

Strategic proposal writing for Medicaid managed care procurements



According to the Health Affairs blog, states spend almost 20% of their general funds, not including federal matching funds, on Medicaid claims.¹ In fiscal year 2018, 45% of total Medicaid was paid to managed care organizations (MCOs) to cover comprehensive inpatient, ambulatory, acute and long-term care. That amounted to more than \$265 billion.² The financial stakes are getting higher and Medicaid contracting is becoming increasingly more competitive. So it's more important than ever that bidding organizations understand the procurement process.

A Medicaid procurement office issues a request for proposal (RFP) to identify an organization that will ensure they're spending their medical reimbursement and administrative dollars wisely. These RFPs, like other government procurements, require complete responses. You must prove you can perform the necessary tasks outlined in the statement of work (SOW).

To create a winning technical proposal and demonstrate the MCO's capabilities, the response must be compliant, complete and compelling. That requires subject matter experts (SMEs) and proposal professionals to collaborate to develop a compliant response that explains how you will accomplish the SOW. A complete response also demonstrates how the MCO will deliver services. And a compelling story illustrates how the organization will meet the state's goals better than the competition.

Procurement agencies frequently find more value in a high-scoring technical response than a lower priced bid with an incomplete response. That's true even with a greater price point. The contracting officer will be looking for detailed information about the organization's proposed procedures to meet the SOW requirements. They also want to see you have experience in fulfilling contracts that are similar in size, scope and complexity.



An RFP response that lacks detailed information about your ability to perform the SOW requirement won't win. You must also demonstrate experience with contracts that are similar in scope, size and complexity.

To ensure your organization submits a high-scoring, winning response, you must follow these steps:



Step 1: Answer the question.

The first and most important step in writing a winning response is answering the question. Anyone who has had to respond to an essay question on an exam will understand it's not as simple as it sounds. When responding to a SOW requirement, the writer and SME must first understand what the SOW is asking for. And then they need to recognize what's motivating the question. Together, the writer and the SME can collaborate to develop the most compliant answer to the question.



Step 2: Illustrate your capabilities and experience using examples.

Once the writer and SME have drafted an answer, think about how to demonstrate your capabilities and experience. A proposal is the organization's resume. And as a prelude to an interview (orals or negotiations), it's only effective if it's validated with data. A complete response confirms the MCO's ability to meet the SOW requirements through illustrative outcomes data, experience and testimonials.



Step 3: Tell a compelling story.

A compliant, complete response will meet the requirements of the SOW — and may even score a significant number of points. However, a winning response also tells a compelling story. Incorporate a member story, a client quote or successful health outcomes into the response. You'll create a persuasive argument that stays with the reader and drives home the capabilities the MCO wants to highlight.

Are you unsure where to begin when preparing to respond to an upcoming RFP? Contact a professional Medicaid consulting group. Health care RFPs differ from other types of government procurements. And because each state runs its own Medicaid program, each of these RFPs is unique. The most efficient use of a business development budget is to hire an effective Medicaid proposal practice. They can advise your team, manage the process and, if necessary, write the response. Proposal consultants understand how to comply with the SOW requirements, the need to provide a complete answer and when to tell a compelling story.

Optum Medicaid Advisory Services

Whether your organization is a national, regional or local MCO, the goals are the same. You need to win bids, reduce costs and meet regulations. Our Medicaid proposal practice team applies the most current industry information to deliver meaningful results right from the start. We have the breadth of expertise at a national level coupled with deep local insights.

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Sources:

1. Children's Health Insurance Program
2. Dolstad J, Witt J. 2019. Health Plan Strategic Implications of MACRA.

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