



State of Rhode Island
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April 25, 2013

ADDENDUM # 4

RFP#7461254

**Title: Enhanced Fraud, Waste and Abuse and Improper Payment
Surveillance and Detection Capability**

Bid Closing Date & Time: Thursday, May 30, 2013 @ 10:00 AM (EST)

Pre-Bid Conference: Wednesday, May 8, 2013 @ 10:00 AM (EST)

Notice to Vendors: Attention All Bidders

- 1. Attached are vendor questions with State responses.**
- 2. Pre-Bid Conference: A non-mandatory Pre-Bid Conference is scheduled for 10:00 AM (EST) on Wednesday, May 8, 2013 at the Department of Administration, One Capitol Hill, Providence, RI Conference Room C -Second Floor.**

The State will entertain questions at the Pre-Bid Conference.

Questions with State responses from the Pre-Bid Conference will be posted as an addendum to the purchasing website.

Please continue to monitor the purchasing website for all posted addenda.

David J. Francis
Interdepartmental Project Manager

Interested parties should monitor this website, on a regular basis, for any additional information that may be posted.

Vendor Questions for RFP # 7461254_Enhanced Fraud, Waste and Abuse and Improper Payment Surveillance and Detection Capability

Question 1: When can we expect responses to questions?

Answer to question 1: Please see posted addenda.

Question 2: Can you clarify by what you mean by referral strategy capabilities? Can you provide an example? (Section 1 – Introduction, second paragraph- p. 5)

Answer to question 2: The vendor should have a referral strategy to refer unidentified issues.

Question 3: Can the State please clarify if the Vendor is expected to respond to each individual requirement within Sections 3.2.1 through 3.2.4?

If yes, a vendor's response would be greater than 25 pages. How does a vendor respond and comply with the page limit? Can the response to each individual requirement reside elsewhere in the response? Is the 25 page limit only applicable to Section 3.3? (Section 3.3 Required Programmatic Response Supporting Documentation states-p.20)

Answer to question 3: Yes, the vendor should respond to each requirement. The **suggested** 25 page limit is only applicable to section 3.3 and as stated in section 3.3, requested sample pages do not count against the suggested page limit.

Question 4: Please advise how many copies should be mailed: four or six copies? (Section 6 – Proposal Submission- p. 28)

Answer to question 4: Bidders should submit six (6) hard copies of their bid along with one (1) electronic copies burned to a CD, included in the original proposal.

Question 5: Can you provide the percentage of capitated claims versus fee for service claims? (Cost Proposal)

Answer to question 5: 55% encounters – 45% FFS

Question 6: What is the average time between when the claim is submitted and the claim is adjudicated?

Answer to question 6: Average of 1.32 days

Question 7: Is there a lag between adjudication and the financial cycle? How long is the lag?

Answer to question 7: Depending on the financial calendar adjudicated claim claims are paid in 7 – 14 days.

Question 8: Referring to Section 3.2 Programmatic Activities, page 9, what is the anticipated timeframe from F through I.

“F. Based on pre-determined thresholds, high-risk and suspect claims are flagged;

G. Flagged claims are submitted to analysts for review via an interactive web based user interface

H. Analysts provides feedback and final disposition to predictive modeling solution; and,

I. Inherent learning and genetic features of predictive modeling solution increase performance and accuracy over time.”

Answer to question 8: F through I provide a process by which claims will be analyzed and finally determined. The time frame is facts and circumstances based.

Question 9: Section 3.2.1.1 Predictive Modeling Solution Functionalities. Item I states:

“Provide a user friendly feed-back loop for analysts to enter the final resolution of high-risk and suspect claims into the system and, in the event of finding an innocuous billing, ensure that there is no disruption in the release of the claim for proper payment;”

Within the above definition, how is the contractor to ensure that there is no disruption in the release of the claim for proper payment when the contractor does not control the MMIS and cannot determine when the claim is released for proper payment? Can the State clarify what is meant by this statement?

Answer to question 9: The State will rely on the vendor’s expertise, in conjunction with the State and the Fiscal Agent, to determine the most appropriate design and implementation.

Question 10: Section 1 – Introduction Page 5.

“It is envisioned that the predictive modeling solution will have the capability to integrate with the existing Medicaid claims processing system, analyze Medicaid claims data and provide real-time or near real-time, transaction risk scoring and referral strategy capabilities.”

What level of support will the MMIS contract provide to support the integration of the predictive modeling solution?

Answer to question 10: The State will rely on the vendor’s expertise, in conjunction with the State and the Fiscal Agent, to determine the most appropriate design and implementation. Modifications to the MMIS to accommodate the vendor’s solution will be the responsibility of the State’s fiscal agent, HP Enterprise Services.

Question 11: Same section as Question 5. Please elaborate on what you consider to be real-time or near real-time?

Answer to question 11: The answers to these questions are not simple, since the vendor’s solution will not be housed in a State Data Center. The timing will need to be further examined, to determine appropriate metrics or definitions for “seconds per claim”, “near real time” responses, and “rapid solution.” It is expected that the proposed solution will be fully integrated into the claims processing system; however, it is recognized that inherent in any transaction risk scoring solution there may be a

minimal processing time delay as the claims move through the proposed solution.

Question 12: Attachment 2. Page 34, Reference is made to:

“In addition, the re-procurement is resulting in significant enhancements to the MMIS system guided by an EOHHS Enterprise Application Architecture Strategy for the long-term improvement of its enterprise systems and technical capabilities.”

What impact will the in-process modifications of the EOHHS architecture have on the requirements for Enhanced Fraud, Waste and Abuse and Improper Payment Surv.and Detect.Capability? Specifically, do we develop a solution based on the current architecture even though it is in the process of being changed?

Answer to question 12: The vendor will develop their solution around the current MMIS system architecture with close coordination with the State’s fiscal agent,.

Question 13: 3.1.1.2 System Access and Navigation

Once analysts make a determination on a claim sent by the predictive model for review, how does the state anticipate updating the status of the claim in the MMIS?

Answer to question 13: See answer to question #9.

Question 14: Reference is made to item 3 of 3.2.1.2 System Access and Navigation

“Receive automatic routing of an unlimited number claims of for review with default alerts and triggers for possible action;
Is this really unlimited? Or does the state envision priorities based on resources available?

Answer to question 14: The vendor’s solution must be able to handle all claims submitted to the MMIS for adjudication.

Question 15: Reference to 3.2.1.2 System Access and Navigation, Item 17.

“Integrate with the EOHHS Choices Data Warehouse”
What is the architecture of the EOHHS CHOICES system and what level of access will we have to this system? ODBC or file transfers, Web Services?

Answer to question 15: The Human Services Data Warehouse (HSDW) consists of an extensive relational database, Business Objects “Universe” data organization layers between the relational database and the user, and data marts which further simplify the access to the Data Warehouse information. The data can be filtered to users via column and row based permissions, depending on a user’s approved access rights. A Business Objects “Query as a Web Service” access is also a potential way to access data. Early project analysis by the vendor and others will determine the appropriate way to transfer data.

