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# TRANSMITTAL

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<b>CC:</b>	<b>Mr. Louie J. Yanza, Esq.</b> <b>Attorney for Appellant TakeCare Insurance Company, Inc.</b> Law Office of Louie J. Yanza, P.C. MVP Building 862 S. Marine Corps. Dr., Ste. 203 Tamuning, Guam 96913 Phone: (671) 989-3009 Email: <a href="mailto:admin@jurisguam.com">admin@jurisguam.com</a> ; <a href="mailto:lyanza@jurisguam.com">lyanza@jurisguam.com</a>	<b>Date:</b>	March 6, 2024
		<b>Phone:</b>	(671) 475-0390 x. 204
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**Re:** OPA-PA-24-003 Decision

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Thank you,  
 Jerrick Hernandez, Auditor  
[jhernandez@guamopa.com](mailto:jhernandez@guamopa.com)



**BEFORE THE PUBLIC AUDITOR  
PROCUREMENT APPEALS  
TERRITORY OF GUAM**

In the Appeal of  TakeCare Insurance Company, Inc.,  Appellant.	) ) ) ) ) ) ) )	<b>Appeal No: OPA-PA-24-003</b>  <b>DECISION</b>
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**I. INTRODUCTION**

This is the Decision of the Public Auditor, pursuant to 2 G.A.R. § 12110, for Appeal No. OPA-PA-24-003. Appellant TakeCare Insurance Company, Inc. (“TakeCare”) filed its appeal on September 18, 2024, for review of the Department of Administration’s (“DOA”) actions related to Request for Proposal No. DOA/HRD/EB-RFP-GHI-25-001, the FY 2025 Government of Guam Group Health Insurance (the “RFP”). The Appeal was heard on January 25, 2025, before Public Auditor Benjamin J. F. Cruz. Louie J. Yanza, Esq. appeared on behalf of Appellant TakeCare, and D. Graham Botha, Esq. appeared for Respondent DOA. Findings of Fact and Conclusions of Law were filed by TakeCare and DOA on February 10, 2025.

**II. JURISDICTION: STANDARD REVIEW**

The decision of the Public Auditor under appeal is authorized by 5 G.C.A. § 5703. The determination of an issue, the findings of fact, and the decision of the Public Auditor are as stated in 5 G.C.A. § 5704.

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### III. FINDINGS OF FACT

The Public Auditor shall have the power to review and determine *de novo* any matter properly submitted. 5 G.C.A. § 5703 (a), and in reaching this Decision, has considered and incorporates herein the procurement record and all documents submitted by the parties, and has considered the testimony and arguments made during the hearing held on January 25, 2024. Based on the aforementioned record in this matter, the Public Auditor makes the following findings of fact:

1. On May 23, 2024, DOA issued the RFP, which sought administrators or insurance companies to administer the Government of Guam’s self-insured group health insurance program. DOA was seeking proposals for an exclusive Third Party Administrator (“TPA”) to administer for medical (to include vision), pharmacy, and or dental services.
2. The RFP was acknowledged by six potential TPAs, but proposals were only received from four (4) TPAs on June 18, 2024: NetCare Life & Health (NetCare), Calvo’s SelectCare Insurance, Inc. (SelectCare), Island Home Insurance Company (StayWell) and TakeCare. All four TPAs submitted proposals for medical, pharmacy and dental.
3. The RFP required “All offerors must submit a cost proposal for an exclusive proposal. This cost proposal would apply under an exclusive arrangement. Please see Exhibit E. All offerors are required to submit for a self-funded medical, to include pharmacy and vision, and/or self- funded dental premiums and rates at a minimum. This information will be used along with current enrollment information to assist the Negotiating Team and its consultant in analyzing the cost portion of the proposal.”
4. Exhibit E of the RFP indicated “Premium Retention Quotation See Attached”, but there was no attachment.
5. The RFP Proposal evaluation and negotiation procedure section identified five phases.
6. In Phase I, proposals were initially screened to determine whether the minimum requirements specified in the RFP were met.

