



**Office of State Procurement  
PROACT Contract Certification of Approval**

**This certificate serves as confirmation that the Office of State Procurement  
has reviewed and approved the contract referenced below.**

**Reference Number:** 2000332970 ( 1)

**Vendor:** Myers and Stauffer LC

**Description:** To cover the cost of the Expansion MLR(Medical Loss Ratio) Reports

**Approved By:** Elizabeth Kunjappy

**Approval Date:** 4/07/2020

Your amendment that was submitted to OSP has been approved.

AMENDMENT TO  
AGREEMENT BETWEEN STATE OF LOUISIANA  
LOUISIANA DEPARTMENT OF HEALTH

Amendment #: 1

LAGOV#: 2000332970

LDH #: \_\_\_\_\_

(Regional/ Program/  
Facility) \_\_\_\_\_  
Medical Vendor Administration  
Bureau of Health Services Financing  
AND  
Myers and Stauffer LC  
Contractor Name

Original Contract Amount \$ 4,512,000.00  
Original Contract Begin Date 06-01-2018  
Original Contract End Date 05-31-2021  
RFP Number: \_\_\_\_\_

**AMENDMENT PROVISIONS**

Change Contract From: From Maximum Amount: \$4,512,000.00 Current Contract Term: 7/1/18-6/30/21

Amounts by fiscal year:  
SFY 19 - \$1,461,487  
SFY 20 - \$1,315,013  
SFY 21 - \$1,735,500  
  
Amounts listed on signed CF-1 in the "Amounts by Fiscal Year" section are incorrect.

Change Contract To: To Maximum Amount: \$4,722,000.00 Changed Contract Term: 7/1/18-6/30/21

New amounts by fiscal year:  
SFY 19 - \$1,585,500  
SFY 20 - \$1,401,000  
SFY 21 - \$1,735,500  
  
*See revised Statement of Work.*

Justifications for amendment:

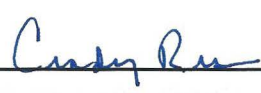
The amendment is needed to cover the cost of the Expansion MLR (Medical Loss Ratio) Reports, which were not originally budgeted in the contract.

This Amendment Becomes Effective: 07-01-2019

This amendment contains or has attached hereto all revised terms and conditions agreed upon by contracting parties.

IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below.

CONTRACTOR  
  
Myers and Stauffer LC  
  
  
CONTRACTOR SIGNATURE DATE 2/27/2020  
  
PRINT NAME Michael D. Johnson  
  
CONTRACTOR TITLE Member

STATE OF LOUISIANA  
LOUISIANA DEPARTMENT OF HEALTH  
  
Secretary, Louisiana Department of Health or Designee  
  
  
SIGNATURE DATE 3/9/20  
  
NAME Cindy Rives  
  
TITLE Undersecretary  
  
OFFICE Louisiana Department of Health

PROGRAM SIGNATURE DATE  
NAME Tara A. LeBlanc

## STATEMENT OF WORK

### GOAL/PURPOSE

The purpose of the contract is for the Contractor to provide accounting and auditing services to support the operation of Medicaid managed care programs (Healthy Louisiana (HLA), Dental Benefit Program (DBP), and Coordinated System of Care (CSoC)), specifically minimizing the Department's risk in the areas of member care and administration, data quality, and financial management. Myers and Stauffer LC will assist the Department with accomplishing its goal of ensuring that Medicaid managed care members are receiving high quality coordinated care at the lowest cost.

The contractor shall provide the following services:

- 1) Assistance with encounter data management to facilitate and provide for complete and accurate encounter data available for financial rate setting and member services oversight of Medicaid managed care;
- 2) Assistance with External Quality Review (EQR) functions in accordance with the Centers for Medicare and Medicaid's *EQR Protocol 4 Validation of Encounter Data Reported by the MCO*, published in September 2012. (Protocol is available on the CMS website at <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Quality-of-Care/Quality-of-Care-External-Quality-Review.html>);
- 3) Assistance with the examination of the Medical Loss Ratio (MLR) reports submitted by each Managed Care Entity (MCE) on an annual basis.
- 4) Assistance with the development of the annual Transparency Report required by Act 158 of the 2015 Regular Legislative Session, specifically source data validation;
- 5) Ad hoc analyses and reports as requested by the Department.

All services shall be performed in accordance with applicable professional standards promulgated by the AICPA.

The contractor shall notify the contract monitor within three business days of any encounters matters that could impede the timely completion of deliverables and of any potential risks to the Department identified.

The contractor shall report immediately to the Medicaid Deputy Director for Managed Care and the Office of State Inspector General any matters of fraud identified.