Question 16: Are there multiple points in the claims processing flow where the claim triggers edits but still continues to move through the claims processing cycle and the predictive modeling solution must be able to be applied at multiple points through adjudication? What are those points?

Answer to question 16: Intersection points will be determined during design phase. The State will rely on the vendor’s expertise, in conjunction with the State and the Fiscal Agent, to determine the most appropriate design and implementation.

Question 17: Will Rhode Island be providing data extracts from MMIS, RICHIST (DCYF), and CHOICES data warehouse?

Answer to question 17: The data extracts to be performed will be determined during business analysis in the early phases of the project. Note that MMIS data is now a major part of the Data Warehouse.

Question 18: Page 11 mentions that “Vendors must provide responses that include both the hosting all hardware and any management services required for the environment.” This implies data transfer between Rhode Island and the Vendor. Can RI speak to the potential time lag introduced through the data transfer and other environmental factors?

Answer to question 18: Not at this time. The answers to time lags will be ascertained by the vendor and others during the analysis and design phases of the project.

Question 19: Does Rhode Island envision predictive models being developed to cover all service areas at the end of month 7, at the end of month 24 or can be throughout the option years?

Answer to question 19: The successful bidder must adhere to deliverables stated in section 3.2.4 of the RFP. Initial algorithms must be developed and in place by month seven (7) to test the solution and its integration into the MMIS.

Question 20: The RFP provides that there are 192,000 Medicaid members in Rhode Island. Does this number represent fee for service (FFS) members only, or does it also include the managed care population? (Section 1.1--Background- p. 5)

Answer to question 20: The number stated in Section 1.1 includes fee-for-service, managed care, and dual eligible.

Question 21: Please identify the current totals of each of the Medicaid FFS and managed care populations. (Section 1.1--Background- p. 5)

Answer to question 21: Of the 192,000 approximately 140,000 are Medicaid Managed Care, 17,000 are FFS, and 37,000 are dual eligible.

Question 22: The RFP states that 259,600 claims per week are submitted to Medicaid. Please identify:

1. Whether this total includes FFS claims only, or if it also includes managed care claims?
2. If this total includes both FFS and managed care claims, what is the total number of each of FFS and managed care claims submitted weekly?
3. (3.2.1.1—Predictive Modeling Solution Functionalities- p.9)

Answer to question 22:

22-1. This amount includes FFS, Managed Care Encounters and Pharmacy claims.

22-2. Approximately 107,573 FFS Claims, 136,739 Managed Care Encounters and 14,688 pharmacy claims.

Question 23: What is the state's plan regarding its continued expansion of Medicaid populations into managed care? Specifically:

1. How many members are expected to remain in FFS throughout each quarter of 2013 and 2014?
2. What is the projected composition/makeup of FFS members (by program and eligibility group) remaining as of each calendar quarter throughout the life of the contract?
3. What is the projected average annual expenditure for each of the FFS groups as a whole, as well as each subgroup quarterly throughout the life of the contract?
(Section 1.1--Background- p. 5)

Answer to question 23: These numbers are in the process of being updated, but are expected to be released shortly. The answer to this question will be included in an amendment that will be posted following the pre-bid conference.

Question 24: Will this procurement result in only the review of FFS claims by the predictive modeling vendor, or will the vendor also be asked to review managed care claims? (Section 1.1--Background- p. 5)

Answer to question 24: The successful vendor's predictive modeling solution will have the ability to review fee-for-service claims and managed care encounter data. Pre-payment review will only be conducted on fee-for-service claims initially, as the State does not currently have access to MCO claim systems

Question 25: If managed care claims are included for review, will the vendor be reviewing managed care claims from only the MMIS vendor (HP), or also from the claims processors of each of the managed care plans? (Section 1.1--Background- p. 5)

Answer to question 25: See answer to question # 24.

Question 26: If managed care claims are included for review, what data will be made available to the predictive modeling vendor to review from each claims processor (MMIS vendor and managed care plans, if applicable)? Encounter data, or something else? (Section 1.1--Background- p. 5)

Answer to question 26: MCO Encounter data will be provided in ANSI ASC X12N 837 Institutional and Professional – Version 5010 1.02

Question 27: If managed care claims are included for review, does the State expect managed care predictive analytics to be conducted on a prepayment basis? vendor and managed care plans, if applicable)? Encounter data, or something else? (Section 1.1--Background- p. 5)

Answer to question 27: See answer to question # 24.

Question 28: If the predictive modeling vendor is reviewing managed care claims but only doing so using the MMIS vendor's system, how will those claims be reviewed and reconciled by HP and the State, as it would appear that they would be post payment claims? (Section 1.1--Background- p. 5)

Answer to question 28: See answer to question # 24.

Question 29: Please provide diagrams and descriptions of all claims processing environments, process flows, etc. (for the MMIS and managed care claims processors as applicable) Also, please identify:

1. Whether each claims processor processes on a stream or batch basis?
 2. If by batch basis, how many batches are to be processed and examined per day?
 3. The Service Level Agreements (SLAs) governing the claims turnaround time for each claim processor?
 4. The expected connection point or points for the systems with each claim processor?
 5. The expected service level for the vendor's predictive modeling component?
- (Section 1.1--Background- p. 5)

Answer to question 29:

1. Whether each claims processor processes on a stream or batch basis?
 - a. Point of Service (POS) pharmacy claims process for adjudication in a real-time environment.
 - b. All other claims (non POS) process for adjudication on a 1x per day batch process (M-F).
2. If by batch basis, how many batches are to be processed and examined per day?

The table below represents the maximum number of claims. Daily volumes will fluctuate based on submitted claims.

| | Begin Batch # | End Batch # | Unique Batches | Claims per Batch | Approx. Claims |
|----|---------------------|-------------------|-------------------|------------------------|-------------------|
| CT | | | | | |
| D | 325 | 619 | 295 | 500 | 147500 |
| H | 825 | 849 | 25 | 500 | 12500 |
| I | 620 | 699 | 80 | 100 | 8000 |
| L | 250 | 324 | 75 | 500 | 37500 |
| M | 50 | 249 | 200 | 500 | 100000 |
| N | 850 | 899 | 50 | 500 | 25000 |
| O | 700 | 774 | 75 | 500 | 37500 |
| Q | 800 | 824 | 25 | 500 | 12500 |
| W | 25 | 49 | 25 | 500 | 12500 |
| X | 1 | 8 | 8 | 999 | 7992 |
| Y | 9 | 24 | 16 | 999 | 15984 |
| Z | 775 | 799 | 25 | 999 | 24975 |
| | | | | Total | 441951 |

3. The Service Level Agreements (SLAs) governing the claims turnaround time for each claim processor?
 - 2 business days for (clean) electronic claims; 5 business days for (clean) paper claims
4. The expected connection point or points for the systems with each claim processor?
 - a. Unable to answer this question without additional clarification.
5. The expected service level for the vendor's predictive modeling component? (Section 1.1--Background- p. 5)
 - a. Unable to answer this question without additional clarification.