- 1 7. In Phase II, the Negotiation Team evaluated and ranked proposals using a relative weight  
2 assignment to the factors rated on a scale from zero (0) to one hundred (100), with zero (0)  
3 for no response and one hundred (100) being the highest possible score. For purposes of  
4 evaluations, exclusive proposals were evaluated and ranked together. The offerors were  
5 ranked in accordance with the number of total points.  
6
- 7 8. The Negotiating Team evaluated all proposals and voted to invite all four TPAs to advance  
8 to Phase III due to close scores.
- 9 9. During Phase III negotiations, the Team evaluated the medical, pharmacy, and dental  
10 proposals, including the financial terms.  
11
- 12 10. Milliman Inc., the government actuarial consultant, conducted a financial analysis of the  
13 TPAs' pricing terms, which the Negotiating Team members were instructed to consider in  
14 the final ranking of the pricing terms
- 15 11. In Phase IV, proposals were evaluated with final ranking of exclusive contracts and  
16 recommendation of the most economical and beneficial offer to the Governor. The RFP  
17 states that "the negotiating team shall determine which of the TPAs offering exclusive  
18 coverage will be best for the Government, and for the top two medical and dental TPAs to  
19 the Governor for selection of one medical (inclusive of vision), contract, one pharmacy,  
20 and one dental contract."  
21
- 22 12. The negotiating team recommended that TakeCare be awarded the exclusive TPA contract  
23 for medical, pharmacy benefits, and dental benefits, with the second option to award  
24 SelectCare the exclusive TPA contract for medical and pharmacy benefits, and NetCare the  
25 exclusive TPA contract for dental benefits, and this recommendation in the form of the  
26 Health Insurance Team Recommendation was provided to the Governor on August 9, 2024.  
27  
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- 1 13. During Phase V, the contracting stage, the Governor decided whether to accept the  
2 recommendation of the Negotiating team. The Governor made a selection on August 13,  
3 2024 and selected SelectCare for medical and pharmacy benefits, and NetCare for dental  
4 benefits. (Ex C, pgs. 1169-1187).  
5  
6 14. TPA Notices regarding selection and non-selection were sent out on August 14, 2024 (Ex E,  
7 pgs. 1241-1266).  
8  
9 15. TakeCare filed a protest on August 27, 2024, and the protest was denied by DOA on  
10 September 4, 2024. In its denial of protest letter, DOA stated “Lower costs are not solely  
11 based on TPA fees, but also expected claims costs. This total makes up the total funding  
12 rates that influence overall cost. The Negotiating Team’s third-party actuaries conducted an  
13 independent evaluation of the cost of each proposal that included the overall costs.”  
14  
15 16. TakeCare filed an appeal to the OPA on September 18, 2024.  
16  
17 17. On September 19, 2024, the Attorney General of Guam approved DOA’s Declaration of  
18 Substantial Interest, which determined that the award of the contract without delay is  
19 necessary to protect substantial interests of the Territory in accordance with 5 GCA  
20 §5425(g), citing an imminent threat to public health, safety and welfare.  
21  
22 18. The formal evidentiary hearing was held on January 23, 2025, before the Public Auditor.

#### 21 IV. ANALYSIS

##### 22 A. TAKECARE’S ALEGATION THAT DOA UTILIZED CRITERIA NOT CITED IN 23 RFP TO DETERMINE MOST RESPONSIVE AND RESOPINSIBLE BIDDER IS 24 VALID.

25 In its appeal, TakeCare alleges DOA issued an RFP that did not state that claims cost were to be  
26 part of the responsive bid. DOA required claims cost to be part of the responsive bid but did not  
27 specifically state anywhere that the RFP required claims cost, but only for TPA fees. Moreover,  
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1 DOA's consulting group, Milliman Inc. improperly adjusted TakeCare's provider reimbursement  
2 cost by .02% without adjusting for SelectCare. Therefore, TakeCare was not on a level playing field  
3 with SelectCare.  
4

5 Mr. Arvin Lojo, TakeCare's Health Plan Administrator, testified that during TakeCare's review  
6 of the RFP, nowhere did DOA require the bidder to provide what the claims cost will be. Rather,  
7 Exhibit E of the RFP only required what the bidder's TPA fees would be.

