

Questions and Responses Resulting from the Public Comment Process for the Draft RFP for Third Party Liability Activities: 305PUR-DHHRFP-TPL-MVA

1. In order to expand competition and obtain the most qualified vendors, would the state consider issuing multiple contracts under this RFP where it would award some service categories to one vendor and other service categories to another vendor?

No. However, the contractor may enter into approved subcontracts.

2. Will the Department please provide the dollar amount of recoveries it attributes to the efforts of its incumbent TPL vendor for each of the past three years?

<u>State Fiscal Year</u>	<u>Recoveries</u>
'07-'08	\$21.5M
'08-'09	\$27.6M
'09-'10	\$46.6M

3. Will the Department please provide the dollar amount of cost-avoidance it attributes to the efforts of its incumbent TPL vendor for each of the past three years?

The contractor assumed responsibility for resource file maintenance effective January 1, 2009.

<u>Reporting Period</u>	<u>Cost Avoidance Amount</u>
Jan – June, 2009	\$52M
July '09 – June '10	\$105M
July – Dec 2010	\$55M

4. Section I.C.4, page 8: “Augment fiscal intermediary (FI’s) Medicare Parts A, B, and D recovery efforts.”

What recoveries is FI currently providing? Part A void/adjustments; Part B – reclamation; Part D – reclamation?

The FI currently performs quarterly disallowance projects with regard to Parts A and B only.

Do you anticipate seeking recoveries from Part C (Medicare Advantage Plans)?

The advantage plans are treated like private insurance in our system.

5. Section II.B.1, page 10: “The contractor shall perform the following activities.....and as secondary for Medicaid recipients enrolled in CCNs after time has expired for the CCNs to bill and collect from responsible third parties”

What will be the time limit on the CCNs to perform first-pass recovery before the State’s contractor may begin performing second-pass recovery to the CCNs?

The current time frame, subject to change since the program has not been implemented, is one hundred eighty (180) days.

6. Section II.B.1.g, page 11: Regarding the secure website, will the Department please clarify if the 24 months of insurance data that the Vendor is to provide is with respect to insurance data generated from matches that the vendor identifies between the Medicaid roster and other insurance rosters, or simply eligibility data that is obtained from other insurance rosters?

The data requirement is the eligibility data that is obtained from other insurance rosters.

7. Section II.B.1.m, page 12: “Process the nightly file delivered SFTP from MEDS containing information on Medicaid recipients who are currently enrolled in private insurance or whose insurance enrollment status is unknown. The Contractor shall verify insurance coverage for these Medicaid recipients within five (5) business days of receipt of the file delivered from MEDS.”

The above requirement would appear to conflict with the requirement to revalidate coverage quarterly, as shown in Section II.B.3.c.iii. Will the Department please clarify its intent?

This requirement is for new Medicaid eligibles. Medicaid eligibility workers determine eligibility and ask about other insurance. This information is forwarded through SFTP from MEDS on a nightly basis. The vendor is required to take the information from MEDS, identify coverage, and verify it within five (5) days.

This information will need to be revalidated quarterly along with any other coverage on the resource file.

8. Section II.B.2.a.ii, page 14: “A TPL Carrier code listing is available on the Louisiana Medicaid Website.”

Would the Department please provide clarification on how vendors are to access this information as it does not appear on the Louisiana Medicaid website?

The TPL Carrier Code listing is available at http://www.lamedicaid.com/provweb1/Forms/Carrier_Code/Carrier_Code.pdf.

9. Section II.B.2.c, page 15: Performance Measurements: This Section of the RFP states that the Contractor shall be measured based on the "enhancement of recoveries and third party cost avoidance as outlined in the contract." Does this mean that the Contract shall specify minimum recovery amounts and minimum third party cost avoidance amounts by contract year for which the Contractor shall be responsible? If so, how will those be determined (i.e., will they be considered part of the mutually agreed upon contract negotiations)?

The cost avoidance baseline is determined using the previous year's cost avoidance amount.

10. Section II.B.2.c.vi, page 15: "The contractor shall provide, in a specified format, adds and updates to the resource file for all identified third party coverage of Medicaid recipients within thirty (30) days from receipt of the file..."
And
"Contractor is to provide updates to the resource file via SFTP to the FI to upload into the FI's OI database within 30 days of the receipt of the file."