Question 30: The RFP notes that funding associated with an award pursuant to the RFP has not yet been appropriated, and will be subject to consideration in the context of the SFY2014 Rhode Island State Budget. Has the State received or applied for enhanced federal funding through an Advance Planning Document (APD), grant or other process to fund this project? If so, please provide relevant information related to projected timing, funding, and other relevant details related to the predictive modeling project, expectations and commitment.

(Section 1.1--Background- p. 5)

Answer to question 30: The State has received CMS approval through the IAPD process. See **Section 3.2.4 Milestones and Deliverables** for relevant information on project timing. Information on funding and other relevant details can be found on the attached IAPD approval letter received from CMS.

Question 31: The RFP requires that an SOC Level 2 security assessment be performed yearly at the Vendor's cost, with various levels of detail associated with the scope of such assessment. SOC Level 2 security assessments are relatively new to the hosting vendor community and many otherwise technically responsive and financially responsible bidders may be prevented from bidding on this RFP as a result of this requirement. On the other hand, several bidders may have an alternative means to a SOC Level 2 security assessment for addressing the State's underlying concerns about the security of the proposed data center, database and surrounding network.

Would the State consider a proposal from a vendor where, in lieu of a SOC Level 2 security assessment, an alternative is proposed that addresses many of the stated security concerns listed in the RFP, provided that such assessment is done at the vendor's cost? (3.2.1.3. Application Hosting- p. 12)

Answer to question 31: No. The State requires that a SOC level 2 audit be performed. It is an industry standard that is very useful in understanding the level of security controls at a datacenter.

Question 32: What type of access will the selected contractor have to the Medicaid systems and technology infrastructure?

Answer to question 32: Access will be granted to the successful bidder that is appropriate to allow for the full implementation of a predictive modeling solution. The successful bidder will be required to enter into a Data Use Agreement with the State.

Question 33: Is there adequate staff at the state to support the selected contractor with this new initiative? Both systems, and processes personnel.

Answer to question 33: The State will provide the staff necessary to support this effort.

Question 34: Is there an existing study or finding that provides an estimated amount or percentage of dollars that is lost due to potential fraud, waste, and abuse?

Answer to question 34: RI Medicaid employs many active measures to ensure that fraud waste and abuse is identified and corrected through recoveries and referrals to the Medicaid Fraud Control Unit for investigation and prosecution for fraud. The Predictive Modeling solution is intended to enhance the existing audit activities to identify trends that

will prevent improper claims before they process through the edits in the MMIS.

Question 35: Does the state have any pay and chase fraud investigative team or system as part of an OIG or other agency within the state? Can you please share what are some of the metrics from the past year?

Answer to question 35: The state has two major fraud investigative units. The first is MFCU within the Department of Attorney General. The other is housed in EOHHS, it is called the Office of Program Oversight, which supervises the state Medicaid Integrity Unit. These two agencies analyze Fee-for-Service Fraud Waste and Abuse. Last year, the FFS Cost Avoidance and Recovery efforts were estimated at \$148 million.

Question 36: Please confirm if the selected contractor can retain copies of working papers and deliverables.

Answer to question 36: Please refer to the State's General Terms and Conditions for guidance.

Question 37: How will the state address deliverables such as modeling or methodologies that contain pre-existing contractor intellectual property.

Answer to question 37: Pre-existing Intellectual Property (IP) is owed by the Contractor. IP developed for the State and paid for by taxpayer dollars through this engagement will belong to the State. However, the contractor will grant the State a perpetual license to use and maintain the system.

Question 38: The type of work and level of details requested in this RFP is state of the art and sophisticated. The proposed submission deadline of March 26, 2013 does not provide enough time to submit a quality response. This relatively short period of time for this complex work of significant value appears to limit competition. Would the state consider an extension of the proposal due date?

Answer to question 38: The Bid Closing Date and Time has been extended to May 30, 2013 at 10:00 AM (EST)

Question 39: Can you provide an estimated award date for this contract?

Answer to question 39: The State envisions selecting a vendor by October 1, 2013, but this is subject to change.

Question 40: What is the next step in the procurement/purchasing process? Will a subset of respondents be invited to present their proposals? Can you provide details?

Answer to question 40: The review team may use its discretion and invite offerors to answer questions or present proposals as the review team deems appropriate.

Question 41: Section 3.2 Page 9 D: All claims enter the predictive modeling solution system without impact to current systems processing performance levels;

- Can you provide the current systems processing performance levels?

Answer to question 41:

- System availability:
 - Production downtime POS is to be 1% or less
 - All other production components is to be 1% or less
 - Failover downtime POS is to be 3% or less
 - Other failover components is to be 1% or less
 - FA Network connectivity downtime is to be 5% or less
 - Test downtime is to be 5% or less
- System Performance:
 - Record search & retrieval time is to be within 4 seconds 95% of the time
 - Screen edit time is to be within 2 seconds 95% of the time
 - New screen / page time is to be within 2 seconds 95% of the time
 - Web portal response time is to be within 4 seconds 95% of the time
 - POS on-line claims response time is to be within 3 seconds 95% of the time

Question 42: Do you anticipate the selected contractor personnel working onsite at the state / EOHHS during the contract period or can part of the work be performed offsite at the contractor's offices?

Answer to question 42: It is expected that the successful bidder will maintain an onsite presence during the term of the contract. The detail concerning the work environment will be discussed during contract negotiations.

Question 43: Does the state have any limitations on using contractor's off-shore personnel?

Answer to question 43: Yes, use of off-shore personnel is not allowed for this project. The successful bidder is encouraged to use Rhode Island based resources whenever possible for this contract.

Question 44: The RFP does not detail any transition phase. Does the state have any desire to own this system within the IT infrastructure or do you anticipate this being a completely outsourced function through 2016?

Answer to question 44: This solution is integrated into the RI MMIS and the project is receiving enhanced funding through CMS. As such, RI retains ownership of the system upon termination of the contract. The outgoing vendor will be required to develop a transition plan so that the transition from the existing vendor to the new vendor is seamless.

Question 45: Please provide a general summary on the current state of the information and process used to detect fraud. Please provide how fraud is currently detected within the system.

Answer to question 45: The RI MMIS has system edits and audits to screen all claims submitted for payment and deny those claims not in compliance with payment policy. Targeted and ad hoc post payment reviews are conducted to uncover improper payments and potential fraud.

Question 46: Can the hosting service be at an offshore location? Outside of the United States?

Answer to question 46: No

Question 47: Page 9, Sec 3.2.1.1 - D. Provide a rapid, real time or near real time solution;

- Please provide guidance and expectations for “near real time” as compared to “real time” detection. Is there a specific threshold of time that internally has been defined as “near real time”

Answer to question 47: See answer to question #11

Question 48: Page 9, Sec. 3.2.1.1 - E. Limit, and facilitate, the amount of manual effort and review time of flagged high-risk and suspect claims in conformance with federal Prompt Payment regulations;

- Please provide guidance and expectations for the amount of acceptable “manual effort and review time”.

Answer to question 48: The State’s intent is to develop a highly automated process whereby any manual processing is limited to the extent possible.