8 In Appellant's Exhibit 2, which contained the relevant pages of TakeCare's bid, they only  
9 submitted what TakeCare's TPA fees would be. For example, PPO 1500, HAS 2000, RSP,  
10 TakeCare proposed \$20.50 for medical and \$2.00 for pharmacy per employee per month ("PEPM").  
11

12 In contrast, Mr. Lojo pointed out that in the 2024 RFP, DOA specifically required not only the  
13 TPA fees, but also the claims cost. As seen in Appellant's Exhibit 6, TakeCare's proposed bid for  
14 2024 RFP, in section 3.a, the base diagnostic and preventative cost per covered life per month is  
15 \$68.75. In section 4.a, this base cost is adjusted by \$7.69 and \$1.73 for utilization and unit cost,  
16 respectively for both FY 2022 to FY 2023 and FY 2023 to FY 2024. Similarly, under the same  
17 exhibit 6, basic and restorative procedures had a base cost of \$36.76 and this was adjusted by \$4.12  
18 and \$0.93, respectively for the same factors and period. See Appendix 1 of this decision.  
19

20 The exhibits for Exhibit E of the 2025 RFP and Exhibit E of the 2024 RFP are different in that  
21 the 2024 RFP requires the bidder to submit its expected claims cost. Nowhere does Exhibit E inquire  
22 on what the claims costs will be. See Appendix 2 of this decision. As such, it was unreasonable for  
23 DOA to include claims costs without notifying the bidders or potential bidders to include claims  
24 cost in their bid. In addition, DOA did not determine TakeCare's bid was non responsive for  
25 providing the claims cost as required in the Exhibit E form for FY 2024 and not including claims  
26 cost in the required Exhibit E form for FY 2025.  
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1 In addition, Mr. Lojo testified that Milliman Consulting adjusted provider reimbursements on  
2 TakeCare's bid without adjusting for SelectCare. This resulted in TakeCare having a higher bid  
3 than what it should have been. For example, in Appendix B page 13 of the Governor's Briefing,  
4 Milliman adjusted at 1.02 for TakeCare but not for SelectCare and kept it at 1.00. As a result,  
5 TakeCare's bid was considerably higher, despite it being the lowest responsive bidder and the  
6 negotiating team recommending TakeCare be awarded the TPA.  
7

8 Ms. Barbara Dewey of Milliman Consulting testified and acknowledged that TakeCare was  
9 adjusted for provider reimbursement. However, Ms. Dewey admitted that she did not know the  
10 actual provider reimbursement since bidders only provide the range of what their provider  
11 reimbursement fee is.  
12

13 Mr. Edward Birn, the Director of DOA testified that the claims cost is always considered in  
14 awarding the bid, but nowhere did Mr. Birn point out that the RFP required the bidder to provide  
15 claims cost.  
16

17 Adherence to the plain language of the RFP, is essential for bidders and the integrity of the  
18 procurement system. Baldrige v. Government Printing Office, 513 Fed. Appx. 965, 967 (Fed. Cir.  
19 2013) ("If the plain language of the IFB unambiguously called for delustered laminate film, that  
20 language controls."); Professional Bldg. Concepts, Inc. v. City of Cent. Falls Housing Authority,  
21 783 F.Supp. 1558, 1563 (U.S. Dist. R.I. 1992), aff'd Professional Bldg. Concepts, Inc. v. City of  
22 Cent Falls, 974 F.2d. 1 (1st Cir. 1992). ("Unless ambiguous, it is the language of the IFB which  
23 controls the form that a big guarantee must take").  
24

25 In DFS Guam LP v. GIAA, 2020 Guam 20, one of the many Guam Supreme Court opinions  
26 concerning the years long dispute concerning the concession contract at the airport, the Court  
27 addressed the issue of whether additional benefits to GIAA could be considered as part of the award  
28

1 of the concession contract. The additional benefits were not a part of the criteria contained in the  
2 bid specifications. As part of its analysis upholding the trial court’s denial of summary judgment,  
3 the Court stated:  
4

