



Legislative Health & Human Services Committee

Representative Christine Trujillo, Chair
Senator Gerald Ortiz y Pino, Vice Chair

How the IBAC Agencies Purchase Health Care Services
September 16, 2022

Interagency Benefits Advisory Committee (IBAC)

- Health Care Purchasing Act of 1997
 - 13-7-2. Purpose of act.
 - The purpose of the Health Care Purchasing Act is to ensure public employees, public school employees and retirees of public employment and the public schools access to more affordable and enhanced quality of health insurance through cost containment and savings effected by procedures for consolidating the purchasing of publicly financed health insurance.
 - 13-7-4. Mandatory consolidated purchasing.
 - A. The agencies shall enter into a cooperative consolidated purchasing effort to provide plans of health care benefits for the benefit of eligible participants of the respective agencies. The request for proposal shall set forth one or more plans of health care benefits and shall include accommodation of fully funded arrangements as well as varying degrees of self-funded pool options.

IBAC Continued

- Rotating chair between agencies
 - Albuquerque Public Schools
 - New Mexico Public Schools Insurance Authority
 - New Mexico Retiree Health Care Authority (Current Chair)
 - State of New Mexico - General Services Department, Risk Management Division
- Monthly Meetings
 - Stay informed of health insurance market with vendor presentations
 - Current vendors updates and presentations when requested
 - New vendors with other opportunities in providing care, data, access, wellness, etc.
 - Agency updates and coordination of projects
- Request for Proposals planning
 - Timelines and evaluation criteria

Request for Proposal (RFP) Process

- Identify expiring contracts or new opportunities
- Purpose
 - Solicit sealed competitive proposals
 - Leveraging the buying power of the IBAC agencies
- Joint RFP's
 - Medical, Dental, Vision, Pharmacy Benefit Manager, Life Insurances
- Develop RFP to address each agency's needs and the collective need
 - Benefits, coverage, administration, access, quality, etc.
- Timeline for release, evaluation, and completion

Consultant Expertise

- IBAC develops RFP for project management, data analysis capabilities, and financial analytics
- Release of RFP to obtain overall best consultant
 - Based upon ability to meet scope of work
 - Experience of organization and team, cost, references, and oral presentations
- Upon selection
 - Assist with development of RFP and project coordination
- Financial
 - Based on RFP formula to calculate points based on cost to agency/member premiums
- Geographic Analysis and Disruption
 - Review of access to care in all membership regions
 - Data regarding differences in access to care and impact to members

IBAC Review & Scoring

- Release of RFP to obtain best overall bids for services
- IBAC Review
 - Each agency has own evaluation committee
 - Finalists determined by overall scoring of group
- Technical
- Financials
- Best and Final/ Oral presentations
- Contract Negotiation
- Implementation of New Vendor

RFP for Medical, Dental, Vision, PBM

- Evaluation Criteria
 - Access to care
 - Network of providers and facilities
 - Disruption of care
 - Quality of care
 - Customer service
 - Health and wellness programs
 - Disease management, case management, diabetes management or reversal, etc.
 - Cost
 - Ability to process claims
 - Security of data and personal health information
 - Best and Final to include oral presentations

Medical Coverage & Ongoing Review

- Reporting
 - Claims information – provider and facility reimbursement fees
 - Performance guarantees
 - Customer service metrics
 - Claims processing and accuracy
 - Programs
 - Disease management
 - Case management
 - Wellness participation and engagement
- Ongoing review
 - Contract and RFP requirements are met

Pharmacy Coverage & Ongoing Review

- Reporting
 - Claims information – dispensing fees, cost of drugs, rebates
 - Performance guarantees
 - Customer service metrics
 - Claims processing and accuracy
 - Financial and fill rate accuracy
 - Programs
 - Disease management
 - Step therapy
 - Prior Authorizations
- Ongoing review
 - Contract and RFP requirements are met

Impact of RFPs

- Cost and Management
 - Determines premiums to cover expenses
 - Programs to drive high quality care at the lowest possible cost
 - Programs to assist members with improved management of chronic illnesses
- Quality and access
 - The right care leads to better outcomes for members and plans
 - Ability to get care sooner than later to mitigate costs
 - Catch illnesses early before become more aggressive
 - Use of technology to help with access and tailored care for specific members
- Creates competition to push vendors
 - Improve quality, customer service, programs, technology, compete for members and dollars



Questions?