



*Delaware Health
And Social Services*

DIVISION OF MANAGEMENT SERVICES

PROCUREMENT

DATE: FEBRUARY 28, 2008

PSC#806

MEDICAID PROGRAM PAYMENT ERROR RATE MEASUREMENT; STATE
CHILDREN'S HEALTH INSURANCE PROGRAM PAYMENT ERROR RATE
MEASUREMENT; ELIGIBILITY COMPONENT (PERM)

FOR DIVISION OF MANAGEMENT SERVICES

Date Due: APRIL 04, 2008
11:00 AM

ADDENDUM # 1

Please Note:

THE ATTACHED SHEETS HEREBY BECOME A PART OF THE ABOVE
MENTIONED BID.

SANDRA S. SKELLEY, CPPO

PROCUREMENT ADMINISTRATOR

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Questions / Answers

Request for Proposal No. PSC-806

**Medicaid Program Payment Error Rate Measurement;
State Children’s Health Insurance Program
Payment Error Rate Measurement:
Eligibility Component**

Questions	Answers
<p>What organizations have submitted questions pertaining to this RFP?</p>	<p>Claim Technologies Incorporated Maximus Inc. Mercer Myers and Stauffer LC Navigant Consulting Inc. The Pacific Health Policy Group Paradyme Management, Inc. Quality Insights of Delaware The Rushmore Group, LLC</p>
<p>Is Delaware’s FFY 2005 PERM Pilot final report publicly available or available as a part of this procurement? If not, could DHSS provide eligibility case-based error rates and a summary of major challenges in completing the 2005 pilot study?</p>	<p>The FFY 2005 PERM Pilot final report is not available publicly. If a potential contractor would like an electronic copy of the findings, please send an e-mail to Linda.D.Barnett@state.de.us</p>
<p>Did Delaware use a contractor to conduct its FFY 2005 PERM Pilot, and if so, who was the contractor?</p>	<p>Yes. Delaware's FFY 2005 PERM Pilot was contracted to Mercer Government Consulting, Inc.</p>
<p>What is Delaware’s current MEQC error rate?</p>	<p>0.88% through July 07 of FFY07.</p>
<p>Has Delaware conducted PERM-like or other SCHIP eligibility audits since the 2005 PERM Pilot? If so, are case-based error rates available from these audits?</p>	<p>No.</p>
<p>Please provide a current copy and/or specify the site(s) where the current federal regulations and requirements that a contractor will be expected to comply with are located. We understand that CMS may change/modify their program requirements over time. However, we would like to confirm what is currently required/expected of the State.</p>	<p>http://www.cms.hhs.gov/PERM</p>
<p>Will the Contractor be assigned one of the logins provided to the State for access to the PETT website maintained by the Lewin Group for purposes of downloading the eligibility calculators as well as previously submitted data?</p>	<p>No. The DHSS Project Manager will have the login capacity and will work with the contractor to provide all needed materials.</p>
<p>Based on a reading of the Delaware Social Services Manual and information provided in this RFP, it appears that the DE Healthy Children’s Program may be described as a “Medicaid Expansion Program.” Is this correct?</p>	<p>Delaware’s SCHIP is a “combination” program – part separate child health program and part Medicaid expansion. The separate state program covers uninsured children aged 1 through 18 in families with income between</p>