Are the thirty (30) days mentioned in the two places referenced above measured from the Contractor's receipt of data from carrier? If not, please clarify when the 30 day period begins.

Yes, the thirty (30) day period commences from the date that the contractor receives the data.

11. Section II.B.3.a, page 16: "The contractor shall be required to enroll a minimum of one hundred (100) new cases into LaHIPP on a monthly basis..."

Due to limited enrollment periods, would the State consider other measurements, such as requiring an average monthly enrollment of one hundred (100) new cases over twelve months or alternatively requiring a minimum of 1200 "adds" of new cases per contract year?

No. Based on CHIPRA legislation, if an individual is found eligible for a public assistance, that shall be considered as a qualifying event.

Would the Department please share with the Proposers the State's cost effectiveness formula that will be used for the LaHIPP program?

Louisiana currently uses the Secretary's method as stated in the Medicaid manual 3900 except for the geographical consideration. The administration fee is \$100 per Medicaid recipient in the case. The AAMC is calculated by the FI and

provided to the TPL contractor in April of each year. Louisiana reimburses for the lowest insurance tier.

Would the Department reconsider the requirement that 100 new cases be added per month if the State's cost effectiveness formula justifies a lower number of eligible cases?

No.

12. Section II.B.3.c.iii, page 18: This Section of the RFP requires the contractor to "complete all insurance update requests as follows: Emergency – Policies to be terminated within four (4) business hours..."

Will the contractor have "on-line" real time access to update the other insurance (OI) database? Also, in many cases the TPL Carrier File must be updated prior to any updates being made to the OI database. If this is the case for the Department, will the contractor have "on-line" real time access to update the TPL Carrier File assuming that updates to recipient data would need to be made within four (4) working hours in emergency situations?

The contractor will be working with the Department's FI via a fax process, which provides a paper trail that documents the contractor's compliance with the requirement.

13. Section II.B.3.c.iv, page 19: What level of detail does LA Medicaid OI database capture/house related to scope of coverage? (i.e., major medical, maternity, MH, pharmacy, dental, vision)?

Scope of Coverage	Description
00	Not Available
01	Major Medical
02	Medicare Supplement
03	Hospital, Physician, Dental and Drugs
04	Hospital, Physician, Dental
05	Hospital, Physician, Drugs
06	Hospital, Physician
07	Hospital, Dental and Drugs
08	Hospital, Dental
09	Hospital, Drugs
10	Hospital Only
11	Inpatient Hospital Only
12	Outpatient Hospital Only
13	Physician, Dental and Drugs
14	Physician and Dental
15	Physician and Drugs
16	Physician Only

17	Dental and Drugs Only
18	Dental Only
19	Drugs Only
20	Nursing Home Only
21	Cancer Only
22	CHAMPUS/CHAMPVA
23	Veterans Administration
24	Transportation
25	HMO
26	Carrier declared Bankruptcy
27	Major Medical without maternity benefits
28	HMO/Insurance Premium Paid by Medicaid GHIPP Program
29	Skilled Nursing Care
30	Medicare HMO (Part C)
31	Physician Only HMO
32	Pharmacy (PBM)
33	HMO No Maternity

14. Section II.B.3.g.vi, page 22: “Turn over upon request...documents relating thereto that are essential to initiation and operation of the Medicaid Program.”

Other provisions of the RFP permit a vendor to retain ownership of intellectual property that is proprietary to the Contractor, with turnover obligations limited to non-proprietary materials. See Section II (B) (8). In order to avoid a conflict under Section II.B.3.g.vi, would the State clarify the scope of the turn over obligation under Section II.B.3.g.vi by specifically excluding any and all proprietary documents?

All agreed-upon proprietary documents will be excluded from this requirement.

15. Section II.B.8 and Attachment II, pages 32 and 57: Transition Plans, and Attachment II, DHH Standard Contract Form CF-1, Sections 11 and 20: If one reads these three sections together, there appears to be a conflict in what is required. Further, these provisions could be read so as to cause Contractors from being able to provide the most technically compliant solution at the most attractive price to the State. Specifically, we mean the following: Section II (B) (8) of the RFP requires Contractor to "transfer all ... non-proprietary systems to the Department or new vendor within the agreed upon time frame" following contract termination. A "non-proprietary system" could be interpreted to include not only hardware but also (a) hardware that a contractor uses to support not only Louisiana but other customers and (b) third party owned software.