### DELIVERABLES

#### 1) Encounter Data Reconciliation

- a) Analyze the encounter processes and documentation (i.e. Companion Guides) utilized by the Fiscal Agent Contractor (FAC);
- b) Meet with each MCE submitting encounters to the Department's FAC to gain and document an understanding of the claims adjudication, adjustment, and void processes;
- c) Identify potential issues and concerns with the processes outlined above;

- d) Obtain all encounter claim data accepted by the FAC as submitted from the MCEs. Perform quality assurance processes to arrive at a clean set of data;
- e) Work with the FAC to establish a process whereby encounters are obtained in a routine, weekly process;
- f) Analyze the weekly encounter submissions submitted by the MCEs to the FAC and report to the Department on volumes and potential issues identified;
- g) Review encounter submission error reports with MCEs and address identified issues with each plan;
- h) Document issues and MCE commitments made to the Department and assist with determination of achievement of goals/commitments;
- i) Document and assist the Department with modification requests submitted to the FAC and monitor the progress and success of the requests;
- j) Conduct meetings with the MCEs as needed to address common errors, edits, or problems identified by the MCEs as a barrier to successful encounter submissions;
- k) Obtain cash disbursement journals (CDJ) and other necessary financial records from each of the MCEs reflecting the payments to providers for services;
- l) Reconcile the CDJ to the MCE-submitted encounter data, identifying potential issues or missing encounters;
- m) Provide initial exception reports to each of the MCEs to explain or correct potential issues in the encounter data;
- n) Provide completion reports on a frequency as determined by the Department. (Anticipated report frequency is on a bi-monthly basis.);
- o) Conduct additional analyses to measure the reliability and accuracy of encounter and member data used to establish capitation rates (i.e., inaccurate encounter and member data could lead to higher than necessary capitation rates);
- p) Maintain a database of all encounters including an audit status and audit amount for each encounter; and
- q) Coordinate with the Department's actuary, and any other third parties users requiring access to audited encounter data, as directed by the Department.

## **2) External Quality Review (EQR) Protocol 4 Activities**

- a) Activity 1 – Review State Requirements to ensure complete understanding of all applicable requirements related to health plans and any additional requirements related to CMS EQR Protocol 4.
- b) Activity 2 – Review MCE's Capability
  - i) Review or conduct the MCE's Information Systems Capabilities Assessment (ISCA).
  - ii) Determine vulnerabilities which the MCE's information systems may contain that may lead to incomplete or inaccurate data capture, integration, storage, or reporting.
  - iii) Identify issues that may contribute to inaccurate or incomplete data.
  - iv) Conduct interview of MCE staff.



- c) Activity 3 – Analyze Electronic Encounter Data
  - i) Develop a data quality test plan.
  - ii) Account for edits built into the State's data system.
  - iii) Determine types of potentially missing encounter data.
  - iv) Determine overall data quality issues and MCE submission issues.
  - v) Generate and review analytic reports (perform micro-analysis on encounter data).
  - vi) Analyze encounter data.
  - vii) Develop long-term monitoring strategy for assessing the quality of encounter data.
- d) Activity 4 – Review Medical Records. In coordination with LDH and utilizing analytical procedures to assist in determining risk areas and hypotheses, develop a statistically valid sample of encounter claims to perform a medical record review. Ensure sample size is efficient and appropriate.
- e) Activity 5 – Submit Findings. At the conclusion of activities, develop and submit a report of findings and recommendations for each MCE.

### **3) Examination of MLR Reports**

- a) Review MLR reports submitted by each MCE.
- b) Request supporting documentation from each MCE, including trial balance, claim lag reports, and other claim and financial information.
- c) Perform analyses to ensure the definitions and assignments of medical and administration expenses are appropriate.
- d) Follow up with each MCE, as necessary, to complete analysis.
- e) Develop and submit summary of findings and issue Independent Accountant's Examination report.

### **4) Assistance with development of the annual transparency report required by Act 158 of the 2015 Regular Legislative Session, specifically to minimize future audit findings**

- a) Review Act 158, previous annual transparency reports, and related legislative audit findings.
- b) Understand available data sources, assist with the design of data specifications to meet reporting requirements using available data, and assist with the documentation of such including any known limitations or qualifications.
- c) Assist with the development and application of protocols, procedures, and process documentation necessary to independently evaluate data reported for completeness, accuracy, comparability and reasonability. Prepare a summary report of findings and recommendations from the data evaluation process.
- d) Assist with the review and analysis of data results, including identifying and explaining trends and anomalies, such as whether they are meaningful or data artifacts.
- e) Assist with preparation of data tables and narratives to constitute the final transparency report, as well as any other supporting documentation likely to be requested by legislative auditors.

