



Purchasing Use Only:	
Approval#:	151102

SOLICITATION WAIVER JUSTIFICATION AND REQUEST FORM

ALL FIELDS ARE REQUIRED – INCOMPLETE REQUESTS WILL BE RETURNED TO THE AGENCY

1a	Agency Contact Information - Note: Approved copy will be sent to only the contact(s) listed below:			
	State Agency:	<i>Business & Industry, Division of Insurance</i>		
		<i>Contact Name and Title</i>	<i>Phone Number</i>	<i>Email Address</i>
		<i>Derick Dennis, Insurance Actuarial Analyst</i>	<i>(775) 687-0769</i>	<i>ddennis@doi.nv.gov</i>

Vendor Information:		
1b	Identify Vendor:	<i>Milliman, Inc.</i>
	Contact Name:	<i>Rob Bachler, FSA, FCAS, MAAA</i>
	Address:	<i>1301 Fifth Avenue, Suite 3800 Seattle, WA 98101</i>
	Telephone Number:	<i>(206) 504-5946</i>
	Email Address:	<i>rob.bachler@milliman.com</i>

Type of Waiver Requested – Check the appropriate type:		
1c	Sole or Single Source:	<i>Sole Source</i>
	Professional Service Exemption:	

Contract Information:			
1d	Is this a new Contract?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
	Amendment:	#	
	CETS:	#	

Term:			
1e	One (1) Time Purchase:	<input checked="" type="checkbox"/>	
	Contract:	Start Date:	End Date:
		<i>2/1/2016</i>	<i>2/1/2016</i>

Funding:		
1f	State Appropriated:	
	Federal Funds:	
	Grant Funds:	<i>X - The cost of this purchase will be 100% borne by the Division of Insurance's Health Insurance Rate Review Grant (CFDA: 93.511) from Health and Human Services. There will be no monetary outlay for the State of Nevada.</i>
	Other (Explain):	

1g	Total Estimated Value of this Service Contract, Amendment or Purchase: \$58,000 to \$60,000
-----------	---

2	<p>Provide a description of work/services to be performed or commodity/good to be purchased:</p> <p>Milliman Inc. is the world's largest independent actuarial firm and they annually produce the definitive collection of Health Care statistics that is marketed as Milliman's Health Cost Guidelines. The Guidelines are used by insurers and State regulators throughout the country to stay abreast of the latest trends, with data covering healthcare costs, benefits, reimbursement structures, plan characteristics all of which specific to a geographic area.</p> <p>The Milliman's report is used by State Regulators to review the accuracy of rate increase requests submitted by health insurance carriers. Each rate increase request includes conclusions by the carrier as to future costs based on their past experience. Milliman's Health Cost Guidelines offers a means for State Regulators to check the accuracy of those conclusions based on the information. The ability to confidently confirm or deny a rate request can have an impact on thousands of Nevada resident's annual insurance coverage and cost thereof.</p>
----------	---

3	<p>What are the unique features/qualifications required for this service or good that are not available from any other vendor:</p> <p>The Milliman Health Cost Guidelines are the industry's standard for annual data collection and analysis within the health care field. Milliman has dominated in this area for 50 years. The company's relationship with the health insurance industry places them in a unique position to provide in-depth information and analysis that is not available from any other information source.</p>
----------	---

4	<p>Explain why this service or good cannot be competitively bid and why this purchase is economically only available from a single source:</p> <p>There is no equal for Milliman's Health Cost Guidelines within the insurance industry. The area is dominated by Milliman to the exclusion of all competitors at the scope of information provided in the Health Cost Guideline.</p> <p>The Milliman Health Cost Guidelines are acknowledged to be the industry standard. Over 100 nationally marketed insurers, other State's insurance regulatory agencies and managed care organizations currently rely on the product. The Health Cost Guidelines are derived from the actual insurance claim experience of over 54 million members in health benefit plans. No other set of analyzed data comes close in the scope and authenticity of this product.</p> <p>The Division first relied on the undisputed reputation of the product within the insurance industry, but there after conducted market and internet searches to confirm the axiom of Milliman's utility for a state regulatory agency. The Division has utilized this product extensively since its initial purchase in July 2012. The time sensitive nature of the data requires that we now repurchase the product with plans to again get multiple years of use from the data. The 2012 data served the Division through 2015 in reviewing insurance plan years 2013 through 2016 proposals. We therefore anticipate the current purchase to provide valuable data through 2018. We anticipate a third purchase in late 2018 or early 2019 depending on the availability of federal grant funding.</p>
----------	---

5	<p>Were alternative services or commodities evaluated? Check One. Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/></p> <p>a. <i>If yes, what were they and why were they unacceptable? Please be specific with regard to features, characteristics, requirements, capabilities and compatibility.</i></p>
----------	---