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	100% - 200% FPL. The Medicaid expansion covers children under age 1 with incomes between 185% - 200% FPL. In terms of benefit structure, it is a "Medicaid look-alike" program with most services delivered through a managed care organization. Exceptions include prescription drugs, dental care, extended behavioral health and substance abuse services.
Based on a reading of the Delaware Social Services Manual, it appears that managed care is a requirement and that the premium must be paid in order for the child to be eligible. We assume that payment of the premium provides for eligibility prospectively. Is it correct to assume that a child would, therefore, be included in the universe of cases for the application stratum in the first month for which the initial premium is paid?	All Delaware Healthy Children Program members must pay a "per family per month" premium in order to begin receiving coverage. There is no retroactive coverage. A family can apply for SCHIP for their child, and the child may be found eligible, but until the first monthly premium is paid, there is no actual coverage provided. Potentially, a child could remain "eligible but not covered" for months until the family begins paying the monthly premium. Coverage is guaranteed for 12 months as long as the premiums are paid. We do not count children in our enrollment numbers unless the family has begun making premium payments (because we do not make capitation payments to the MCOs until the families begin paying the monthly premium).
Will the caseworker training programs and materials be made available to the contractor?	Yes
Will the State provide access to its previously scheduled eligibility trainings to supplement the Contractor's own training efforts?	Yes; the contractor staff can attend as observers
Who manages the Delaware Client Information System (DCIS)?	The Division of Social Services (DSS) located within the Department of Health and Social Services (DHSS).
Will the Department provide the contractor an initial training on the use of the system?	Yes. We will provide an overview of the system and the training materials for the DCIS System to the successful bidder
Please describe how the contractor will access information maintained in the DCIS. Will this access be remote via a VPN or other connection? Please provide the specifications for such access. Is there any cost associated with this connection?	The contractor will be granted 'inquiry' access to DCIS through a Citrix Secure Gateway VPN. Each contract worker will need a logon ID and password for the Citrix Secure Gateway server and the DCIS application. They will be required to fill out Department of Technology and Information (DTI) and Information Resource Management (IRM) security forms. Each individual will be required to provide their remote physical address, computer IP address, and telephone number to set up these accounts. Once approved, remote access can be installed

Questions	Answers
	on a computer(s) by the contractor from the Citrix Secure Gateway website. There is no charge.
Will the contractor be required to establish an interface with the DCIS? If yes, please provide specifications for such an interface.	No interface should be necessary. To view the data only requires remote access
Who manages the Delaware Medicaid Management Information System (MMIS)?	Electronic Data Systems (EDS)
Will the Department provide the contractor an initial training on the use of the system?	Yes. During the last PERM Project, an overview was conducted in the morning, and there was opportunity for a hands-on demonstration and question and answer session in the afternoon.
Please describe how the contractor will access information maintained in the MMIS. Is there a charge for this?	The contractor will be granted 'inquiry' access to MMIS through a Citrix Secure Gateway VPN. The contractor will only need a computer with an internet connection. Each contract worker will need a logon ID and password for the Citrix Secure Gateway server and the MMIS application. They will be required to fill out Department of Technology and Information (DTI) and Information Resource Management (IRM) security forms.. Each individual will be required to provide their remote physical address, computer IP address, and telephone number to set up these accounts. Once approved, remote access can be installed on a computer(s) by the contractor from the Citrix Secure Gateway web site. There is no charge.
Will the contractor be required to establish an interface with the MMIS? If yes, please provide specifications for such an interface.	No interface is necessary. The applications can be accessed remotely through the internet.
Has the sampling methodology and plan been developed, tested and completed or will the contractor be expected/required to develop that plan?? Will the state submit it to CMS for approval? Will the contractor have an opportunity to offer input into the Plan, assisting the Department to ensure that it will produce an accurately separated, filtered and stratified sample? If the Plan has been completed, does the State intend to provide a copy of the plan?	The sampling plan will not be the responsibility of the contractor. The state is in the process of developing that plan and making the required system changes to obtain the sample. There will not be an opportunity for contractor input because of the deadlines involved. The plan must be completed and approved before the start of FFY09 so that the sample runs will not be delayed. DHSS will submit it to CMS for approval; this will not be the contractor's responsibility. A copy of the plan will be provided to the successful bidder.
Does "obtain the monthly case samples" mean that the actual selection of the samples is the responsibility of the contractor, or does it mean that listings of sampled cases will be provided to the contractor? If the former, how will the necessary information to draw the samples be provided to the contractor?	The contractor will be responsible for creating all the samples from files provided monthly to the contractor. The file format has not been finalized but will likely be a text file. The listing of sampled cases will need to be provided by the contractor each month to the project manager.