Question 49: Page 9, Sec. 3.2.1.1 - F. Utilize statistically sound, empirically derived predictive modeling technologies such as neural networking, clustering, classification trees, artificial intelligence and other learning based systems, scoring systems, and knowledge-based systems designed to prevent improper payments of high-risk and suspect claims and identify suspect relationships, patterns, trends, utilization and billing behavior;

- Will training and test sets be provided by the state of Rhode Island? If not, which data will be provided and who will provide it in order to train and test the potential models for fraud detection? Does Rhode Island have a specified predictive study design methodology?

Answer to question 49: RI does not have a specified predictive study design methodology. The successful bidder is expected to provide the necessary algorithms to train and test the models for fraud detection. The State’s Fiscal Agent will assist in providing data and metadata information from the Data Warehouse, but it is up to the successful vendor to determine the optimal data formulation design for fraud detection.

Question 50: Page 10, Sec 3.2.1.1 - L. Permit modifications and enhancements in a rapid and timely manner;

- Please provide guidance and expectations for “rapid and timely manner”

Answer to question 50: This is dependent on the scope of the modification. Completion times will be negotiated with the State during the design of each modification.

Question 51: The RFP was issued on February 19th and the proposals are due on March 26th, which provides a very short response time. In addition, the State indicates that vendor questions are not due until March 13th with no response date published Will the State consider extending the due date to allow vendors adequate time to thoroughly review the RFP requirements and related clarifications issued in the response to questions? This will facilitate quality vendor responses that provide comprehensive solutions that are truly in the best interests of the State and align with the response to questions.

Answer to question 51: See answer to question # 38 and 52.

Question 52: Will EOHHS be answering questions as they are submitted or wait until after the March 13 deadline for question submittals? Given the short timeframe between the question submittal deadline, the date of the State’s answers and the March 26th RFP response deadline, there may otherwise be insufficient time for vendors to best address the responses received.

Answer to question 52: Please review all posted addenda. The Division of Purchasing will do its best to provide enough time for vendors to consider all information in order to formulate a proposal.

Question 53: The RFP was issued on February 19th and the proposals are due on March 26th, which provides a very short response time. In addition, the State indicates that vendor questions are not due until March 13th with no response date published. Will the State consider extending the due date to allow vendors adequate time to thoroughly review the RFP requirements and related clarifications issued in the response to questions? This will facilitate quality vendor responses that provide comprehensive solutions that are truly in the best interests of the State and align with the response to questions. (p.1- Cover Sheet)

Answer to question 53: See answer to question #38 and 52.

Question 54: We define a “real time” response as 3 seconds per claim and a “near real time” response as 20 minutes to an hour depending on the batch size. Are these definitions acceptable to the State and if not please provide a standard definition for vendors to use. Also, please provide a standard definition for the phrase a “rapid solution” as referenced in RFP Section 3.2.1.1.D on page 9. (p.1- Section 1, Introduction AND Section 3.2.1.1)

Answer to question 54: See answer to question #11

Question 55: Please provide additional context on the following statement: “It should have broad linkage with external data sources to extrapolate claims or consumer application patterns evident in other jurisdictions and programs which may be applicable to claims presented in Rhode Island.” In particular, please clarify what is meant by “extrapolate claims” and “consumer application patterns”. (p. 5 - Section 1, Introduction)

Answer to question 55: The State will rely on the vendor to provide subject matter expertise and consulting advice to arrive at a solution meeting the business needs of the initiative. The two terms referenced should be viewed as problems to be solved, using the advanced degree of expertise the State expects the vendor to bring to the project.

Question 56: Please define “interactive” as used in the sentence “Demonstrable experience designing and implementing *interactive* healthcare fraud predictive modeling solutions.” (p.6 - Section 2.1(A), Firm Qualifications)

Answer to question 56: interactive as in allowing for end-user input

Question 57: Please provide the detailed policy for the term ‘regulatory processing of claims’. Specifically we need to know the prompt payment rules with respect to claims processing payments. In addition, we need to know what ‘slack’ time currently exists within the MMIS processing cycle such that prompt payment can be assured. (p.9 Section 3.2.1.1)

Answer to question 57: The Prompt pay guidelines as outlined in federal regulations must be met as contained in section 5001(f)(2) of the American Recovery and Reinvestment Act of 2009 (ARRA, Public Law 111-5),

Question 58: The RFP states that the “Vendor selected for this engagement must provide a predictive modeling solution that will: A. handle **all claims submitted to Medicaid** for payment ...” (emphasis added).

EOHHS receives both fee-for-service claims directly from providers as well as capitated, Per Member Per Month (PMPM) claims from managed care plans. A literal interpretation of the phrase “all claims” would mean that both FFS and PMPM claims would need to be addressed by a vendor’s predictive modeling solution.

On the other hand, there are several unique challenges associated with PMPM claims in the predictive modeling context, including:

- (1) EOHHS payments to Managed Care Plans, by definition, are based on negotiated capitated rates rather than directly on the State’s Medicaid payment policies applicable to FFS claims from providers.
- (2) If, and to the extent EOHHS would want the predictive modeling solution to review actual encounter data, any pre-payment review would be impossible, in so far as the managed care plans would have already paid their network providers before the encounter claims data would be available for review and analysis.
- (3) Payment by the managed care plans to its providers is done according to their own claims adjudication process.

In light of the above, would EOHHS confirm that only fee-for-service claims are within the scope of this contract?

If managed care claims are within the scope of the RFP, please clarify how the above three challenges are to be addressed by the vendor. (p.9- Section 3.2.1.1)

Answer to question 58: See answer to question #24.

Question 59: Please provide additional information on the “multiple points in the claims processing flow” referred to in item C including the specific points of integration. (“Integrate into multiple points in the claim processing flow from submission through adjudication for the identification of high-risk and suspect claims.”) (p.9- Section 3.2.1.1(C), Predictive Modeling Solution Functionalities)

Answer to question 59: See answer to question #16

Question 60: Is it the State’s intention to have its staff or the vendor’s staff perform the review of Medicaid claims that have been detected/identified by the vendor as having a high probability of payment error? Is the state open to the vendor’s staff performing the review? If so, will the State please amend the RFP to: a) Describe the scope of reviews to be performed by the vendor’s staff, b) Provide a line item for the Cost response to cover

the review scope of work, and c) Extend the due date of proposals for the time needed to respond to these additional requirements (p.9- Section 3.2.1.1 Predictive Modeling Solution Functionalities.)

Answer to question 60: It is envisioned that the state will be responsible for the review of flagged claims once the system has been stabilized, but will be supported in that effort by the vendor prior to stabilization.

