

Attachment C
STATEMENT OF WORK

A. Goal:

The Contractor shall develop and implement a cost avoidance process in conjunction with maintenance of the Medicaid resource file, perform third party identification and collection of commercial insurance, annual hospital and long-term care provider reviews, augmentation of the FI's Medicare Parts A, B, and D recovery efforts, maintenance of the Medicaid resource file, and administration of the LaHIPP program.

B. Deliverables:

1. General Requirements

The Contractor shall perform the following activities as primary for the fee-for-service Medicaid recipient population and as secondary for Medicaid recipients enrolled in CCNs after time has expired for the CCNs to bill and collect from responsible third parties:

- a. Pursue TPL recoveries for federally mandated "pay and chase" claims which are paid by Medicaid without regard to known health insurance coverage;
- b. Pursue TPL recoveries for claims paid by Medicaid and adjudicated prior to claims processing file updates denoting current and retroactive health insurance coverage. If a Medicaid recipient has multiple types of coverage, the Contractor shall prioritize the coverage and report the information to the Department in the following order: 1) Major medical or major medical without maternity coverage; 2) Pharmacy coverage; and 3) Dental only, vision only, cancer only, and other specialized types of coverage (reported only in the absence of major medical or pharmacy coverage);
- c. Obtain a monthly file from all health insurance carriers, as required by LA R.S. 44:14, and conduct a data match with the Louisiana Medicaid recipient file to identify liable third parties to the Department for updating the Medicaid resource file:
 - (i) Initiate and maintain a comprehensive resource file review program for file maintenance of third party resource data as outlined in the RFP in order to maximize cost avoidance;
 - (ii) Issue billings to carriers based on data match criteria in order to maximize recoveries;
 - (iii) Disallow Medicaid payments to providers based on identified third party insurance coverage; and
 - (iv) Identify potential LaHIPP recipients.
- d. Pursue follow-up on outstanding accounts receivables six (6) months after Contractor claim submission with the requirement that no more than ten (10) percent of claims shall be unresolved within sixty (60) days of six (6) month follow-up;
- e. Augment the FI's Medicare Parts A, B, and D recovery efforts. Medicare recoveries shall be coordinated with the Department to ensure non-duplication and timely filing assurance;
- f. Develop and implement an annual review process for Medicaid participating hospitals and long-term care providers for the purpose of identifying and recovering potential Medicaid overpayments related to third party liability to include 1) provider self-reviews, 2) desk reviews, and 3) onsite reviews;
- g. Provide a secure website which includes, at a minimum, twenty-four (24) months of insurance data obtained through data match agreements with insurance carriers of Louisiana residents, searchable by social security number, for the Department to access real time activity. The detail specifications of the site shall be determined in collaboration between the Department and the Contractor and shall be an on-going process throughout the life of the contract; however, the specifications must include the ability to perform matches through a batch process;

- h. Provide for secure, web-based access to claim information for all appropriate providers in order to fulfill requirements mandated by Act 517 (SB 33) of the 2008 Regular Legislative Session. For each Medicaid reclamation claim paid by a health insurer, provide claim identifying information (control number, patient account number), comprehensive insurance billing data, payment information, and posting date of payment. In addition, the Contractor must provide electronic notification to providers when payment updates are available, host data on a web server for a minimum of sixty (60) days after notification to the provider, provide for submission of online extension requests, develop and implement a provider training curriculum, and maintain an adequately staffed provider inquiry line;
- i. Conduct an annual electronic data match with the Defense Enrollment Eligibility Reporting System (DEERS) in accordance with the date and file formatting required by DEERS. The DEERS online data system shall be used in conjunction with the yearly file;
- j. Provide an electronic data file to the Department of Children & Family Services (DCFS) pursuant to an interagency agreement between DHH and DCFS in accordance with Act 578 of the 2008 Louisiana Legislature;
- k. Perform a quarterly data match with support enforcement information system data as per the Centers for Medicare and Medicaid Services (CMS) regulations as specified by the Department;
- l. Perform a quarterly data match with the wage file from the Louisiana Workforce Commission. Conduct employer surveys to assist in the data gathering efforts of the Department;
- m. 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.
- n. Perform carrier code updates and consolidation;
- o. Perform identification and collection activities for commercial insurance and TRICARE within sixty (60) days of the receipt of the Medicaid Adjudicated Claims History File data, as mandated by Federal Regulation 42 CFR 433.139 Collection and Disposition of Recovered Funds;
- p. Provide identifying information via SFTP for commercial insurance, TRICARE, and Medicare Parts A, B, and D collections to the Department or its designee, not less than quarterly, for disposition of funds recovered and adjustment of Medicaid claims (See Section II:B(3)c: Medicare Recovery Process).
- q. Administer the Louisiana Health Insurance Premium Payment (LaHIPPP) program in accordance with the requirements established in the RFP.
- r. Submit reports as outlined in the RFP. The reporting requirements are subject to change and will be determined by the Department.

