As outlined in “Report21 - 202308xx – Statewide Medicaid Prepaid Dental Program Financial Commitment Template Narrative,” each respondent must provide detailed documentation in the form of an Actuarial Memorandum and certification describing how the respondent’s financial template responses were developed. This Actuarial Memorandum must reflect the following:

* An exact copy of the questions (1 through 9) and sub-questions outlined below, retaining the numbering and bullets. The section to be copied is delineated by “BEGIN COPY RANGE” and “END COPY RANGE.”
* A detailed response for each instance where a “RESPONSE:” is listed. Please note, multiple responses may be requested under each numerical question.
* The Actuarial Memorandum must include an actuarial certification signed by a qualified Member of the American Academy of Actuaries that the respondent’s financial commitment template reflects reasonable, appropriate, and attainable assumptions during the time period for which they are intended.
* If the respondent’s Actuarial Memorandum references information provided elsewhere in this solicitation response, the respondent must identify its exact location (file name, page number, SRC number, etc.).

**[BEGIN COPY RANGE]**

**ADMINISTRATIVE EXPENSES**

1. Document the overall approach used to develop the future administrative costs included in the template.

RESPONSE:

In addition, provide responses to the following questions:

* + What source or sources of information did you use to develop the proposed administrative allowance?

RESPONSE:

* + What period of historical data did you use to develop your projected administrative costs?

RESPONSE:

* + Confirm that you assumed that the public health emergency (PHE) ends and that all disenrollments related to the PHE have occurred prior to the start date of the new Statewide Medicaid Prepaid Dental Program.

RESPONSE:

* + How did you adjust your historical data to account for the end of the PHE and that administrative costs due to COVID-19 are included in the historical data used?

RESPONSE:

1. Document the overall approach to calculate the assumed efficiencies across future rate years.

RESPONSE:

* + Document thoughts about the reasonability in achieving the efficiencies selected.

RESPONSE:

* + Document potential risks that would limit the respondent’s abilities to achieve the efficiencies selected.

RESPONSE:

1. Confirm no startup costs are included in the administrative costs for future contract years.

RESPONSE:

* + If you anticipate you will have additional startup costs if you are awarded membership in regions where you currently do not operate or for populations you currently do not serve, provide an estimate of these costs and an overview of the approach used to develop these costs.

RESPONSE:

* + Document any additional administrative costs other than startup costs that were excluded from the response.

RESPONSE:

1. Document additional detail regarding the allocation of administrative costs within the Statewide Medicaid Prepaid Dental Program.
   * Document the methodology used to allocate administrative costs among rate groups?

RESPONSE:

1. Document the overall methodology in determining the differences in administrative costs and efficiencies between the three membership scenarios.

RESPONSE:

* + Document any considerations between fixed vs. variable administrative costs in your calculations.

RESPONSE:

* + Document how any changes in the mix of membership across rate groups or rate cells would affect your proposed administrative allowance.

RESPONSE:

**MARGIN**

1. Document how you developed your proposed underwriting margin percentage.

RESPONSE:

1. Document any actions that the Agency could take that would result in the Respondent lowering the margin proposed in the financial template.

RESPONSE:

1. Provide a summary to show that the proportion of capitation rates attributed to expanded benefits is consistent with your expanded benefit offerings on the “Expanded Benefits” spreadsheet.

RESPONSE:

**EXPANDED BENEFITS**

1. Document how you estimated the cost of your expanded benefit offerings for each benefit.

RESPONSE:

**[END COPY RANGE]**