Question 61: Please clarify the number of reviewers that will be available to examine the results of the system, whether they will work full time vs. part time on this effort (and if part time, how many hours), their specific skills and credentials (clinical coder, CCS, for example), whether the agency has determined whether they will utilize the vendor's methodology for reviewing the claims, the number of years of review experience, the types of services they have experience reviewing, etc. (p.13- Section 3.2.1.6 - Administrative, Item)

Answer to question 61: See answer to question #33

Question 62: Can the State clarify what level of 'visibility' is needed when that word is used in Section 3.2.1.1(N) when it says that the vendor's solution must "Allow EOHHS visibility into data analysis so that patterns of excessive usage, unusual patterns, comparisons to peers, etc. are identified, scored, and implemented rapidly" ? (p.10 - Section 3.2.1.1-N)

Answer to question 62: IT must be clear enough for the State to understand the issue.

Question 63: Please define the terms:

- a. "default alerts",
- b. "alerts", and
- c. "triggers"

in the following passages:

"3. Receive automatic routing of an unlimited number claims of for review with default alerts and triggers for possible action;

4. Change, create and set additional alerts and triggers for possible action" (p.11- Section 3.2.1.2(A), System Access and Navigation)

Answer to question 63: All three are terms used frequently in the information technology industry and any qualified vendor should be able to understand their meaning without requiring further explanation.

Question 64: Please provide a copy of EOHHS and Rhode Island Department of Information Technology (DoIT) security standards as noted in the requirement below. If available online, please provide the link where the standards may be found.

“G. Ensure that any software utilized as part of the predictive modeling solution pursuant to this SOW conforms with EOHHS and Rhode Island Department of Information Technology (DoIT) security standards.” (p.11- Section 3.2.1.2, System Access and Navigation)

Answer to question 64: <http://www.doit.ri.gov/policy/>

Question 65: Please describe who is to be trained (what organization these individuals work for, what their role is, what type of skills we can assume they have) and for what purpose they are to be trained.

Please also describe the function(s) these individuals will have in using the system. (p.12- Section 3.2.1.5 Training and Support)

Answer to question 65: Depending on the proposed solution the State will identify staff to be trained on the vendor’s solution.

Question 66: This passage requests hours expended information, which suggests that the project is to be performed on a time and materials basis. On the other hand, the Cost Response Tables in Attachment I ask for fixed prices from the vendor.

Please clarify the basis for payment for this project – time and materials, firm fixed price, etc. Should Section 3.2.1.6(F)(3) be amended so that hours expended are not required in order to be consistent with the firm, fixed price nature of this procurement? (p.13- Section 3.2.1.6 Administrative)

Answer to question 66: The pricing for this project is a firm fixed price for the duration of the contract.

Question 67: Item #3 indicates “Include a Development Hours report for that period which describes the expenditure of EOHHS development time expended in that period, showing the total number of development hours expended by the Development Staff, sorted by the number of development hours charged to each initiative and also by the number of development hours per member of the development team”

Please clarify the term “EOHHS development time expended”. Does EOHHS require a pool of development hours that the vendor must track against? If so, what is the number

of hours? If not, what exactly is EOHHS looking for with this requirement? (p.14 - Section 3.2.1.6 - Administrative, Item F-3.)

Answer to question 67: The State is not requiring a pool of development hours.

Question 68: The State has asked for a vendor hosted solution in this RFP and, by its very nature, a hosted solution can offer customers such as EOHHS lower prices and greater technical efficiencies since a vendor can leverage existing infrastructure that a vendor has in place to support multiple customers. The requirement in Section 3.2.2.2 asks vendors to use their best efforts to have the ability for licenses of system software and COTS products to be assigned to EOHHS at no additional cost at the end of the contract.

We assume that this provision is intended to permit the EOHHS to have a capability of continuing to use the vendor's solution at the end of the contract, while doing so at no additional cost to EOHHS. In effect, it seeks to provide continuity of service to EOHHS even if the contract with the vendor is no longer in place.

We would point out that such a requirement is unlikely to produce the results described above for the following reasons:

1. Licenses for system software and COTS products, when deployed in a hosted environment, are typically not transferable or if they are transferable, they can be transferred only by paying what amounts to a new license – a cost that a vendor will likely be required to pass on to EOHHS.
2. The hosted solution proposed by a vendor is likely to include more than just the system software and COTS products. As a result, even if the system software and COTS products were to be assignable, EOHHS would still not have all elements of the hosted solution, including the labor that a vendor supplies during the term of the Contract to incorporate new analytics into its prepayment solution or any proprietary software component of its prepayment solution whose utility depends upon having refreshed data and analytics.

In order to assist EOHHS in a more cost effective and efficient manner upon expiration of the Contract, would EOHHS consider amending the requirement so that a vendor would need to identify in its proposal any system software or COTS products that comprise part of its hosted solution and represent that such software is generally commercially available from the manufacturer and/or its authorized distributors? By doing so, EOHHS is likely able to leverage its existing agreements with the software vendors to procure such licenses, likely at a lower cost than if the vendor were required to assign such licenses. (p.15- Section 3.2.2.2, Systems Software and COTS Products)

Answer to question 68:

Vendor should provide in their submission the costs of all licenses that are transferable to the State at the end of the contract. The State may choose

to have all licensed software in the State's name to facilitate this transition. See also answer to question # 37.

Question 69: Are the sections of the response that correspond to this section subject to the 25 page limit, especially since some of the information requested, i.e., software license terms and software maintenance agreements can run several pages? (p. 20 - Section 3.3, Required Programmatic Response Supporting Documentation)

Answer to question 69: See answer to question #3

Question 70: In so far as the thrust of the RFP appears to be for a vendor to provide a detection/identification of suspect claims capability – i.e., a service – albeit using a predictive modeling solution that contains software components - please explain the purpose and necessity of this information, especially since the hosted aspect of the requested solution will result in the licenses being valid for the term of the Contract. (p. 21 -Section 3.3, Required Programmatic Response Supporting Documentation)

Answer to question 70: This question is unclear.

Question 71: Throughout the RFP, the terms “Significant Subcontractor” and “Teaming Partner” are used but not defined. The requirements applicable to these defined terms, including those in Sections 3.4.3, 4.2(B), 4.4, 4.5, 4.6 and 4.7 seem appropriate for those subcontractors proposed by the vendor who will perform work requested in the RFP that is at least 40% of the total contract value since that is what would make them “significant”.

Would EOHHS please clarify what percentage of the total contract value, if subcontracted to a third party, would constitute “Significant” such that any section of the RFP referencing Significant Subcontractor or Teaming Partner would apply to only those entities?

(p.23-26 -Section 3.4.3, Staff Loading and Organization Charts , Section 4.2(B), Government/Business References, Section 4.4, Subcontractors and Teaming Partners. 4/5 Security Policies and Procedures, Section 4.6, Codes of Conduct and Section 4.7, Conflicts of Interest)

Answer to question 71: Please define a “Significant Subcontractor” or teaming partner as an entity that would perform more than 10% of the contemplated work under the contract.

Question 72: Given the substantial overlap between the requirements under Section 3.4.2 for a ‘curriculum vitae’ and the requirements under Section 4.3 for a resume, could a bidder provide the information requested under Section 3.4.2 by referring the evaluator back to the resume provided under Section 4.3? (p.23- Section 3.4.2 - Project Staffing)

Answer to question 72: Yes, that reference is acceptable to the State.

