**STATE OF IOWA**

Iowa Insurance Division

Request for Information

Market Survey/Scan of the Iowa Individual Health Insurance Market

**Section 1. BACKGROUND AND OBJECTIVES**

* 1. **Background Information for the Project.** This project will evaluate and study Iowa State Flexibility to Stabilize the Market opportunities under Part A of Title XXVII of the Public Health Service Act. The goal of the project is to address guaranteed availability of coverage and to obtain a market scan of Iowa’s individual health insurance market to ensure that approved products are appropriately offered for purchase, coverage is comprehensive and affordable, or whether innovative measures are needed to strengthen the type of coverage provided or to improve access to coverage.
  2. **Information Sought.** The Iowa Insurance Division (IID) soon will be seeking vendors who are capable of and interested in obtaining the necessary information and providing resultant recommended findings on behalf of the Commissioner. This Request for Information (RFI) seeks ideas, comments, feedback or reactions from vendors prior to the solicitation, for what information needs to be collected by the Division through a chosen vendor, how such information should be collected, how the information would be analyzed, how findings would be reached, and what the estimated costs of all of these steps might be. This is not the formal bidding process, merely a process by which the Division can obtain the background information for the preparation of a Request for Proposals (RFP). The intended purpose of this RFI is to allow all interested vendors to present possible research and analysis techniques that currently are available or techniques that are under development or that could be developed.
  3. **Request for Information Procedure.** This RFI requires any vendor wishing to submit information to respond to this RFI by 3:30 p.m. Central Time, on March 27, 2019.
  4. **Relevant Dates.**

*Events*  *Dates*

Issue RFI February 6, 2019

Vendor Conference February 22, 2019

RFI Submission Due March 27, 2019

Begin RFP Preparation April 19, 2019

Issue RFP (tentative) May 15, 2019

* 1. **Questions.** Technical questions about this RFI are to be submitted to the Insurance Division’s Senior Policy Advisor, Angela Burke Boston, at [angela.burke.boston@iid.iowa.gov](mailto:angela.burke.boston@iid.iowa.gov) , and may be asked at the Vendor Conference on February 22, 2019 at 2:00 p.m. The dial-in number is (866) 685-1580, conference code 1755330245. Answers to questions will become part of the RFI once they are in writing and distributed to persons asking the questions and to any participants in the Vendor Conference.
  2. **Submission of Response.** The vendor’s response may be hand-delivered, faxed, emailed, or mailed to the Division, to the attention of Angela Burke Boston, [angela.burke.boston@iid.iowa.gov](mailto:angela.burke.boston@iid.iowa.gov) . Responses will not be accepted over the telephone. The IID’s address is Two Ruan Center, 601 Locust, Des Moines, Iowa 50309-3738, (515) 281-3059 (fax).
  3. **Contact Information.** The contact at the Division for RFI process inquiries and comments will be Chris Henkel, at [chris.henkel@iid.iowa.gov](mailto:chris.henkel@iid.iowa.gov), 515-725-4047.
  4. **Review and Rejection of RFI Responses.**

1.8.1 The Division reserves the right to reject any and all responses, in whole or in part, received in response to this RFI at any time. Issuance of the RFI in no way constitutes a commitment by the Division to award any contract. This RFI is designed to provide vendors with the information necessary for the preparation of informative responses. This RFI process is for the Division’s benefit and is intended to provide the IID with information to assist it in an informed future solicitation of goods and services. The RFI is not intended to be comprehensive and each vendor is responsible for determining all factors necessary for submission of a comprehensive response. The RFI response will not be subject to an RFP-type evaluation but only to a review of suggested processes offered that may be of use to the IID.

1.8.2 An RFI response may be rejected outright and not reviewed for any one of the following reasons; therefore, vendors are asked to make every effort to meet the RFI timelines and to include the requested information:

1.8.2.1 Failure of vendor to deliver the response by the due date and time.

1.8.2.2 Failure to include information requested in the RFI.

* 1. **Public Records and Requests for Confidentiality.** The release of information by the IID to the public is subject to Iowa Code Chapter 22 and other applicable provisions of law relating to the release of records in the possession of a State agency. Vendors are encouraged to familiarize themselves with these provisions prior to submitting a response. All information submitted by a vendor may be treated as public information by the IID unless the vendor properly requests that information be treated as confidential at the time of submitting the information. A [Form 22](https://das.iowa.gov/sites/default/files/procurement/pdf/Form22-RFP.pdf) shall be completed by the vendor and submitted with the vendor’s response to the RFI.
  2. **Copyrights.** By submitting a response the vendor agrees that the IID may copy the response for purposes of facilitating the evaluation or to respond to requests for public records. The vendor represents that such copying will not violate any copyrights in the materials submitted.
  3. **Restrictions on Gifts and Activities.** Iowa Code chapter 68B contains laws which restrict gifts which may be given or received by state employees and requires certain individuals to disclose information concerning their activities with state government. Vendors are responsible for determining the applicability of this chapter to their activities and for complying with these requirements. In addition, Iowa Code chapter 722.1 provides that it is a felony offense to bribe a public official.
  4. **Content of the RFI.**

1.12.1 This RFI is designed to provide vendors with the information necessary for the preparation of an appropriate response. It is not intended to be comprehensive, and each vendor is responsible for determining all factors necessary for submission of a comprehensive response.

1.12.2 The IID reserves the right to modify this RFI at any time.

1.12.3 Responses should be based on the material contained in this RFI or any other relevant information the vendor thinks is appropriate.

1.12.4 By submitting a response each vendor agrees that it will not bring any claim or have cause of action against the IID, the State of Iowa, or any employee of the IID or the State, based on any misunderstanding concerning the information provided or concerning the IID’s failure, negligent or otherwise, to provide the vendor with pertinent information as intended by this RFI.

