

Actuarial Services Contract

Presented by:

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Background

- MHBE issued a Request for Proposal for Actuarial Services on April 16, 2019, with responses due May 2, 2019.
- MHBE received one response, from Lewis & Ellis.
- At the June 18, 2019 Board of Trustees meeting, the Board approved execution of a contract with Lewis & Ellis for a one year Not-to-Exceed base amount of \$101,250, and two one-year optional renewals, for a total of Not-to-Exceed amount of \$303,750.
 - Base Term –July 1, 2019 –June 30, 2020 -\$101,250
 - Option Year 1 –July 1, 2020 –June 30, 2021 -\$101,250
 - Option Year 2 –July 1, 2021 –June 30, 2022 -\$101,250

Unique Year 1 Circumstances and Proposal

MHBE is encountering several unique circumstances in year 1 of the Lewis & Ellis contract:

- Because the 2020 SRP parameters were set late in 2019, and 2021 SRP parameters will be set in early 2020, this first contract year requires support for establishing two years' worth of SRP parameters.
- In August 2019, the Affordability Workgroup recommended analysis of a state specific subsidy to support young adults and those 400%-600% FPL.

Proposal: MHBE staff request that the Board increase the year 1 NTE by \$121,750 to \$223,000, for a new contract total of \$425,500.

- Federal funds can be used to cover \$134,044. State funds would cover the other \$88,956.
- MHBE anticipates that future NTEs will be sufficient.
- MHBE has funds available to support the increase in the NTE.

Board Action Required

MHBE requests the Board's approval to increase the base year Not-to-Exceed amount for the Lewis & Ellis Actuarial Services contract to \$223,000.00 for a new three-year contract total of \$425,500.