C. Performance Measures:

The performance of the Contractor will be measured during the period of the contract by consideration of the following:

1. Progress of the Contractor along a pre-determined series of project management oriented milestones as defined in the work plan.
2. Requirement and demonstration that the Contractor's personnel on the project are those identified in the proposal and contract.
3. Enhancement of recoveries and third party cost avoidance as outlined in the RFP.
4. Collection of identified potential account receivables or receipt of documentation refuting the corresponding claims.

5. The Contractor shall act as the Department's agent in collecting data from carriers on a monthly basis, at minimum.
6. The Contractor shall provide to the resource file, in a specified format, adds and updates (changes and terminations to third party coverage) within thirty (30) days from receipt of the information. Documentation of the adds and updates shall be maintained by the Contractor.
7. The resource file shall be updated within thirty (30) days of each carrier match.
8. Administration of the LaHIPP program, including the addition of one hundred (100) active cases in the program each month for the life of the contract. Contractor must redetermine LaHIPP eligibility for all active cases prior to the end of employers' open enrollment periods. The Contractor must maintain an eighty-five percent (85%) ratio of direct deposit to paper check payments for active LaHIPP cases.

D. Monitoring Plan:

The Bureau will monitor and measure the performance of the Contractor by:

1. Assuring that all state and federal regulations are followed for the duration of the contract and that any updates to state and federal regulations are promptly and appropriately implemented.
2. Assuring that recovered funds balance with invoices and authorizing the disposition of the funds against the appropriate Medicaid expenditures.
3. Reviewing and ensuring the accuracy of invoices and authorizing invoice payment.
4. **For the purpose of allowing DHH to conduct on-site review of contract operations and business processes, HMS annually will host up to two monthly status meetings at the HMS office location in Irving, Texas. DHH and HMS will mutually agree on the timing of these meetings and HMS will reimburse DHH for reasonable and related travel expenses to include airfare, lodging and transportation according to the terms of the HMS expense policy for up to two employees. HMS will also accommodate teleconference access to these monthly status meetings for other participants as needed.**

E. Liquidated Damages:

1. In the event the Contractor fails to meet the performance standards specified within the contract, the liquidated damages defined below may be assessed. In the event the Contractor fails to meet contract requirements, and damage is sustained by the Department, it may be difficult to determine actual damages. Therefore, for failure to meet the performance standards specified below, liquidated damages are fixed and should be assessed accordingly. These liquidated damages apply whether or not suit has been filed.
2. If assessed, the liquidated damages will be used to reduce the Department's payments to the Contractor or if the liquidated damages exceed amounts due from the Department, the Contractor will be required to make cash payments for the amount in excess.
3. In the event the Contractor fails to meet the specified deadlines, the Contractor shall pay the Department the following specified amounts as agreed liquidated damages.
 - a. **Requirement:**
The Contractor shall submit reports in accordance with Section II: B(2)(b)viii and Section II:B(3)(g)iv of the RFP.
 - o **Liquidated Damages:**
A twenty-five (\$25) dollar per business day charge to the Contractor may be imposed per each report for each day after the report due date until the reports are received.
 - b. **Requirement:**
The Contractor shall request approval to make changes of key personnel to the Department as described in the proposal.

- **Liquidated Damages:**
A one hundred fifty dollar (\$150) per business day charge to the Contractor may be imposed for each day that a change in key personnel is made but not approved by the Department.
- c. Requirement:**
The Contractor shall have, at a minimum, data match agreements with all health insurance carriers that have more than 1,000 covered lives in the State of Louisiana.
 - **Liquidated Damages:**
A one hundred dollar (\$100) per business day charge to the Contractor may be imposed for each data match agreement not obtained for each day beyond ninety (90) days from contract effective date.
- d. Requirement:**
The Contractor shall perform reviews of third party identification and collection of every Medicaid-participating hospital and long-term care provider every year.
 - **Liquidated Damages:**
A two hundred fifty dollar (\$250) charge to the Contractor may be imposed for each review not performed as required.
- e. Requirement:**
Project Director or Project Manager shall take part in weekly conference calls with the Department.
 - **Liquidated Damages:**
A one thousand dollar (\$1,000) charge to the Contractor may be imposed for each weekly meeting at which neither the Project Director nor the Project Manager takes part unless approved by the Department.
- f. Requirement:**
Contractor shall pursue follow-up on outstanding balances six (6) months after Contractor claim submission with the requirement that no more than ten (10) percent of claims is unresolved within sixty (60) days of six (6) month follow-up.
 - **Liquidated Damages:**
A five thousand dollar (\$5,000) charge to the Contractor may be imposed for each project that has greater than ten (10) percent of claims unresolved after sixty (60) days of six (6) month follow-up.
- g. Requirement:**
The Contractor shall maintain an appropriately-staffed call center/verification unit with adequate staff available Monday through Friday, 8am-5pm CT excluding Louisiana state holidays.
 - **Liquidated Damages:**
A three thousand two hundred seventy dollar (\$3,270) fee may be imposed for each day that the call center/verification unit is not open and available to conduct business in accordance with Deliverable 3.c.(ii) of the RFP. A \$410 per hour fee may be imposed when the call center/verification unit is not open and available to conduct business for more than two hours as required by Deliverable 3.c.(ii).
- h. Requirement:**
Contractor shall update the resource file by adding, terming, or updating insurance policy information as outlined in Deliverable 3.c of the RFP.
 - **Liquidated Damages:**
Payment of fee to the Contractor may be withheld for recovery of Medicaid funds recouped as a result of insurance policy information not being updated as outlined in Deliverable 3.c. In addition, a two hundred seventy-five dollar (\$275) charge to the Contractor may be imposed for each addition, termination, or update of insurance policy information that is not completed as outlined in Deliverable 3.c.