Question 73: These two sections require information about “every member of the proposed Project Team” and “each of the professional staff”, including if such staff are supplied by subcontractors. Some of the services required under this RFP are of an administrative nature, only involve an incidental amount of time and would typically be staffed by personnel from a team or group having similar qualifications but where the actual names of such personnel may not be known since who would be available would be determined based on the specific needs and timing of the EOHHS project schedule. Would it be acceptable for the vendor to exclude resumes for people who perform strictly administrative roles and are not dedicated to the EOHHS project? (p.28 - Section 6 – Proposal Submission)

Answer to question 73: Yes, that is acceptable to the State.

Question 74: “Responses (an original plus four (6) copies) should be mailed or hand-delivered...” – Please clarify if this is four (4) or six (6) hard copies. (p. 28- Section 6 – Proposal Submission)

Answer to question 74: See answer to question #4

Question 75: Section 2.5 of the RIVIP Bidder Certification Cover Form states that “Offerors are advised that all materials submitted to the State for consideration in response to this solicitation will be considered **without exception** to be Public Records pursuant to Title 38 Chapter 2 of the Rhode Island General Laws, and will be released for inspection immediately upon request once an award has been made” (emphasis added). A similar statement is made on page 2 of the RFP under “Instructions and Notifications to Offerors”.

Some of the information requested by the RFP consists of trade secret or other similar, confidential information of the Offeror. Section 38-2-2(B) of the Rhode Island Public Records law specifically excludes from the definition of a “public record” and from being disclosed to any third party upon request any “trade secrets and commercial or financial information obtained from a person, firm or corporation which is of a ... confidential nature.”

In order to encourage offerors to include confidential information that would be helpful to EOHHS in evaluating the capabilities of a proposed solution, would the State clarify

that if and to the extent an offeror identifies information in its proposal as falling within the definition of Section 38-2-2-(B), consistent with that provision of Rhode Island law, the State will not release such information to any third party requesting the same?

(p.1 RIVIP Bidder Certification Cover Form, Section 2.5)

Answer to question 75: If you feel that any information is a trade secret and proprietary, please specifically disclaim any such information in your proposal submission and the State will review.

Question 76: The RIVIP Bidder Certification Cover Form requires that vendors acknowledge that the “General Terms and Conditions available at the Rhode Island Division of Purchase Website (www.purchasing.ri.gov) apply as the governing conditions for any contract or purchase order ..., including the offer contained herein.”

While the General Terms and Conditions cover many of the subject areas that need to be included in a contract that covers the types of services required by the RFP, there are some areas that are not addressed.

In addition, alternative terms to those set forth in the General Terms and Conditions, may result in a lower priced, technically responsive solution to the State.

Based on the above:

1. Will the State consider a proposal containing supplemental terms to those in the General Terms and Conditions?
2. Will the State consider a proposal containing alternative terms to those in the General Terms and Conditions? (p.1 -RIVIP Bidder Certification Cover Form, Section 5(10))

Answer to question 76: No, the General Conditions of Purchase will govern the contract. If any terms and conditions are not covered by the General Conditions or anything needs to be clarified, the State and the selected vendor can supplement the General Conditions during the contracting period.

Question 77: Are there existing extracts/feeds of claim and other data from RI MMIS system to 3rd party vendors for services such as clinical editing or benefit management?

Answer to question 77: Yes

Question 78: Is the proposed solution designed to process both FFS and Medicaid MCO claims?

- a. If yes, will the MCO claims be processed pre-payment?
- b. Are they included in the estimated count of 259K per week?

- c. What limitations or differences are there between the MMIS FFS claim/provider/member data and MCO claim/encounter data?
- d. Are MCO claims provided in a common format?
- e. What is the format?

Answer to question 78:

Yes, see also answer to question #24.

- a) Only FFS claims will be subject to pre-payment in Phase 1.
- b) MCO encounter data is included in the estimated count.
- c) Unable to answer without additional clarification.
- d) Yes
- e) MCO encounter data will be provided in ANSI ASC X12N 837 Institutional and Professional – Version 5010 1.02

Question 79: Will shared risk pricing models be considered? For example, have low up-front costs coupled with vendor receiving a percentage of identified or actual savings? If so, is this a preferred model?

Answer to question 79: No

Question 80: RFP Section 3.2.1.3 indicates that vendors must provide a response that includes both the hosting of all hardware and management services required for the environment. Is hardware and application hosting a requirement? (Or does this section provide Hosting requirements only **IF** the proposed solution is hosted?)

Answer to question 80: Yes we expect the vendor to provide a full solution. That would include the hosting environment, the services to maintain the environment, the application that meets the requirements stated in the RFP, and any other service required to sustain the environment and application.

Question 81: If a hosted solution is not required, is it preferred?

Answer to question 81: See answer to question #80

Question 82: Is the State of RI interested in either internally hosted vs. externally hosted solutions? Is there a preference?

Answer to question 82: See answer to question #80

Question 83: The RFP often refers to “analysts”? Are the referenced analysts State of Rhode Island employees? Or is the vendor expected to provide analysts?

Answer to question 83: They could be either. Need to know section(s) you are referring to in order to answer.

Question 84: What are the expected RPO and RTO times? (Section 3.3, p. 21)

Answer to question 84: RPO (Recovery Point Objective) is 24 hours, which means a daily backup is required. The MMIS system will continue to do their normal backups. RTO (Recovery Time Objective) is 18 hours, which means the vendor must have the system restored in 18 hours from the time of failure. The vendor may offer special extenuating circumstances to modify the times. Any vendor-proposed changes will need approval by the State.

Question 85: The RFP refers to 10-15 users requiring training. Can you describe the different roles and responsibilities of those 10-15 users?

Answer to question 85: See answer to question #65

Question 86: The RFP refers to external databases containing Medicaid historical transaction data and information. Please elaborate on which databases, what their source is, and what data they contain? Does the State have current access to these databases and will the selected vendor be able to use that access?

Answer to question 86: This information is available in the Choices Data Warehouse.

Question 87: Does the State of RI currently have access to MFCU Investigation Database, State Compromised Numbers Database, List of Excluded Individuals/Entities (LEIE), vital statistics, land records and criminal history data?

Answer to question 87: External data sources are to be supplied by the selected contractor and incorporated into the solution.

Question 88: Can you confirm that only claim services approved for payment after passing through the existing MMIS edits are to be scored? Those claims marked for suspension or denial as result of MMIS edits would not be scored, correct?

Answer to question 88: Yes, correct.

Question 89: Please confirm that all claims would still be made available to the solution, even if they are not scored (complete claim history needed for effective analytics/modeling)

Answer to question 89: All FFS claims will be made available for the solution. Managed Care claims will, at least initially, be in the form of encounter data,

Question 90: Currently what percentage of FFS, as well as MCO claims, are suspected and/or have been identified as fraudulent or abusive?

Answer to question 90: This data is not available.

