AICPA attestation standards, or HCA issued program specific procedures? Please specify the authoritative standards for financial/compliance engagements.	Audit standards will be established in Phase I.



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38.	Phase I includes advisory on audit standards and documentation; Phase II requires independent audits. Please confirm HCA's independence expectations and whether separate teams (advisory vs. assurance/forensic) are required to avoid self-review threats, and whether the State Auditor has any specific constraints we must follow.	Independence expectations will be determined in Phase I.
39.	When HCA requests forensic audits, will task orders define thresholds/triggers?	Any forensic audit would be requested by HCA based on the findings in the initial audit.
40.	Does HCA prefer statistical sampling (e.g., MUS/CUs) for transactions and payroll tests, or will judgmental/risk-based sampling suffice? Any minimum coverage levels (e.g., % of dollars or transactions)?	The RFP does not prescribe a specific sampling methodology or minimum coverage levels. The Contractor should use professional judgment to determine the most appropriate approach for each audit. Given the nature of this program, judgmental or risk-based sampling will often be sufficient, but statistical methods (e.g., MUS/CUs) may be used when appropriate.
41.	Is the HCA satisfied with the services provided by the incumbent firm?	There is no incumbent firm for this work.
42.	What would another provider need to demonstrate to exceed the value the incumbent firm has provided to HCA?	See Q/A 41.