On the other hand, in Attachment II, Section 11 of the DHH Standard Contract Form CF-1, only "non-third party software and source ... related to the contract

and/or obtained or prepared by Contractor in connection with the performance of services ... becomes the property of the State". It would therefore appear from the Standard Contract Form that the State does not require ownership of third party software, nor the delivery of source code for such third party software. In addition to the fact that these two provisions of the RFP are in conflict, generally speaking, third party software source code is not available. Further, while the Contractor is the only entity that may require use of the third party software in order to provide the TPL related services during the term of the contract, conveying a license to the State for such third party software is likely to drive up costs that are ultimately passed on to the State, when the State may not need such third party software, either because of its own solution or that of a new contractor.

In addition to the fact that the wording in Section II (B) (8) conflicts with Section 11 of the Standard Contract Form CF-1, it could also conflict with the wording in Section 20 of the Standard Contract Form. Section 20 states that only equipment purchased under the contract is ultimately owned by the State upon contract termination or expiration. Such equipment may not be "non-proprietary", as would seem to be required by Section II (B) (8). In addition, it is possible that a Contractor may propose to use its existing, proprietary hardware and purchase some incremental hardware so as to be able to deliver the requested TPL services not only to Louisiana but also for its other TPL customers. Such a shared environment may provide Louisiana with the most technically responsive solution; yet, if Section 20 requires the Contractor to transfer title to the incremental hardware purchased for Louisiana and for the Contractor's other customers at the end of the Louisiana Contract, a bidder may elect not to provide that type of solution to Louisiana or may end up driving up the cost charged to Louisiana.

Based on all of these issues, would the State clarify the RFP such that the Contractor is only required, upon Contract termination or expiration, to transfer title and source to only Contractor proprietary software and source code that is specifically developed under the contract by Contractor, exclusive of any (i) pre-existing, Contractor proprietary software, (ii) pre-existing Contractor hardware or Contractor owned hardware used to support the State and other customers and (c) any third party software?

If the contractor bills the State for the development of any system, it must be turned over to the State at the end of the contract. All data that is used on behalf of the State shall be turned over to the State in an agreed upon format at the end of the contract.

16. Section II.G, page 38: Insurance: This Section of the RFP requires a Certificate of Insurance "executed by officers of the insurance company". Typically, Certificates of Insurance are provided on an Accord form and typically, these forms are signed by an authorized broker, based on authorizations provided by

the underlying insurance company. Would it be acceptable for a bidder to submit a Certificate of Insurance that demonstrates that the contractor has the required amounts and coverage but that is signed by a broker authorized by the insurance company?

This is acceptable.

17. Section II.K.4, page 40: This Section raises several questions about the monthly cost avoidance baseline. Specifically:

1. How does the State currently calculate the monthly cost avoidance baseline? Do you take each claim that was cost avoided due to TPL at the adjudicated value of the claim every month? Or do you attribute a standard "claim dollar value" that you multiply by the # of claims denied due to TPL? (i.e. Do you "value" each TPL claim at \$1,500 and multiply by 1,000 claims avoided per the actual month = \$1.5M in cost avoidance savings for the month).

The cost avoidance is calculated from the TPL claims processed. The amount is calculated by taking the Medicaid allowed amount from the claims and the actual Medicaid paid amount.

2. If you apply a standard claim dollar value for TPL cost avoided claims – what value do you assign? What has been the State's baseline for each of the last three fiscal years? And does your baseline cost avoidance calculations/values include Medicare or just commercial TPL?

We use actual claims to determine the cost avoidance, not a standard claim value.

<u>State Fiscal Year</u>	<u>Cost Avoidance Amount</u>
'07-'08	\$81M
'08-'09	\$124M
'09-'10	\$105M

Baseline cost avoidance includes commercial and Part C plans.

18. Section III.N.3.f, page 50: The RFP states that the Proposer's "All Hazards Response Plan, if applicable" is to be included in the Proposal. Is an "All Hazards Response Plan" required by this RFP? If so, what does the State mean by an "All Hazards Response Plan? For instance, is it any different from a Disaster Recovery Plan mentioned elsewhere in the RFP?