Question 91: The RFP Section 3.2.1.1.C refers to an integration “into multiple points in the claim processing flow from submission through adjudication for the identification of high-risk and suspect claims”. Can you please provide a current claim processing work flow, and indicate where in that process you would expect integration points, as well as the type of integration (for example, extract of claim and other data from the MMIS system to the solution for risk scoring; and/or passing of claim data, risk scores, and investigational findings from the solution back to the MMIS system).

Answer to question 91: See answer to question #16

Question 92: Based on the RFP description of the new eligibility determination system, would eligibility fraud detection be included in the scope of this RFP, or excluded?

Answer to question 92: Eligibility is not within the scope of this contract.

Question 93: Are outsourced analyst/investigative/clinical review services needed/encouraged to support the expanded solution the State of RI is seeking?

Answer to question 93: See answer to question #60

Question 94: Would the State of RI consider providing an extension to the RFP response due date (March 26th) in the case that responses to these questions leave little time to determine/refine/revise the response based on the answers to the questions?

Answer to question 94: See answer to question #51

Question 95: Please clarify the total number of users and provide categories for the types of users?

Answer to question 95: See answer to question #65

Question 96: How much data storage is currently used by the Executive Office of Health and Human Services (EOHHS) or is anticipated being utilized?

Answer to question 96: Without specific detail, the State is unable to respond to this question.

Question 97: Please provide any additional information in regards to your current fraud detection processes that may be helpful to vendors?

Answer to question 97: See answer to question #45

Question 98: Does the Executive Office of Health and Human Services (EOHHS) currently have disposition information on historical fraud cases?

Answer to question 98: No

Question 99: What is the expected round trip response time to MMIS if a real-time interface is used? (Section 3.3, p. 21)

Answer to question 99: See answer to question #11

Question 100: Are the third party systems and data sources mentioned provided by the State of Rhode Island and/or are they state run databases? (On page 10 – Section 3.2.1.1 Predictive Modeling Solution Functionalities)

Answer to question 100: See answer to question #87

Question 101: Does the State know at this point, which third party systems or data sources would need to be integrated as part of the initial project timeline? (On page 10 – Section 3.2.1.1 Predictive Modeling Solution Functionalities)

Answer to question 101: This will be determined during the design phase of the project.

Question 102: What are the technical architectures and the databases that support the MFCU Investigation Database, State Compromised Numbers Database, List of Excluded Individuals/Entities (LEIE), vital statistics, land records and criminal history data? Please provide technical architecture diagrams and database information including release versions. In addition, what is the State's definition of "linked"? (On page 10 – Section 3.2.1.1 Predictive Modeling Solution Functionalities)

Answer to question 102: See answer to Question # 87.

Question 103: Is it EOHHS' intent to have end users that build and maintain predictive models, or is model creation and maintenance to be provided by the vendor as part of their managed service offering? (On page 13 – Section 3.2.1.5 Training and Support)

Answer to question 103: Vendor will create models

Question 104: Please provide a clarification between requirement A and D.

Is the State mandating that the vendor be responsible for all maintenance contracts after termination of the contract? It is typical that after license assignment occurs, that the party who has assumed the license is responsible for procurement of and the additional cost associated with maintenance contracts. (On page 15 – 3.2.2.2 Systems Software and COTS Products)

Answer to question 104: Vendor is not responsible for providing maintenance after the termination of the contract.

Question 105: What is the estimated increase in the volume of claims over the life of the original contract and the option years? (On page 18 – 3.2.2.7 Predictive Modeling Solution Ongoing Enhancements)

Answer to question 105: This data is not available.

Question 106: What is the process that the State wishes to follow regarding the incorporation of additional pertinent external databases? Will this be facilitated via a mutually agreed upon change order process? Will the State bear the additional cost associated with the incorporation of these databases or is the cost the vendor's responsibility? (On page 19 – 3.2.2.7 Predictive Modeling Solution Ongoing Enhancements)

Answer to question 106: See answer to Question # 101

Question 107: In Section 6, on page 28 would the State of Rhode Island like to receive one original and four copies or one original and six copies?

Answer to question 107: See answer to Question # 4.

Question 108: Should vendors provide the requirement-by-requirement narrative described on p. 8 in a separate section without a page limit, or should the requirement-by-requirement narrative be contained within the “Overall Approach” section described on p. 20 (which is part of a section with a 25 page limit)?

Answer to question 108: See answer to question #3

Question 109: Does EOHHS expect the claims identified by the current MMIS system as “suspended for review” (p. 9) to be passed into the predictive analytics solution? 3.2.E appears to indicate that only claims “automatically approved for payment” are required to be scored by the new system.

Answer to question 109: See answer to question #88

Question 110: Does EOHHS have in mind a maximum allowable processing time for scoring claims through the new system?

Answer to question 110: See answer to Question #11

Question 111: To what extent will the selected vendor be allowed to learn the current “automated pre-payment edits and payment rules” performed by the current MMIS system as described in 3.2.B (p. 8)? Will the vendor be allowed to provide feedback or suggest changes to the existing edits and rules?

Answer to question 111: See answer to Question # 101.

Question 112: Regarding the provider portal, what percentage of provider claims are submitted electronically versus via fax or other means? Does EOHHS want to review claims submitted non-electronically?

Answer to question 112: 94.2% are electronic claims. Yes

Question 113: Is the Division of Purchases able to provide an estimate of total funds set aside to procure this solution?

Answer to question 113:

As stated in Section 1 of the RFP, funding associated with any award pursuant to this Request has not yet been appropriated, and will be subject to consideration by the Governor and the General Assembly in the context of the SFY2014 Rhode Island State Budget. Federal Financial Participation is contingent upon appropriation of funds by the state. For additional information, please see the attached IAPD approval letter from CMS.

Question 114: 3.2.1.3.A (p. 11) states, “If the solution calls for managed services, including hosting, the Vendor will provide a hosting environment.” Will EOHHS allow the Vendor to host servers within the agency’s existing data center?

Answer to question 114: No. See answer to question #80

Question 115: Attachment 2 (p. 34) notes that the existing data center is expected to be moved to Orlando in 2013. Will the successful vendor also be expected to move?

Answer to question 115: No. See answer to question #80.

Question 116: Could you please identify the claim types (i.e. Medical, Facility, Dental, non-emergency transport, vision, Pharmacy) and estimated volume of each? (Section 3.2 Programmatic Activities, p. 8)

Answer to question 116:

Annual volumes below:

| | |
|--------------------|-----------|
| Drug claims | 763,819 |
| Hospice | 7,724 |
| InPatient | 13,286 |
| Dental | 541,420 |
| Professional | 2,352,217 |
| Nursing Home | 93,483 |
| OutPatient | 91,390 |
| Home Health | 9,064 |
| InPat Crossover | 13,691 |
| OutPat Crossover | 121,089 |
| Profess. Crossover | 884,933 |
| Waiver Svcs | 701,691 |

Question 117: Are the 259,600 average claims per week all fee for service (FFS) or some encounter claims? If not all FFS, what is the approximate number of FFS claims per week? (Section 3.2.1.1 Predictive Modeling Solution Functionalities, p. 9)

Answer to question 117: See answer to question #22

Question 118: Can you describe the types of performance benchmarks you are seeking? Are they Systematic (e.g., response time) or financial (e.g., savings)? (Section 3.2.1.2 System Access and Navigation, p. 10-11)

Answer to question 118: Systematic

Question 119: Since we are included on a vast number of RFPs, it is generally our policy to name an implementation team once we are vendor of choice. Can we present resumes for our named team at that time? (section 4.3 Personnel References, p. 25)

Answer to question 119: No, the vendor should respond to the requirements of this specific RFP and identify the implementation team as requested by the RFP.