Questions	Answers
<p>If the list of sampled cases is provided to the contractor, how would the contractor fulfill the requirement to “ensure that they were drawn correctly?” What reports or information will DHSS provide so that the contractor can verify that the samples were accurately drawn?</p>	<p>The contractor will be responsible for creating the needed samples from files provided to them by the project manager. The files will have already been tested for validity; thus, the contractor will need only to validate that their sampling process is correct.</p>
<p>Assuming the State will provide the extracts from which the samples will be drawn and that the contractor will actually select the samples, at what point in the month may the contractor expect these extracts to be available?</p>	<p>See above answers. It is not yet decided on what date the sample will be drawn. It is hoped to be around the 6th of each month or earlier, but the actual day will depend upon scheduling of other requirements in DCIS.</p>
<p>Will the State determine which cases are under active fraud investigation? If not, will the contractor have access to this information? Will it be available prior to selecting the samples, or does the State’s sampling plan allow for oversampling to select replacement cases?</p>	<p>When the project manager receives the list of sampled cases, that list will be sent to Audit and Recovery Management Services (ARMS), which is the DHSS unit responsible for fraud investigations. ARMS will review its records to determine whether any of the cases are under active investigation and report the results back. That information will then be provided by the project manager to the contractor.</p> <p>Whether the State’s sample plan will incorporate a drop rate or replacement cases is still undecided.</p>
<p>Is it anticipated that more than one request for case records will be necessary?</p>	<p>It is possible</p>
<p>What protocols, if any, will be used if it is necessary to request cases more than one time?</p>	<p>The DHSS project manager will take the needed steps to get case files that are overdue – working with the DSS/DMMA Director’s Office.</p>
<p>Will DHSS consider having all the sampled case files be sent to a single location, instead of one of 5, as stated in the RFP?</p>	<p>No; the case files will be sent to one of the 5 locations, as specified.</p> <p>If the contractor wants to pick up the case records from the five locations and move them to one site of their choosing (but not one of our sites), that would be acceptable. But the files must be returned to the site from which they were taken within two weeks.</p>
<p>Will auditors be required to be present at each of the 5 separate locations around the state during each review cycle? If so, please provide the addresses of the 5 locations where files will be reviewed.</p>	<p>The files will be sent to the location nearest to the regular location where the case is handled in the field; thus, it is foreseeable that there will be case files sent to each of the 5 locations – but any individual file will only be at one of these five locations. The Contractor will need to go to the specific location where the files are. The addresses of these locations are as follows: Northeast State Service Center</p>

Questions	Answers
	<p>1624 Jessup Street Wilmington, DE 19802</p> <p>Churchman's Corporate Center 84 Christina Road, Suite B New Castle, DE 19720</p> <p>Hudson State Service Center 501 Olgetown Road Newark, DE 19711</p> <p>Williams State Service Center 805 River Road Dover, DE 19901</p> <p>Georgetown State Service Center 546 S. Bedford Street Georgetown, DE 19947</p>
Will the State allow the Contractor to copy relevant materials from the paper files maintained at the local offices?	Yes – using the contractor's own equipment
Will the contractor be allowed to electronically scan the sample case files to review the files remotely, or will the contractor be expected to review the files at the five locations?	Scanning is permissible.
Will the State allow the Contractor to bring the files from the five central locations to its own office for purposes of copying the case files, and then return them to the five central locations?	Yes, but the files must be returned within two weeks.
At what point in the review process will a case be cited as "undetermined" if the case record is not made available?	The DHSS Project Manager will make that determination, in consultation with the contractor.
How will managed care data required as part of the eligibility review be provided?	This will be available via the MMIS system.
Will the contractor have access to eligibility and related databases maintained within or outside DHSS (e.g., IEVS data, child support payments, vital statistics, Department of Labor wage data, BENDEX, SDX, etc.)?	Information from the Social Security Administration cannot be released except to those parties who have entered into a formal agreement with SSA to allow access. The various databases referenced in this question are all clustered on the same screens in the DCIS database, meaning that the SSA agreement is critical in order to allow access. DHSS has such an agreement and is exploring the possibility of adding the successful PERM contractor to its agreement with SSA. Alternate solutions from the contractor would be welcome and can be included in the bid response.
Does the State currently subscribe to the Work Number for	DHSS does subscribe to the Work Number.