5       Regardless of whether GIAA was required to obtain a concessions contract pursuant to an  
6 IFB or an RFP—an issue that the parties continue to dispute—**GIAA was obligated to**  
7 **evaluate the proposals only according to evaluation criteria set forth in the solicitation.**  
8 See 5 GCA §§ 5211(e), 5216(c), 5216(e) (2005); see also 2 GAR Div. 4 §§ 3109(c)(2)(B),  
9 (n), 3114(f)(2); cf. 5 GCA § 5030(t) (as used in the Procurement Code, “[s]hall denotes the  
10 imperative”). “It is ‘hornbook law that agencies must evaluate proposals and make awards  
11 based on the criteria stated in the solicitation.’” NEQ, LLC v. United States, 88 Fed. Cl. 38,  
12 47 (2009) (quoting Banknote Corp. of Am., Inc. v. United States, 56 Fed. Cl. 377, 386  
13 (2003)). Doing so broadly supports the underlying policies and purpose of the Procurement  
14 Code. See 5 GCA § 5001(b); accord Fairbanks N. Star Borough Sch. Dist. v. Bowers Office  
15 Prods., Inc., 851 P.2d 56, 58 (Alaska 1992) (“[A] government agency which solicits bids for  
16 goods or services has an implied contractual duty to fairly and honestly consider bids . . .”).  
17 Accordingly, if the evaluation criteria do not permit GIAA to consider the additional benefits  
18 included in Lotte’s proposal, then GIAA would not be entitled to judgment as a matter of  
19 law on DFS’s out-of-scope-benefit claims. In order to resolve this question, we therefore  
20 must analyze the RFP itself.

21 DFS Guam LP v. GIAA, 2020 Guam 20 ¶ 136.

22       In accordance with Guam law and as confirmed by DFS v. GIAA, DOA is required to only  
23 consider the criteria in the bid specifications when evaluating and ultimately awarding a contract.  
24 Guam law does not permit DOA to base its award of the GovGuam health insurance contract on an  
25 undisclosed specification. “No criteria may be used in bid evaluation that are not set forth in the  
26 Invitation for Bids.” 5 GCA § 5211 (e). By relying on claims cost, which is not an item contained  
27 in the bid specifications, DOA prevented all bidders, including TakeCare, from making an  
28 intelligent evaluation and bid. By placing TakeCare at an unfair disadvantage, DOA did not “ensure  
the fair and equitable treatment of all persons who deal with the procurement system of Guam.” 5  
G.C.A. § 5001(b)(4) and 2 G.A.R., Div. 4 Chap. 1, § 1102(3)

      A similar incident took place in *Browning-Ferris Indus. v. City of Lakawanna*, 204 A.D.2d 1047  
(N.Y. App. Div. 1994). In that case, the city awarded a waste disposal contract to a company based



1 on a criterion that was not specified in the contract documents. Specifically, the city improperly  
2 considered the distance from the Lackawanna City garage to each bidder's disposal site. The City  
3 argued that the criterion was properly considered as mileage and travel time would factor into which  
4 bid resulted in the lowest actual cost to the City. The Court was not convinced.  
5

6 Relying on principles very similar to provisions in the Guam Procurement Law, the Court in  
7 Browning-Ferris stated that:

8 It is well settled that a municipal service contract is governed by the provisions of article 5-  
9 A of the General Municipal Law, which are designed "with the dual purposes of fostering  
10 honest competition and also to guard against favoritism, improvidence, extravagance, fraud  
11 and corruption" (Le Cesse Bros. Contr. v Town Bd., 62 AD2d 28, 31, affd on opn below 46  
12 NY2d 960). To promote those purposes, a municipality is obligated, "in advance of bidding,  
13 to convey in precise terms to prospective bidders the exact basis on which the contract will  
14 be awarded, so that each such bidder will be enabled to make an intelligent evaluation and  
15 bid" (Matter of Suffolk Roadways v Minuse, 19 AD2d 888, 889; see also, Matter of  
16 Progressive Dietary Consultants of N.Y. v Wyoming County, 90 AD2d 214, 217).  
17 Furthermore, the municipality "is required to furnish specifications which state the nature of  
18 the work as definitely as practicable and which contain all the information necessary to  
19 enable bidders to prepare their bids" and "it must award the contract on the basis provided  
20 for in the specifications and determine the 'lowest responsible bidder' in accordance with the  
21 specifications" (Matter of Progressive Dietary Consultants of N.Y. v Wyoming County,  
22 supra, at 217).

23 Browning-Ferris, 204 A.D. 2d at 1047-1048.

24 In the present case, DOA is making a similar argument with respect to the criterion of claims  
25 costs. DOA is arguing that claims costs were properly relied upon when it awarded the contract as  
26 it would help determine the lowest cost to the Government. The problem with this argument is that  
27 claims costs were not specified in the bid specifications. As noted above, Guam law does not permit  
28 DOA to award the contract based upon an undisclosed specification. By relying on an undisclosed  
specification, DOA prevented TakeCare from intelligently evaluating all the criteria and submitting  
a thorough and competitive bid.