### **5) Ad hoc analyses and reports as requested by the Department.**

## PERFORMANCE MEASURE

The contractor will submit detailed monthly invoices due on the 15<sup>th</sup> of each month documenting the activities performed and the status of outstanding deliverables.

## MONITORING PLAN

- 1) The contractor will maintain a current work plan of all project tasks, activities and resources including estimated start and completion dates, actual start and completion dates, estimated and actual task hours, and completion percentages of all in-process tasks. This work plan will be submitted and approved by LDH on a monthly basis.
- 2) The LDH contract monitor will:
  - a. Be available for consultation by phone, e-mail, and face-to-face meetings to discuss priorities and provide direction;
  - b. Meet with the contractor on a weekly basis, if needed, by telephone to ensure that work toward the completion of deliverables is being accomplished; and
  - c. Review and approve monthly detailed invoices.

## TERMS OF PAYMENT

The contract shall begin on June 1, 2018, and end on May 31, 2021. For the 36-month contract term, the contract amount shall not exceed **\$4,722,000**. The activities will be performed for a fixed rate or at an hourly rate as outlined below.

Payment will be based on approval of invoices and deliverables. LDH must provide the contractor with written approval for services billed, whether on a fixed price or hourly rate basis, and a copy of such approval must be submitted with the invoice. For each month in the contract period, invoices are due by the fifteenth of the month for the prior month's deliverables. Contractor must submit final invoices within 15 days after termination of contract.

### **Fixed Deliverable Pricing**

#### **Deliverable #1a – Encounter Data Reconciliation – Healthy Louisiana**

For encounter data reconciliation for Healthy Louisiana, the deliverables shall consist of six bimonthly encounter reconciliation reports for each MCE for each contract year, for a total of up to 90 reports over the contract term. Each reconciliation report shall be compensated at a fixed price for \$18,500. All costs above the agreed upon fixed price for each report will be incurred by the contractor. Total compensation for all reconciliation reports submitted over the full 36 month contract term shall not exceed \$1,665,000.

#### **Deliverable #1b – Encounter Reconciliation - DBP**

For encounter reconciliation for DBP, the deliverables shall consist of six bimonthly encounter reconciliation reports for each contract year, for a total of 18 reports. Each reconciliation report shall be compensated at a fixed price for \$18,500. All costs above the agreed upon fixed price for each report will be incurred by the contractor. Total compensation for all reconciliation reports submitted over the full 36 month contract term shall not exceed \$333,000.

#### **Deliverable #1c – Encounter Reconciliation - CSoC**

For encounter reconciliation for CSoC, the deliverables shall consist of three bimonthly encounter reconciliation reports in contract year 1, six bimonthly encounter reconciliation reports in contract year 2, and three bimonthly encounter reconciliation reports in contract year 3, for a total of 12 reports. Each reconciliation report shall be compensated at a fixed price for \$18,500. All costs above the agreed upon fixed price for each report will be incurred by the contractor. Total compensation for all reconciliation reports submitted over the full 36 month contract term shall not exceed \$222,000.

#### Deliverable #2a – EQR Protocol 4 Activities – Healthy Louisiana

For EQR activities for Healthy Louisiana, the deliverable shall consist of a final report of findings and recommendation for each of the Healthy Louisiana MCEs. We will work with LDH on the schedule of each deliverable. Each final report shall be compensated at a fixed price of \$150,000. All costs above the agreed upon fixed price of \$150,000 per final report will be incurred by the contractor. Total payments for EQR deliverables for Healthy Louisiana shall not exceed \$750,000 for the term of the contract.

#### Deliverable #2b – EQR Protocol 4 Activities - DBP

For EQR activities for DBP, the deliverable shall consist of a final report of findings and recommendations, which shall be compensated at a fixed price of \$150,000. All costs above the agreed upon fixed price will be incurred by the contractor. Total payments for EQR deliverables for DBP shall not exceed \$150,000 for the full 36 month term of the contract.

#### Deliverable #2c – EQR Protocol 4 Activities - CSoC

For EQR activities for CSoC, the deliverable shall consist of a final report of findings and recommendations, which shall be compensated at a fixed price of \$150,000. All costs above the agreed upon fixed price will be incurred by the contractor. Total payments for EQR deliverables for CSoC shall not exceed \$150,000 for the full 36 month term of the contract.