Questions	Answers
wage and eligibility verification? If yes, will the Contractor be provided access?	However, the contractor will need to make its own arrangements with them if that source is one the contractor wishes to use.
When conducting the eligibility reviews, there are occasions when the case file does not contain the required birth certificate. Will DHSS designate a contact to assist the contractor in securing in-state and out-state birth certificates?	We can assist with in-state birth certificates but not out of state
The current PERM guidelines provided by CMS outlines the process when eligibility or ineligibility cannot be determined. An unannounced home visit or contact with neighbors is an option. Will DHSS require the contractor to employ this option?	The contractor will be expected to contact needed collaterals via such means as telephone and letter. If field work ends up being needed to determine eligibility, that route will have to be taken. We want to avoid having cases called 'in error' because the status cannot be determined, if at all feasible.
We are trying to get a clear fix on monthly volume. Are the 1,400 cases spread over the three-year period of the contract? If so, are cases spread evenly over 36 months, or are the realities of timelines that they are only spread over a lesser number of months, to accommodate Federal reports? Regardless of the number of months in the denominator, are there spikes in volume at any time in the year? Every year of the contract?	The number of sampled cases is for a twelve-month period, as prescribed by federal regulations. It is not spread over 36 months, although the actual work on the sampled cases will take longer than 12 months. No spike in volume will be experienced. The time beyond 12 months is needed to complete the review process and prepare all required reports.
<p>Does the DHSS anticipate that all project work will be conducted on-site or will the contractor be able to work off-site?</p> <p>If the contractor is able to work from a remote location, will the contractor be given permission for remote access to DCIS and MMIS?</p>	<p>Project work can be done off-site.</p> <p>The contractor will be granted 'inquiry' access to DCIS through a Citrix Secure Gateway VPN. Each contract worker will need a logon ID and password for the Citrix Secure Gateway server and the DCIS application. They will be required to fill out Department of Technology and Information (DTI) and Information Resource Management (IRM) security forms. Each individual will be required to provide their remote physical address, computer IP address, and telephone number to set up these accounts. Once approved, remote access can be installed on a computer(s) by the contractor from the Citrix Secure Gateway website.</p>
Contract Period – Page 8 states the contract period begins July 1, 2008 and page 12 under the Proposed Methodology it indicates that August 1, 2008 should be used as the start date. Is the contract period different than the start date for the activities?	Yes. In order to initiate a project that is under contract, it has to be sent to the Department of Finance to have a Purchase Order issued. This can take several weeks. We have allowed a 4-week window, from July 1 to August 1, to provide time for all necessary processing to take place.
The RFP requires that the contractor will “develop a secure	This requirement pertains to materials