	A relatively new organization the Health Care Cost Institute (HCCI) has begun collecting cost data on health cost that may eventually lead to an alternative data source. However, they currently are not a viable alternative to the Milliman Health Cost Guidelines.
	b. <i>If not, why were alternatives not evaluated?</i>

6	Has the agency purchased this service or commodity in the past? Check One. Note: If your previous purchase(s) was made via solicitation waiver(s), a copy or copies of ALL previous waivers must accompany this request.			Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>	
	a. <i>If yes, starting with the most recent contract and working backward, for the entire relationship with this vendor, or any other vendor for this service or commodity, please provide the following information:</i>							
	<i>Term</i>		<i>Value</i>	<i>Short Description</i>		<i>Type of Procurement (RFP, RFQ, Waiver)</i>		
	<i>Start and End Dates</i>							
	6/2012	6/2012	\$51,375.00	<i>Milliman's Health Cost Guidelines</i>		<i>Waiver# 120606</i>		
			\$					

7	What are the potential consequences to the State if the waiver request is denied and the service or good is competitively bid?
	The information to aid the Division of Insurance in thoroughly reviewing health benefit plan rate changes is lessened without the benefit of this product. One of the primary functions of the Division of Insurance is the protection of Nevadans against unfair rate increases on their health benefit plans. The Health Cost Guidelines that Milliman's provided an additional tool to aid in that protection of Nevada citizens. The Division can offer a more thorough review of rate filings and provide a disposition of those rate filings with a higher degree of confidence, given the use of the Milliman Guidelines.

8	What efforts were made or conducted to substantiate there is no competition for the service or good and to ensure the price for this purchase is fair and reasonable?
	The Milliman Health Cost Guidelines are acknowledged to be the industry standard. Over 100 nationally marketed insurers, other State's insurance regulatory agencies and managed care organizations currently rely on the product. The Health Cost Guidelines are derived from the actual insurance claim experience of over 54 million members in health benefit plans. No other set of analyzed data comes close in the scope and authenticity of this product. The Division first relied on the undisputed reputation of the product within the insurance industry, but there after conducted market and internet searches to confirm the axiom of Milliman's utility for a state regulatory agency. The Division has utilized this product extensively since its initial purchase in July 2012. The time sensitive nature of the data requires that we now repurchase the product with plans to again get multiple years of use from the data.

9	Will this purchase obligate the State to this vendor for future	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
----------	--	------	-------------------------------------	-----	--------------------------

purchases? Check One.				
a. Given the unique nature of the product provided (hence the Solicitation Waiver Justification) the Division of Insurance is by definition obligated to this vendor for any future renewals or repurchases. We are not however committed at this time to a specific renewal or repurchase. Any new commitments will be at the discretion of the Division of Insurance which we will revisit in 2018 or 2019.				

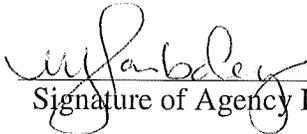
By signing below, I know and understand the contents of this Solicitation Waiver Request and Justification and attest that all statements are true and correct.


Agency Representative Initiating Request

10/19/15

Derick Dennis, Insurance Actuarial Analyst
Print Name of Agency Representative Initiating Request

Date


Signature of Agency Head Authorizing Request

Nicole Lamboley, Chief Deputy Commissioner
Print Name of Agency Head Authorizing Request

10.19.15
Date

PLEASE NOTE: In an effort to avoid possible conflict with any equipment, system or process already installed or in place by the State of Nevada or to assist in our due diligence, State Purchasing may solicit a review of your request from another agency or entity. The signature below indicates another agency or entity has reviewed the information you provided. **This signature does not exempt your agency from any other processes that may be required.**

Name of agency or entity who provided information or review:

N/A

Representative Providing Review

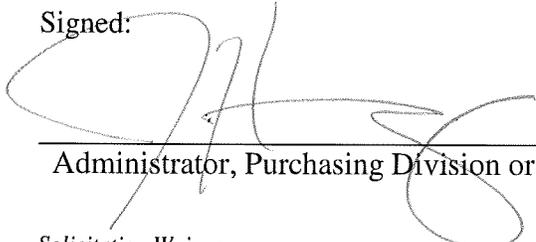
Print Name of Representative Providing Review

Date

Please consider this memo as my approval of your request. This exemption is granted pursuant to NAC 333.150(2)(a)(b)(c), NRS 333.400. This exemption may be rescinded in the event reliable information becomes available upon which the Purchasing Administrator determines that the service or good sought may in fact be contracted for in a more effective manner. Pursuant to NRS 284.173(6), contracts for services do not become effective without the prior approval of the State Board of Examiners (BOE).

If you have any questions or concerns please contact the Purchasing Division at 775-684-0170.

Signed:


Administrator, Purchasing Division or Designee

11-2-2015
Date