- i. Requirement:**
The Contractor shall submit a nightly electronic file to the FI in the specified format with all verified insurance adds and updates.
- **Liquidated Damages:**
A four hundred dollar (\$400) charge to the Contractor may be imposed for each day the nightly electronic file is not submitted as outlined in Deliverable 3.c.(v) of the RFP.
- j. Requirement:**
Verified insurance coverage shall be uploaded within thirty (30) days of the data matches.
- **Liquidated Damages:**
A one thousand dollar (\$1,000) per day charge to the Contractor may be imposed for each day the file is not loaded within thirty (30) days of the data match.
- k. Requirement:**
One hundred (100) new LaHIPP cases shall be added per month.
- **Liquidated Damages:**
A forty dollar (\$40) charge to the Contractor may be imposed for each case under the required minimum number of new cases in accordance with Deliverable 3.a of the RFP.
- l. Requirement:**
Contractor shall maintain an appropriately-staffed LaHIPP operations unit with adequate staff available Monday through Friday, 8am-5pm CT excluding Louisiana state holidays.
- **Liquidated Damages:**
A two thousand five hundred dollar (\$2,500) fee may be imposed for each day that the LaHIPP operations unit is not open and available to conduct business in accordance with Deliverable 3.a of the RFP. A three hundred dollar (\$300) per hour fee may be imposed when the LaHIPP unit is not open and available to conduct business for more than two hours as required by Deliverable 3.a.
- m. Requirement:**
Contractor shall redetermine LaHIPP eligibility for all active cases prior to the end of employers' open enrollment periods.
- **Liquidated Damages:**
A forty dollar (\$40) charge to the Contractor may be imposed for each case not redetermined for LaHIPP eligibility during the employer open enrollment period. Contractor may also be held responsible for any overpayments created and any provider billing errors encountered due to the failure to correctly redetermine LaHIPP eligibility during the open enrollment period.
- n. Requirement:**
Contractor shall utilize accurate premium information when determining LaHIPP cost effectiveness and the monthly/annual premium amount entered in the CE analysis shall be equivalent to the premium being reimbursed.
- **Liquidated Damages:**
A one thousand dollar (\$1,000) fee may be imposed on the Contractor for every LaHIPP case determined cost effective and activated or renewed utilizing incorrect premium information.
- o. Requirement:**
Contractor shall maintain history for all status changes, MEDS system updates, payments, overpayments, CE calculations, and notices.
- **Liquidated Damages:**
A two thousand eight hundred eighty dollar (\$2,880) fee may be imposed on the Contractor for failure to maintain history for all status changes, MEDS system updates, payments, overpayments, CE calculations, and notices.

p. Requirement:

Contractor shall maintain an eighty-five percent (85%) or greater direct deposit to paper check ratio for all LaHIPP cases in active status.

○ ***Liquidated Damages:***

A three hundred dollar (\$300) charge to the Contractor may be imposed for every month the ratio of direct deposit to paper check payments falls below eighty-five percent (85%).

Terms of Payment:

1. The Contractor shall submit deliverables in accordance with established timelines and shall submit itemized invoices monthly. Payment of invoices is subject to approval of the Department.
2. Contractor shall submit final invoices to the Department within fifteen (15) days after termination of contract.
3. Contractor shall be responsible for adding or updating coverage, prior to invoicing the Department, for any recovery made on the behalf of the Department.
4. Through maintenance of the Medicaid resource file for fee-for-service Medicaid recipients, Contractor shall be paid seventy thousand dollars (\$70,000) per month for achieving the monthly cost avoidance baseline. Contractor shall be paid one percent (1%) of the cost avoidance amount achieved in excess of the monthly baseline.
5. Contractor shall receive a contingency fee, based on the amount of third party payments collected. Invoices shall be paid after Medicaid claims are successfully adjusted and/or voided. Payment percentages are: six and three-quarters percent (6.75%) for recoveries from commercial insurance, TRICARE, Medicare Parts A and B Safety Net Process (augmentation only of Fiscal Intermediary's recoveries), and Hospital and Long-Term Care Provider reviews.
6. Contractor will be paid thirty six dollars (\$36) for each LaHIPP case properly identified as active as of the last day of the billing month.
7. No projects shall begin after January 1, 2014 without written Department approval. For the final three months of the contract, approximately April 1, 2014 through June 30, 2014, Contractor shall engage in clean up and contract close out activities in accordance with the Department's directives.
8. Contractor shall receive payment for innovative concept projects authorized in writing by the Department.