Questions	Answers
<p>process to store all project data electronically” and to share this data electronically with the State. Is this requirement limited to data extracts, sample listings and required reports or does it include all documents in the case file that the contractor has scanned and/or copied as part of the review process? If the latter, does the State have a preferred image file format or other style preferences for storing/sharing electronic versions of these documents? If yes, please describe.</p>	<p>developed or obtained by the contractor, including items used in making case findings. We are expecting the bidder to propose a process for this.</p>
<p>The RFP requires that contractor will “report potential error findings electronically” to the Project Manager as soon as possible. First, please define what the State considers an “error finding” in relation to the coding of the eligibility review results provided by CMS. Second, does the State have a preferred method for the electronic means of providing this information?</p>	<p>We anticipate that all findings that CMS considers an “error” would be reported to the Project Manager. The preferred method would be via email, with documentation attached in either PDF or Word format.</p>
<p>Please describe any limitations/exceptions that may be imposed upon the contractor when developing a process to receive claims information from the MMIS.</p>	<p>The MMIS System is available Monday through Friday, 7:00 a.m. to 6:00 p.m. Eastern Time.</p> <p>There may be occasions when the system is not available due to technical issues, but high priority is given to resolving them promptly.</p>
<p>Will the contractor be responsible for extracting the Medicaid and Healthy Children’s Program claims and capitation payment date for each sample month from the State’s MMIS?</p>	<p>Yes</p>
<p>if so: From what type of storage media would the contractor access the data: cartridge tape or a data warehouse?</p>	<p>There is no data warehouse. The data will be available on-line.</p>
<p>What software applications must be used to access the data? What are the technical requirements to access the data remotely, e.g., dedicated or dial-up transmission lines or internet connection?</p>	<p>The contractor will be granted ‘inquiry’ access to DCIS through a Citrix Secure Gateway VPN. Each contract worker will need a logon ID and password for the Citrix Secure Gateway server and the DCIS application. They will be required to fill out Department of Technology and Information (DTI) and Information Resource Management (IRM) security forms. Each individual will be required to provide their remote physical address, computer IP address, and telephone number to set up these accounts. Once approved, remote access can be installed on a computer(s) by the contractor from the Citrix Secure Gateway website.</p>
<p>This section states that the successful bidder will have access to MMIS “to retrieve claims data on cases in the sample.” Will the State provide a complete claims extract to the Contractor on a monthly basis or will the Contractor</p>	<p>The contractor will need to retrieve the claims data directly from the MMIS system.</p>

Questions	Answers
develop specifications and the State then will generate monthly reports based on these specifications?	
The RFP requires monthly files of sample information “three days prior to the date it is due to CMS.” Please confirm whether or not that the contractor will be responsible for monthly sample selection.	Yes, the contractor will be responsible for the monthly sample selection. The project manager will provide the contractor with the appropriate files from which the samples can be drawn.
The contractor’s ability to meet the “three days prior” requirement is dependent upon receipt of data extracts from which the samples are drawn. Please indicate the date by which these data extract files will be provided to ensure that the contractor is able to meet this requirement.	The State expects to have the universe files created around the 6 th or 7 th of each month. This will vary somewhat, of course, with intervening weekends and holidays. We are currently exploring the possibility of creating the universe files earlier, but it will depend upon the scheduling of other vital runs in the system.
The RFP requires submission of a monthly status report by the tenth day of each month, beginning in December 2008, which lists the completion status of each case. Please define “completion status.”	The bidder would be expected to structure this report and suggest the various categories to be reported. The DHSS project manager will work with the contractor to finalize the categories. However, as examples, it should include at least the following: review in progress / verifications not yet received; review completed / error finding submitted on x date; review completed on y date / clean case; review undetermined (incomplete)/reason.
Given that the October sample listing is not due to CMS until November 17, 2008 (November 15th is a Saturday) and that local offices must be provided at least five working days to make cases available for review, it seems reasonable to assume that the first cases will not be ready for review until the week of November 24th, which is the week of the Thanksgiving holiday. Would the State consider having the first report due in January 2009 rather than December 2008?	Yes.
The RFP requires a report “no later than 120 days following the end of the sample month in the format required by CMS.” This effectively reduces by 30 days the number of days allowed for review of the cases files. When this is considered in conjunction with the timing of the onset of reviews discussed above, nearly 60 days of the 150 days allowed by CMS are lost. In addition, the State is to be provided with a minimum of two weeks to review “error” findings, which could reduce the time to complete the cases by another 10 days. Will the contractor be expected to complete all reviews for a given sample month in approximately 90 days as opposed to the 150 days provided for in the CMS guidance?	The counting of days begins with the end of the sample month. For example -- a case under review for January 08: it is selected around February 7, 2008. The count begins January 31, 2008. Final disposition of the case is due to CMS by June 30, 2008. This is 143 days (CMS specifies 150, roughly equivalent to five months.) If the case is in error, it should be submitted to the State no later than 10 days prior to June 30, 2008 which is June 20, 2008. Therefore those 10 days are deducted from the 143 days from the end of the sample month. This leaves the