1           Guam law requires that an “RFP shall call for a plan that provides a level playing field with  
2 current and future private insurers ...” 4 G.C.A. § 4302(c)(11). A level playing field does not by  
3 definition exist if DOA adjusted TakeCare’s costs without also adjusting SelectCare costs. By doing  
4 so, it gave the appearance that TakeCare’s TPA fees and rates are higher than SelectCare.  
5

6           As shown under Exhibit 3 of the submitted procurement appeal exhibits, the underlying claims  
7 cost for both SelectCare and TakeCare were the same amounts. However, under the same Exhibit  
8 3, appendix B, TakeCare’s claims cost were adjusted by .02% in FY 2022 and 1% in FY 2023 which  
9 were not included in SelectCare’s claims cost. Apart from considering provider reimbursement,  
10 additional consideration should have included benefit design (preferred copayment to preferred  
11 providers), provider delivery system (lower copayment at preferred provider) and value-based  
12 benefits & services (robust wellness, fitness and disease management programs that are nationally  
13 recognized) that contributes to minimizing healthcare costs for the Government of Guam.  
14

15           The Public Auditor finds that DOA issued an RFP that did not state that claims cost was to be  
16 part of the bid evaluation to determine the most responsive bidder. DOA required claims cost to be  
17 part of the bid but did not specifically state anywhere that the RFP required claims cost, but only for  
18 TPA fees. Moreover, DOA’s consulting group, Milliman Inc. improperly adjusted TakeCare’s  
19 provider reimbursement cost by .02% without adjusting for SelectCare. Therefore, TakeCare was  
20 not on a level playing field under 4 G.C.A. § 4302(c)(11), and the Public Auditor finds that DOA  
21 violated 5 G.C.A. § 5001(b)(4) and 2 G.A.R., Div. 4 Chap. 1, § 1102(3) and 5 GCA § 5211(e) and  
22 2 G.A.R., Div. 4 Chap. 3, § 3109(n)(1).  
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1 **B. RATIFYING AND AFFIRMING CONTRACT TO SELECTCARE IS IN THE**  
2 **BEST INTEREST OF THE GOVERNMENT OF GUAM**

3 If after an award it is determined that a solicitation or award of a contract is in violation of  
4 law and the person awarded the contract has not acted in bad faith, then the contract may be ratified  
5 and affirmed provided that doing so is in the best interest of the Government of Guam. 5 G.C.A. §  
6 5452(a)(1)(A) and 2 G.A.R., Div. 4 Chap. 9, § 9106(1)(a).  
7

8 As set forth above, DOA used criteria not identified in the RFP, which applied an additional  
9 calculation to TakeCare that it did not apply to SelectCare, violating 5 G.C.A. § 5001(b)(4) and 2  
10 G.A.R., Div. 4 Chap. 1, § 1102(3) and 5 GCA § 5211(e) and 2 G.A.R., Div. 4 Chap. 3, § 3109(n)(1).  
11 Further, it is undisputed that the RFP was awarded to SelectCare for medical and pharmacy benefits,  
12 and there has been no evidence in this matter showing that has acted in bad faith.

13 On September 19, 2024, the Attorney General of Guam approved a Declaration of  
14 Substantial Interest for the RFP to move forward, after TakeCare filed its protest. The contract with  
15 SelectCare is about to reach the halfway mark of its contract period. The Public Auditor finds  
16 that the award to SelectCare should be ratified and affirmed for the same reasons as identified in the  
17 Declaration of Substantial Interest, and for the fact that switching insurance providers in the middle  
18 of the fiscal year could have a direct imminent threat to public health, safety and welfare. However,  
19 DOA is admonished for its actions in this RFP, and should ensure future RFPs will clearly include  
20 all calculations it will use as criteria when evaluating proposals.  
21