An All Hazards Response Plan is a document that assigns responsibility to organizations and individuals for carrying out specific actions at projected times and places in an emergency that exceeds the capability or routine responsibility of any one agency; e.g., the fire department. It sets forth lines of authority and organizational relationships and shows how all actions will be coordinated in order to protect people and property in emergencies and disasters. It identifies personnel, equipment, facilities, supplies, and other resources available for use during response and recovery operations. It is the same as the Disaster Recovery Plan.

19. Section II.N.3.h.iii, page 51: “Proposer’s cost shall be quoted as percentages of actual TPL collections for each of the following categories of recovery: 1) third party identification and collection of commercial insurance and TRICARE, 2) annual hospital and long-term care reviews, and 3) augmentation of FI’s Medicare Parts A, B, and D recovery efforts by performing the third quarter Medicare project....”

Can the state please provide the “actual” gross TPL collections for each of the three categories recovered by year for the State’s last five fiscal years?

State Fiscal Year	Commercial & Tricare	Hospital & Long-Term Care Reviews*	Medicare Parts A & B	Medicare Part D
'05-'06	6,572,536.54			
'06-'07	18,869,052.04	355,069.95	64,113.34	15,946.07
'07-'08	19,340,929.13	138,203.14	1,900,371.26	11,498.16
'08-'09	26,675,182.68	78,381.44	1,878,025.93	1,716,759.41
'09-'10	44,938,404.98	472,438.91	1,005,849.69	996,100.97

*The data only includes hospital reviews. To date, no long-term care reviews have been conducted.

20. Section IV.C, page 54: Performance Bond: The RFP requires a Performance Bond equal to 10% of the Annual Contract Amount. In so far as part of this Contract is based upon contingent fee pricing, how will the "Annual Contract Amount" be calculated? In addition, since there may be a cost associated with the Performance Bond, albeit one borne by the Contractor, can the State please advise bidders what or how that Annual Contract Amount shall be calculated so that a bidder can know how to calculate the cost of securing and maintaining the performance bond during the term of the Contract?

A \$4.2M performance bond should be appropriate.

21. Attachment II, page 57: Standard Contract Form CF-1: Will the State consider a bid that includes additional terms and conditions from those set forth in Attachment II, such as a mutually agreed upon limitation of liability clause that may permit financially responsible bidders with technically responsive solutions to bid that might not otherwise bid without such ability to offer such terms?

A proposer may request the State to consider other provisions or clauses, but proposers need to know and understand that the Dept is not obligated to accept any such additions or suggestions.

22. Section II.B.2.c.viii, page 15: DHH requires that the contractor's administration of the LaHIPP program include the addition of one hundred (100) active cases in the program each month for the life of the contract. How will the contractor guarantee that this threshold is met if the data required for case enrollment is not made available from a third party in a timely manner?

The Department believes that this is a reasonable goal to obtain monthly. The contractor shall work as efficiently as possible to allow for third party responses.

Section II.B.3.d.i, page 20: DHH requires the bank to provide images of all checks, remittance notices, and any other information sent by the third parties to DHH fiscal. This will increase monthly lockbox costs significantly. Will DHH consider deleting this requirement?

DHH requires the contractor to provide images of all checks, remittance notices, and any other information sent by the third parties for those checks that are not related to the contractor's collection efforts.

23. Section II.B.6.f.iii, page 31: DHH requires a weekly file maintenance staffing report. Is this a reinstated requirement?

Yes.

24. Section II.K.4, page 40: DHH requires that the contractor be paid a contingency fee for cost avoidance in excess of the monthly baseline. What is the monthly baseline?

The cost avoidance baseline is determined using the previous year's cost avoidance amount.

25. Section III.O.3.b, page 53: The proposal evaluation criteria includes "Cost: Reasonableness Review." Please define "reasonableness review."

Please see page 52 of the RFP: "A maximum of 5 points may be awarded for the cost criteria based on evaluation of reasonableness of cost based on economies of scale, adequate budget detail, and justification that all cost is consistent with the purpose, objectives, and deliverables of the RFP. "