Questions	Answers
	<p>contractor 133 days to complete a review, not 90.</p> <p>These federal requirements mirror the current MEQC process and cannot be altered or extended.</p>
<p>The RFP requires submission of the report on the claims data no later than 180 days following the end of the sample month, which is 30 days less than CMS allows. Will the contractor be expected to submit these monthly reports within 180 days as opposed to the 210 days provided for in the CMS guidance?</p>	<p>As explained in the above response, the counting of days begins with the end of the sample month. For example for the case used in the above example, which is under review for January 08:</p> <p>Claims collection begins in the month after the eligibility findings are due to CMS. In the above example, this means the claims should be collected in the month of July 2008.</p> <p>Claims will be due to CMS, according to the regulations, 60 days after the eligibility findings. Under the RFP, the contractor has approximately 133 days to complete a review and another 60 to do the claims for a total of 193 days, not 180.</p> <p>These federal requirements mirror the current MEQC process and cannot be altered or extended.</p>
<p>Does the Department have a particular/preferred budget format that a contractor should use in presenting its Budget proposal?</p>	<p>No</p>
<p>Do the requirements in section III: Special Terms and Conditions, Subcontractors, apply to individual consultants who are not in a management role on the project (i.e., conducting eligibility reviews through a subcontractor arrangement with the contractor)?</p>	<p>The requirements pertaining to subcontractors would apply to any individual working on the project who is not a direct employee of the contractor who enters into the contract to carry out this work,</p>
<p>The RFP indicates that the bidder's proposed cost will be evaluated based on whether it is within the amount budgeted by the State. What amount has the State budgeted for this project?</p>	<p>Delaware's General Assembly has until June 30 to pass a budget for the new fiscal year. Until it does so, we will not know what the amount will be.</p>
<p>A Transmittal letter is required but no template for the letter was included. Please clarify the requirements for the transmittal letter.</p>	<p>The bidder is free to develop the transmittal letter; there is no required format.</p>
<p>The RFP does not specify where the bidder is to input any exceptions it may have to the boilerplate contract. Please indicate where contract exceptions are to be presented.</p>	<p>Any objections the bidder has to language in the boilerplate contract can be laid out in any format the bidder may select. There is no template or required placement for this.</p>
<p>In the PDF version of the RFP, several pages of the contract and forms have been truncated. May we receive a full copy</p>	<p>Any potential bidder who wishes these items in Word format should send an email to:</p>

Questions	Answers
of the boilerplate contract and Appendices in Word format?	Linda.D.Barnett@state.de.us requesting those documents and they will be forwarded in WORD format.
Bidder references require that we state the type of facility for each client reference. What is meant by type of facility? Does this refer to the agency or the location where audits took place?	The 'facility' should be described in whatever way is most descriptive. For example, it could be a state government agency, county government agency, nonprofit agency, private hospital, or private for-profit company.
The contractor intends to analyze improper payments and will require a request of records from providers to support medical reviews. Will the Medicaid program provide a custodian of records support to collection of sensitive data?	The project which is the subject of this RFP does not involve the task of reviewing providers in regard to medical reviews. Thus, there is no plan to provide a custodian of records.
Will the staff provided by the contractor need to be CPT/ICD9 code certified to determine inclusion of procedure codes or bundling services in the reimbursement policies?	NO