



## STATE OF NEW MEXICO SOLE SOURCE REQUEST AND DETERMINATION FORM

A sole source *determination* is not effective until the *sole source request for determination* has been posted for thirty (30) calendar days without challenge, and subsequently approved in writing by the State Purchasing Agent. The foregoing requirement is regardless of whether the *sole source request for determination* has been signed by the Agency and/or the Contractor.

**I. Name of Agency:** New Mexico Health Insurance Exchange

Agency Chief Procurement Officer: Anita Schwing  
Telephone Number: 505.314.5211

Agency Contact for this Request: Aryn Fitzwater  
Telephone Number & Email Address: 505.314.5215; afitzwater@nmhix.com

**II. Name of prospective Contractor:** Consumers' Checkbook/Center for the Study of Services

SHARE Vendor Number (must be active): 0000070950  
Address of prospective Contractor: 1652 K Street NW, Washington, DC 20006  
Contact Name, Telephone Number and Email Address:  
Eric Ellsworth; (800) 213-7283; eellsworth@checkbook.org

Amount of prospective contract before tax: \$80,800.00 (not to exceed)  
Estimated tax amount (tax is subject to change): \$4,200.00

Term of prospective contract: February 22, 2021 - October 31, 2021

Note: For terms longer than one year, Request for Policy Exemption from DFA MUST be included.

**III. Agency is required to state purpose/need of purchase and thoroughly list the services (scope of work), construction or items of tangible personal property of the prospective contract (if this is an amendment request to an existing contract, include current contract number issued by SPD):**

**A. Background**

In 2018, the New Mexico Office of Superintendent of Insurance ("OSI") procured from Consumers' Checkbook/Center for the Study of Services ("Contractor") the development and licensure of a browser-based consumer decision support tool for consumers shopping for individual qualified health plans ("QHP") through the New Mexico Health Insurance Marketplace. The tool is designed to meet the specific needs of New Mexico consumers

in a complex and often difficult to understand environment such as the individual health insurance Marketplace. The tool goes beyond premium and cost-sharing comparisons to include an ability for the consumer to compare plans based on health status, range of risk, expected upcoming medical procedures, preferred providers, and drug formulary comparisons. The tool includes quality rating comparison data and provider network directories, in addition to an out-of-pocket cost estimate calculator. The tool provides consumers with information on differences between QHPs and offers consumers other innovative resources personalized to support informed decision-making on which health plan best meets their needs and budget.

## B. Scope of Work

1. Input OSI-provided and publicly available data into Contractor's proprietary plan comparison tool for individual health insurance plans for the 2021 plan year, and provide the New Mexico Health Insurance Exchange with licensure for the maintenance and public offering of the tool. The Scope of Work includes:
  - Acquire consumer data (obtain SERFF data files from OSI for each health insurance plan to be input into the cloud-hosted tool);
  - Incorporate publicly available data from Healthcare.gov/CCIIO and OSI regarding Medicaid eligibility and advance premium tax credits;
  - Facilitate actuarial cost modeling for each included plan utilizing OSI-provided files and information including benefits and coverage, drug formulary, and provider directory information;
  - Utilize beWellnm branding and style within the tool;
  - Provide data analytics reporting on the traffic and use patterns within the tool for the New Mexico Health Insurance Exchange;
  - Input acquired data into the tool to support functionality of, at minimum:
    - Actuarial cost comparisons of health plans incorporating self-reported health status with outputs for average and high healthcare-usage year estimations;
    - Provider network search function allowing users to input their preferred providers and incorporating network breadth for each plan and the input providers' availability, as well as incorporating provider quality ratings as available;
    - Drug formulary search function allowing users to input current or expected medications with a per plan output of cost-sharing, step-therapy or prior authorizations, as applicable; and
    - Include an option for users to personalize plan quality summary measurements and scoring;
  - Maintain and update benefits promptly for plans in which modifications have occurred during the contract period.
2. Provide a cloud-hosted solution with disaster recovery presence, responding to incidents, utilizing industry standard priority levels for consumer browser-based tools.

## IV. Provide a detailed explanation of the criteria developed and specified by the agency

**as necessary to perform and/or fulfill the contract and upon which the state agency reviewed available sources.**

The subject contract is for the maintenance and support, through October 31, 2021, of the Consumers' Checkbook plan comparison tool. Prior to fostering a new partnership opportunity for beWellnm by way of Consumers' Checkbook, OSI talked with several states and learned that each state pursued a slightly different set of features in its plan comparison tool, but the backend infrastructure was very similar, provided through licensure. OSI then worked with Contractor to develop the scope and specifics of a tool that would serve the needs of New Mexico consumers in the individual Marketplace. The goal was to provide consumers with the ability to compare multiple levels of coverage from multiple carriers based not solely on a monthly premium amount, but also provide estimated total annual out-of-pocket cost comparisons based on consumer-specific information, such as current medications and health care providers, to provide greater transparency.