22 Therefore, in accordance with 5 G.C.A. § 5452(a)(1)(A) and 2 G.A.R. Div. 4, Chap. 9, §  
23 9106(1)(a)(i), DOA may ratify and affirm its RFP contract with SelectCare as it is in the best interest  
24 of the Government of Guam. However, the Public Auditor finds that TakeCare is entitled to its  
25 reasonable costs incurred in connection with the solicitation, including the bid preparation costs and  
26 August 27, 2024 protest, excluding attorney's fees, pursuant to 5 G.C.A. § 5425(h), because there  
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1 was a reasonable likelihood that it may have been awarded the contract, but for DOA’s violation of  
2 5 G.C.A. § 5001(b)(4) and 2 G.A.R., Div. 4 Chap. 1, § 1102(3). TakeCare shall submit its costs to  
3 DOA no later than thirty (30) days after the date of this decision is rendered, and DOA shall have  
4 two (2) weeks to file an objection relating to said costs after the date DOA receives them.  
5

## 6 **V. CONCLUSION**

7 Based on the foregoing, the Public Auditor makes the following determinations:

- 8 A. TakeCare’s allegation that DOA utilized criteria not cited in the RFP to determine  
9 most responsive and responsible bidder is valid.
- 10 B. Ratifying and affirming contract to SelectCare is in the best interest of the  
11 Government of Guam.
- 12 C. TakeCare’s appeal is hereby GRANTED in part and DENIED in part.
- 13 D. DOA is admonished for violating of 5 G.C.A. § 5001(b)(4) and 2 G.A.R., Div. 4  
14 Chap. 1, § 1102(3) and 5 GCA § 5211(e) and 2 G.A.R., Div. 4 Chap. 3, § 3109(n)(1).
- 15 E. TakeCare is entitled to its reasonable costs incurred in connection with the  
16 solicitation, including the bid preparation costs and August 27, 2024 protest,  
17 excluding attorney’s fees, pursuant to 5 G.C.A. § 5425(h), because there was a  
18 reasonable likelihood that it may have been awarded the contract, but for DOA’s  
19 violation of 5 G.C.A. § 5001(b)(4) and 2 G.A.R., Div. 4 Chap. 1, § 1102(3).
- 20 F. The parties shall bear their respective attorney’s fees.

21 This is a Final Administrative Decision for Appeal No. OPA-PA-24-003. The Parties are  
22 hereby informed of their right to appeal the Public Auditor’s Decision to the Superior Court of Guam  
23 in accordance with Part D of Article 9 of 5 G.C.A. §5481(a) within fourteen (14) days after receipt  
24 of a Final Administrative Decision. A copy of this Decision shall be provided to the Parties and their  
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respective attorneys, in accordance with 5 G.C.A. §5702, and shall be made available for review on  
the OPA website at [www.opaguam.org](http://www.opaguam.org).

**DATED this 6<sup>th</sup> day of March 2025.**



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**BENJAMIN J.F. CRUZ**  
**Public Auditor of Guam**

# Appendix 1:

## Except from Appellant Exhibit 6

FY 2024 Dental Plan  
Proposed Administration fee for Exclusive Proposal  
Contract Year October 2023 to September 2024

1. Please provide your estimated benefit costs and proposed administrative fee on a per employee per month (PEPM) basis for dental expenses only

Costs Excluded Administration		
Per Enrolled Employee per Month (PEPM)	Estimated Benefit Cost	Proposed Administration Cost
Active Classes		
Retiree Classes	\$8,269,822.57	\$3.50 PEPM
Foster Child		

2a. Please explain what time period you used for your base period.

October 1, 2021 - March 31, 2023

2b. Please explain what data you used for your base period.

TakeCare utilized its actual claims experience for the base period adjusted based on the entire population and potential risk factor.

3a. Please provide a breakdown of your baseline benefit costs by the following classes and metrics.

Class	Utilization per 1,000 lives	Average cost (\$)	Billed amount per covered life per month (\$)	Allowed amount per covered life per month (\$)	Paid amount per covered life per month (\$)
<b>Active</b>					
Diagnostic and Preventive	144.49	\$79.09	\$76.81	\$68.75	\$68.57
Basic and Restorative	32.86	\$186.43	\$56.18	\$46.29	\$36.76
Major and Replacement	4.09	\$239.30	\$17.93	\$13.53	\$5.87
Other	0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Retiree</b>					
Diagnostic and Preventive					
Basic and Restorative					
Major and Replacement					
Other					
Included as part of active/retirees information					
<b>Foster</b>					
Diagnostic and Preventive	338.84	\$69.96	\$307.99	\$196.45	\$196.45
Basic and Restorative	573.74	\$42.54	\$104.75	\$64.67	\$64.67
Major and Replacement	68.84	\$12.36	\$30.25	\$8.73	\$8.73
Other	0.00	\$0.00	\$0.00	\$0.00	\$0.00

3b. Please explain what assumptions you have made to distribute the expected base period utilization and cost among the service categories listed above.