* 1. **Cost to Vendors.** The IID is not responsible for any costs incurred by a vendor, which are related to the preparation or delivery of the response, any on-site inspection that may be required, or any other activities related to this RFI.
  2. **Responses Property of the IID.** All printed information used to demonstrate a vendor’s product becomes the property of the IID. The IID will have the right to use ideas or adaptations of ideas that a presented in the responses.
  3. **Sources of Information Used by the IID in Addition to the Responses.** The IID reserves the right to contact vendors after the submission of responses for the purpose of clarification and to ensure mutual understanding.
  4. **No Obligation to Issue Request for Proposal (RFP).** The issuance of this RFI does not obligate the IID in any way to issue an RFP for the goods and services described in this RFI.

**Section 2. GENERAL REQUIREMENTS**

2.1 **Background**

The structural problems of the ACA caused a collapse of Iowa’s individual health insurance market. A number of factors contributed to the skyrocketing premium costs and marked increase in the number of uninsured individuals. This background is intended to serve as a brief overview of the history of the market and its current status.

Prior to the ACA, Iowa had a stable individual market with some of the lowest premium levels in the nation and many health insurance options to choose from. Nearly 66 percent of Iowans had access to employer-sponsored insurance. Iowa has a population just above 3 million.

While Iowa had one of the lowest uninsured rates in the country due to the large segment of the population receiving employer-sponsored coverage, comprehensive health insurance was unaffordable for many lower- to moderate-income earners. There were challenges in the individual market, with consumers still being subject to rate increases, condition exclusions, and coverage denials.

While the number of uninsured individuals in Iowa has decreased with the advent of the ACA, the number of Iowans actually purchasing policies in the individual market has also decreased. This reduction in the number of uninsured is largely due to Medicaid expansion implemented by Iowa. The program, known as the Iowa Health and Wellness Plan, provides coverage to nearly 150,000 low-income, childless adults.

Iowa’s individual commercial health insurance market consists of grandfathered plans, transition plans, and ACA-compliant plans.

Beginning in 2015, the age band restriction and subsidy structure disadvantaged healthy young moderate-income individuals, attracting significantly fewer healthy young participants into the market than expected. However, the subsidy structure attracted a significantly larger proportion of 55-64 year-old individuals than expected, causing substantial market losses, due to the higher costs for healthcare utilization of this population.

Iowa’s individual ACA-compliant market continues to deteriorate as claim and costs exceeded premiums. Two carriers, Wellmark and Medica, currently offer ACA-compliant plans in Iowa in 2019.

It is expected that the premium rates under the ACA will price out nearly all individuals currently on the individual health insurance market except for those who are federally subsidized or those who must incur these steep costs to ensure health insurance coverage for their serious illnesses or medical conditions.

2.2 **Services or aspect of the services the IID may want to purchase.**

The IID wishes to obtain a market scan of Iowa’s individual health insurance market to determine whether approved products are appropriately offered for purchase, whether coverage is comprehensive and affordable, or whether innovative measures are needed to strengthen the type of coverage provided or to improve access to coverage.

Iowa has been awarded funding to explore access to coverage under Section 2702 of the Public Health Service Act regarding Guaranteed Availability of Coverage. The IID intends to issue a request for proposals in order to procure the services of consultants to develop a market analysis/market scan to improve and expand the number of current healthcare coverage options. This market analysis/market scan will provide detailed simulation modeling to refine current estimates of the population that will access coverage in Iowa.

A vendor submitting a response to this RFI should provide descriptions of methods to provide the information outlined in section 2.3, including how to obtain the measurements, and how to determine and report conclusions.

A vendor should provide estimated timelines for the methods described, and estimated costs of such methods. If more than one method is suggested as an option, providing costs for each method suggested to allow the IID to choose from among suggested methods would be ideal.

The IID would like to keep the cost of the project below $225,000.

2.3 **Management of the Project.**

The IID is committed to having a viable individual market providing affordable health coverage options to Iowans. The steady increase in premium costs has resulted in a decline in market participation, which in turn causes higher prices. This cyclical nature makes it very difficult to salvage the existing market. Data such as census information as to population with individual coverage and recent carrier activity in the Iowa individual market provide some insights into the state of the individual market. However, Iowa proposes to obtain greater understanding and assessment of the movement into and out of the individual market by obtaining a market scan of Iowa’s health insurance market to improve and expand the number of current healthcare coverage options.

The funding of the market scan through the State Flexibility to Stabilize the Market Grant Program would be used to:

* Measure the composition of the individual market and identify relevant trends in an effort to stabilize the market in order to slow or halt additional population and carrier departures.
* Inform policy decisions of the IID in order to promote transparency and increase competition.
* Inform policy decisions of the IID regarding user-friendly interfaces, educational opportunities and removal of barriers to obtaining individual health insurance in Iowa.
* Identify and evaluate affordable and attractive options for all purchasers, especially the age 21-40 population.

2.4 **Vendor References.**

A vendor submitting a response to this RFI shall list all jurisdictions in which the vendor has performed similar work in analyzing the options available to a state and performing a study of a state’s individual health insurance market and indicate the dates on which each contract began and ended. Please include any applicable references.

**Section 3.** **OTHER FEATURES**

If there is any other feature, service or option of which you believe the IID should be aware for preparation of an RFP related to the analysis of the options available to the State of Iowa and performing a study of the State of Iowa’s individual health insurance market, describe the feature, service product or option and explain how it would fulfill each requirement of the Iowa State Flexibility Market Stabilization Grant as identified in this RFI.