#### Deliverable #3a – Examination of MLR Reports – Healthy Louisiana

The deliverables shall consist of an annual MLR examination for each of the participating MCEs for that examination year, for a total of up to **20** reports over the three-year contract period. The cost of the examination of the MLR report for each MCE will be \$42,000. Total payments for MLR deliverables shall not exceed **\$840,000** for the full 36 month term of the contract.

#### Deliverable #3b – Examination of MLR Reports – DBP

The deliverables shall consist of an annual MLR examination for DBP, for a total of 3 reports over the three-year contract period. The cost of the examination of each MLR report for DBP will be \$42,000 for a total cost of \$126,000.

#### Deliverable #3c – Examination of MLR Reports – CSoC

The deliverables shall consist of an annual MLR examination for CSoC, for a total of 3 reports over the three-year contract period. The cost of the examination of each MLR report for CSoC will be \$42,000 for a total cost of \$126,000.

### **Hourly Basis Pricing**

#### Deliverable #4 – Assistance with annual Transparency Report (Act 158 of the 2015 Regular Legislative Session)

The contractor shall be compensated on an hourly rate for activities related to deliverable #4. The hourly rate, inclusive of travel and any and all other costs associated with the services provided, regardless of the position or level of staff providing services for ad hoc



activities, is \$150.00. Compensation on an hourly basis shall not exceed \$60,000 for any single contract year or \$180,000 for the term of the contract.

Ad Hoc Activities

Exclusive of fixed price deliverables, the contractor shall be compensated on an hourly rate. The hourly rate, inclusive of travel and any and all other costs associated with the services provided, regardless of the position or level of staff providing services for ad hoc activities, is \$150.00. Compensation on an hourly basis for ad hoc activities shall not exceed \$180,000 for the term of the contract.





# State of Louisiana

Louisiana Department of Health  
Bureau of Health Services Financing

February 20, 2020

Ms. Pamela Bartfay Rice, Esq.  
Assistant Director, Professional Contracts  
Office of State Procurement  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Dear Ms. Rice:

The following contract is being submitted to your office this date for review and approval in accordance with Louisiana Revised Statutes 39:1551 et seq. and the rules and regulations adopted pursuant thereto:

Submitting Agency – Louisiana Department of Health

Contractor – Myers & Stauffer LC

LaGov - 2000332970

Amounts by fiscal year:

SFY 19 - \$1,585,500

SFY 20 - \$1,401,000

SFY 21 - \$1,735,500

Your cooperation in this regard is greatly appreciated. If additional information is needed, please call Blair Dags at 225/800-3041.

Sincerely,

A handwritten signature in blue ink, appearing to read "Daniel Cocran".

Daniel Cocran

Medicaid Deputy Director/CFO



# State of Louisiana

Louisiana Department of Health  
Bureau of Health Services Financing

February 20, 2020

Ms. Pamela Bartfay Rice, Esq.  
Assistant Director  
Professional Contracts  
Office of State Procurement  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Dear Ms. Rice:

In reference to the enclosed contract (LaGov# 2000332970), we do certify the following:

1. Either no employee of our agency is both competent and available to perform the services called for by the proposed contract or the services called for are not the type readily susceptible of being performed by persons who are employed by the state on a continuing basis;
2. The services are not available as a product of a prior or existing professional, personal, consulting, or social services contract;
3. When applicable, the requirements for consulting or social services contracts, as provided for under Louisiana Revised Statutes Title 39:1595, have been complied with.
4. The *Department of Health* has developed and fully intends to implement a written plan providing for:
  - o a. The assignment of Myers & Stauffer LC for monitoring and liaison function; **and**
  - o b. The periodic review of interim reports or other indicia of performance to date; **and**
  - o c. The ultimate use of the final product of the services.
5. A cost-benefit analysis has been conducted which indicates that obtaining such services from the private sector is more cost-effective than providing such services by the agency itself or by an agreement with another state agency and includes both a short-term and long-term analysis and is available for review.
6. The cost basis for the proposed contract is justified and reasonable.
7. A description of the specific goals and objectives, deliverables, performance measures and a plan for monitoring the services to be provided are contained in the proposed contract.
8. An inquiry has been conducted to determine if the contract outsources a key internal control of the agency. The results have been documented in the agency's files and are available for review, upon request. If warranted, the RFP and

Pam Rice  
February 20, 2020  
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contract have included provisions which address the need for assurances and/or monitoring of the key internal control.

9. The Board of Regents does not need to be notified in accordance with R.S. 39:136 of services that are the type readily susceptible of being performed by persons who are employed by or who are students of a postsecondary institution of the state.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Daniel Cocran', with a long horizontal flourish extending to the right.

Daniel Cocran  
Medicaid Deputy Director/CFO