



1301 Fifth Avenue  
Suite 3800  
Seattle, WA, 98101

Tel +1 206.624.7940

milliman.com

September 15, 2023

**Stephanie Nelson, Procurement Consultant**

Indiana Department of Administration

Procurement Division

402 W. Washington St.

Room W468

Indianapolis, Indiana, 46204

**Re: RFS 24-76533 Hospital Price Benchmarking**

Dear Stephanie Nelson,

Milliman, Inc. (Milliman) is pleased to present the enclosed proposal to the Indiana Department of Insurance (IDOI). Through our extensive experience with claims processing, Medicare pricing, supporting analyses, and actuarial expertise, Milliman is in a unique position to provide the expertise and systems needed to implement percentage of Medicare calculations and resulting hospital price benchmarking required by House Enrolled Act 1004. We value our longstanding relationship with the State of Indiana, and have assembled a team of experts who understand the nuances of health care provider payments, Medicare claim adjudication, and engaging hospital systems and other stakeholders.

We are excited to have the opportunity to work with IDOI to accomplish its goals of efficiently implementing House Enrolled Act 1004 and successfully engaging with Indiana non-profit hospital systems and the IDOI. Milliman unique expertise include:

- Developing, deploying, and utilizing complete Medicare pricing software through the Milliman Medicare Repricer™ and Milliman Medicare Reference Pricer™ solutions. Our solutions include data reconciliation, data validation, all required claim groupers (e.g., MS-DRG and APC groupers), Medicare adjudication rules and the Medicare fee schedules. The software is updated quarterly and adjudicates claims to what Medicare would have allowed for the claim.
- Supporting the Department of Veterans Affairs (VA) in analyzing and reimbursing community care at Medicare rates through our cloud-based Medicare Reference Pricer software.
- Licensing Medicare pricing software to over 50 health care organizations nationally.
- A team of over 50 provider payment experts who support health systems, payers, and government entities in analyzing reimbursement rates and payments.

- Stakeholder engagement
- Benchmarking payments to Medicare fee-for-service payments
- Payment system design
- Developing and implementing claim payment groupers
- Developing and implementing claim data validation and analytic processes
- Serving more than 25 state agencies over the past two decades to assist them in providing health care coverage to their constituents.

### **High-level implementation plan**

To implement hospital price benchmarking for the IDOI, we will:

- Develop and execute a stakeholder engagement plan, including:
  - Creating an internal stakeholder workgroup with IDOI to define the hospital benchmarking requirements, including process inputs, outputs, and reports.
  - Creating an external stakeholder workgroup with hospital system and insurer representatives.
  - Working with stakeholder workgroups to get obtain feedback on the hospital benchmarking process.
- Process development and implementation, including:
  - Data submission guide development and publication
  - Development of additional process documentation and materials
  - Responding to stakeholder feedback
  - Process execution and reporting
  - Data collection and processing
  - Data validation and reporting to hospital systems
  - Hospital price benchmarking result development
  - Reporting of results to the IDOI

Milliman will work with the IDOI to define the specific milestones and deliverables for each of these parallel workstreams and provide the IDOI with ongoing status updates (bi-weekly and monthly).

### **Authorized representatives**

David Lewis and Luke Roth are authorized representative of Milliman and will lead the interact with the IDOI on any matters pertaining to Request for Services 24-76533 and the resulting contract. David will serve as the Principal of Data Collection and Analysis Processes, leading the hospital systems data collection, data validation, data processing, and quality assurance. Luke will serve as the Principal of

Stakeholder Engagement, leading stakeholder outreach and engagement, and the reporting of preliminary and final benchmarking results to the appropriate stakeholders.

David and Luke are Principals at Milliman. As such, they are empowered to bind Milliman to all statements and services outlined in the proposal and any contract awarded pursuant to it. David and Luke will have ultimate responsibility and accountability for this contract. Please see Attachment A: Appendix for proof of their authorization.

As requested in the Request for Service we have uploaded our full proposal package which includes the following:

- Executive Summary
- Attachment A. Appendix, including required completed forms and certifications
- Attachment C. Technical Proposal Response Template
- Attachment D. Cost Proposal Template
- Attachment I. Attestation Form

Our references have completed Attachment H. and emailed them directly to the state as requested in the RFS.

We appreciate your acceptance of this proposal. Please contact David at 206-504-5974 or Luke at 206-504-5841, if you have any questions or need any additional information.

Sincerely,



David Lewis

Principal

+1 206 504 5974

David.lewis@milliman.com

Luke Roth

Principal and Senior Healthcare Consultant

+1 206 504 5841

luke.roth@milliman.com