This tool, which was used on the beWellnm website for plan year 2020, is a proprietary tool that can only be supported and maintained by the Contractor.

- V. **Provide a detailed, sufficient explanation of the reasons, qualifications, proprietary rights or unique capabilities of the prospective contractor that makes the prospective contractor *the one source* capable of providing the required professional service, service, construction or item(s) of tangible personal property.**

The plan comparison tool offered on the New Mexico Health Insurance Exchange is unique, offering features that best serve the needs of the New Mexico individual Marketplace consumers. The tool was developed after feedback from industry stakeholders working with consumers that there was much confusion over plan benefits, cost-sharing, and provider networks. Too many consumers were purchasing plans without fully understanding their options, making ill-informed decisions for themselves and their families. While other plan comparison tools allow consumers to compare plans based on premium amounts and estimated out-of-pocket costs, the Contractor's tool provides information based on additional features, including actuarial modeling that incorporates the probability of good years vs. bad years, the ability to generate family profiles for modeling out-of-pocket costs using only age and self-reported health status of family members, and personalized quality rating comparison data. These features are unique to the Contractor's tool.

The software necessary for maintenance and support of the tool is proprietary, and the Contractor is the only potential vendor that can maintain and support the tool and thus provide the services which are the intended purpose of the contract.

- VI. **Provide a detailed, sufficient explanation of how the professional service, service, construction or item(s) of tangible personal property *is/are unique and how this uniqueness is substantially related to the intended purpose of the contract.***

The Contractor's tool was customized for New Mexico, and it has been available to New

Mexico consumers through the beWellnm website. The tool's unique features related to the intended purpose of the contract include the ability to estimate out-of-pocket costs based on actuarial modeling that incorporates the probability of good vs. bad years; the ability to generate family profiles for modeling out-of-pocket costs using only age and self-reported health status of family members; geographically personalized measure of network breadth; the ability to see all plans together (no pre-filtering, no pagination); and the ability to incorporate out-of-pocket estimates into simplified metrics for choosing a plan. The tool uses actuarial modeling using data from national and local sources to look at probabilities of health insurance plan benefit usage, and creates an algorithm to determine how that probability will affect an overall expenditure estimate for each plan included in the tool. It is the unique breadth of usage of its infrastructure by Federal government agencies and several other state health insurance Marketplaces, incorporating over 37 years of research, testing, evaluation, and data modeling, that allows the tool to meet the purpose of the contract: to provide New Mexico consumers with the ability to compare the costs of health plans in a sometimes complex and difficult to understand environment such as the individual Marketplace.

**VII. Explain why other similar professional services, services, construction or item(s) of tangible personal property *cannot* meet the intended purpose of the contract.**

Through discussions with Contractor, NMHIX has learned that the software necessary for maintenance and support of the tool is proprietary. The Contractor is therefore the only potential contractor that can maintain and support the tool and thus provide the services which are the intended purpose of the contract.

**VIII. Provide a narrative description of the agency's due diligence in determining the basis for the procurement, including procedures used by the agency to conduct a review of available sources such as researching trade publications, industry newsletters and the internet; contacting similar service providers; and reviewing the State Purchasing Divisions' Statewide Price Agreements. Include a list of businesses contacted (*do not state that no other businesses were contacted*), date of contact, method of contact (telephone, mail, e-mail, other), and documentation demonstrating an explanation of why those businesses could not or would not, under any circumstances, perform the contract; or an explanation of why the agency has determined that no businesses other than the prospective contractor can perform the contract.**

The software necessary for maintenance and support of the tool is proprietary and, therefore, the Contractor is the only potential contractor that can provide the contract services.

NMHIX nonetheless conducted internet and user-end research, looking at plan comparison tools available in other state marketplaces, including Idaho, Colorado, Maryland, and California. While these tools provided some of the features available through the Contractor's tool, they do not offer several comparison features which are key to the use and value of the Contractor's tool (e.g. comparison of plans and costs by range of risk, personalized quality rating, and single-dollar amount total cost estimate, based on actuarially estimated total out-of-pocket costs, for people of the same family size, ages, health status, and other characteristics of the user). It is these features that

enable New Mexico consumers to obtain meaningful information and customized estimates based on consumer-specific data input. Further, unlike providers of other available plan comparison tools, Contractor is a non-profit organization whose mission is solely to inform the consumers about the quality and cost of health plans.

Certified by:

Date: 1/13/2021



\_\_\_\_\_  
Agency Chief Procurement Officer

Agency Approval by:

Date: 01/13/2021



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Agency or Entity Head or Designee

APPROVED:

Date: \_\_\_\_\_

\_\_\_\_\_  
State Purchasing Agent

***If this sole source is being submitted by a governmental agency or governmental entity not under the final authority of the State Purchasing Agent, the State Purchasing Agent's signature is not required. The signature line may be removed from this form or marked as N/A. Hard Copy Documentation for Courtesy Postings do not need to be submitted to SPD for approval.***