TakeCare utilized its actual claims experience adjusted based on the entire population and potential risk factor to allocate the expected base period utilization.

4a. Please enter the trends you have used to trend your base period experience to FY 2024. Please add or remove columns if you used a base period other than 2022.

Trend classes	FY 2022 to FY 2023				FY 2023 to FY 2024			
	Utilization	Unit cost	Population adjustment	Other	Utilization	Unit cost	Population adjustment	Other
<b>Active/Retiree</b>								
Diagnostic and Preventive	\$7.69	\$1.73	\$0.00	\$0.00	\$7.69	\$1.73	\$0.00	\$0.00
Basic and Restorative	\$4.12	\$0.93	\$0.00	\$0.00	\$4.12	\$0.93	\$0.00	\$0.00
Major and Replacement	\$0.66	\$0.15	\$0.00	\$0.00	\$0.66	\$0.15	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Retiree</b>								
Diagnostic and Preventive								
Basic and Restorative								
Major and Replacement								
Other								
Included as part of active/retirees information								
<b>Foster</b>								
Diagnostic and Preventive	\$22.01	\$4.95	\$0.00	\$0.00	\$22.04	\$4.95	\$0.00	\$0.00
Basic and Restorative	\$6.13	\$1.34	\$0.00	\$0.00	\$6.13	\$1.34	\$0.00	\$0.00
Major and Replacement	\$0.98	\$0.22	\$0.00	\$0.00	\$0.98	\$0.22	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

4b. Please explain what components you have included in your "Other" trends

Not Applicable

Appendix 2:

Excerpt from RFP NO. DOA/HRD/EB-RFP-GHI-25-001

FY 2025 Medical, Pharmacy, and Dental Administration Costs  
Self-funded administration cost per employee per month (PEPM)

Contract Year October 2024 - September 2025

Please provide your administrative fee on a per employee per month (PEPM) basis.  
Vision expenses should be included with medical expenses.  
Administration fees should not include PCORI fees.

**PPO 1500, HSA 2000, RSP, and Foster**

Proposed self-funded administration cost PEPM if bidder is awarded medical and pharmacy contract, but not dental contract:

**Medical and Pharmacy**

Per enrolled employee per month		Proposed administration cost PEPM for:	
Plan	Subscriber class	Medical	Pharmacy
PPO 1500, HSA	Actives and Retirees		
2000, RSP			
Foster			

Proposed self-funded administration cost PEPM if bidder is awarded dental contract only:

**Dental**

Per enrolled employee per month	Proposed administration cost PEPM for:
Subscriber class	Dental
Actives and Retirees	
Foster	

Proposed self-funded administration cost PEPM if bidder is awarded medical, pharmacy, and dental contracts:

**Medical and Pharmacy**

Per enrolled employee per month		Proposed administration cost PEPM for:	
Plan	Subscriber class	Medical	Pharmacy
PPO 1500, HSA	Actives and Retirees		
2000, RSP			
Foster			

**Dental**

Per enrolled employee per month	Proposed administration cost PEPM for:
Subscriber class	Dental
Actives and Retirees	
Foster	



Jerrick Hernandez <jhernandez@guamopa.com>

## OPA-PA-24-003 Decision

Jerrick Hernandez <jhernandez@guamopa.com>

Thu, Mar 6, 2025 at 9:06 AM

To: Edward <edward.birn@doa.guam.gov>, Darlow Graham Botha <graham.botha@gsadoa.guam.gov>, Louie Yanza <lyanza@jurisguam.com>

Cc: Admin <admin@jurisguam.com>, Thyrsa Bagana <tbagana@guamopa.com>

Hafa Adai,

Please see attached Decisions for OPA-PA-24-003. This email will serve as an official notice in lieu of a transmittal via Fax.

Please confirm receipt of this email and the attached document. Thank you.

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Best Regards,



Jerrick J.J.G. Hernandez, MA, CGFM, CFE, CICA, CGAP  
*Accountability Auditor*

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