Question 120: What is the planned budget for this project for both implementation and ongoing system operations and how will it be funded? (Section -Cost Proposal)

Answer to question 120: See answer to Question # 30.

Question 121: What type of access will the selected contractor have to the Medicaid systems and technology infrastructure?

Answer to question 121: See answer to question #32

Question 122: Is there adequate staff at the state to support the selected contractor with this new initiative? Both systems, and processes personnel.

Answer to question 122: See answer to question #33

Question 123: Is there an existing study or finding that provides an estimated amount or percentage of dollars that is lost due to potential fraud, waste, and abuse?

Answer to question 123: Yes, but there is no way to reliably predict unidentified fraud waste and abuse. It is inevitable that it will occur in any large, complex and decentralized service delivery/payment system. The Predictive Analytic solution identified in the RFP will provide the State with an additional tool to help prevent such activities.

Question 124: Does the state have any pay and chase fraud investigative team or system as part of an OIG or other agency within the state? Can you please share what are some of the metrics from the past year?

Answer to question 124: See answer to question #35

Question 125: Please confirm if the selected contractor can retain copies of working papers and deliverables.

Answer to question 125: See answer to question # 36

Question 126: How will the state address deliverables such as modeling or methodologies that contain pre-existing contractor intellectual property.

Answer to question 126: See answer to question # 37

Question 127: Can you provide an estimated award date for this contract?

Answer to question 127: See answer to question #39

Question 128: What is the next step in the procurement/purchasing process? Will a subset of respondents be invited to present their proposals? Can you provide details?

Answer to question 128: See answer to question #40

Question 129: Section 3.2 Page 9 D: All claims enter the predictive modeling solution system without impact to current systems processing performance levels;

- Can you provide the current systems processing performance levels?

Answer to question 129: See answer to question #41

Question 130: Do you anticipate the selected contractor personnel working onsite at the state / EOHHS during the contract period or can part of the work be performed offsite at the contractor's offices?

Answer to question 130: See answer to question #42

Question 131: Does the state have any limitations on using contractor's off-shore personnel, located outside the continental United States?

Answer to question 131: See answer to question #43

Question 132: The RFP does not detail any transition phase. Does the state have any desire to own this system within the IT infrastructure or do you anticipate this being a completely outsourced function through 2016?

Answer to question 132: See answer to question #44

Question 133: Please provide a general summary on the current state of the information and process used to detect fraud. Please provide how fraud is currently detected within the system.

Answer to question 133: See answer to question #45

Question 134: Is the requirement only for provider payments or other payments as well?

Answer to question 134: More information required to answer

Question 135: Page 9, Sec 3.2 bullets C and E. Does the current system automatically flag claims for payments, denials and suspensions? Do you anticipate the denied and suspended claims to be processed through the predictive modeling solution or only the claims flagged for payments?

Answer to question 135: See answer to question #88

Question 136: How many claims can the existing analyst handle during the normal course of the day? What are the expected volumes and how many personnel do you anticipate would support this real time pre-pay review of high scored claims? Or is EOHHS looking for guidance/recommendations as part of this implementation?

Answer to question 136: Unknown at this time. Guidance will be welcomed/recommendations will be considered.

Question 137: Can we presume that selected contractor would have access to the MMIS development, test and staging technology infrastructure environments, in addition to the production systems hosted at the HPES / Herndon data center?

Answer to question 137: Appropriate access to environments will be ascertained during the early analysis phase of the project.

Question 138: The proposed change to the HPES data center location is a potential higher risk item for the new fraud monitoring system development. Do you anticipate HPES data center move/migration taking longer than the time anticipated in this RFP?

Answer to question 138: No, the HP data center move will have no impact on this project that we can identify at this time.

Question 139: Page 11, Sec 3.2.1.2 A17 – Where is the EOHHS CHOICES data warehouse hosted? Is this within the HPES facility or at another site?

Answer to question 139: The State has contracted with the Fiscal Agent to host the Data Warehouse in a Herndon, VA Data Center. The Data Center is presently being moved to Orlando, FL.

Question 140: Do you anticipate any automated updates/interfaces with the provider portal for denied or suspended claims? Or do you anticipate the analysts having separate standard operating procedures to handles this outside the predictive model / solution?

Answer to question 140: We do not understand your question.

Question 141: Can you please clarify the page limitations? Section 3.3 lists 25 pages. Does this include responses to 3.2.1 through 3.2.4? It would be helpful to get page count clarification for each subsection.

Answer to question 141: See answer to question #3

Question 142: Can the response/proposal be structured based on evaluation criteria?

Answer to question 142: Response should be structured in the manner described in the RFP

Question 143: Page 9, Sec 3.2.1.1 - D. Provide a rapid, real time or near real time solution;

- Please provide guidance and expectations for “near real time” as compared to “real time” detection. Is there a specific threshold of time that internally has been defined as “near real time”

Answer to question 143: See answer to question #11

Question 144: Page 9, Sec. 3.2.1.1 - F. Utilize statistically sound, empirically derived predictive modeling technologies such as neural networking, clustering, classification trees, artificial intelligence and other learning based systems, scoring systems, and knowledge-based systems designed to prevent improper payments of high-risk and suspect claims and identify suspect relationships, patterns, trends, utilization and billing behavior;

- Will training and test sets be provided by the state of Rhode Island? If not, which data will be provided and who will provide it in order to train and test the potential models for fraud detection? Does Rhode Island have a specified predictive study design methodology?

Answer to question 144: See answer to question #49

Question 145: Page 10, Sec 3.2.1.1 - L. Permit modifications and enhancements in a rapid and timely manner;

- Please provide guidance and expectations for “rapid and timely manner”

Answer to question 145: See answer to question #50

Question 146: Will the solution be used only for Pre-pay scenario or it should be able to identify risk in post –paid scenarios as well?

Answer to question 146: It will be used for both

Question 147: As it is mentioned in the document that scoring of claims need to take place in “Real time or near real time”, we would like to understand how frequently the data transfer will take place between MMIS and the Fraud Surveillance Application?

- a. What is the required turnaround time for real-time and near real-time scoring?
- b. Will the submission of claims for scoring be done as a part of batch process or it can be submitted anytime throughout the day?

Answer to question 147: 147 a. See answer to question #11
147 b. The batch or real-time claim submission procedure will be ascertained during the project.

Question 148: Statement in section 3.2.1.1 Point C “Integrate into multiple points in the claim processing flow from submission through adjudication for the identification of high-risk and suspect claims” suggests the fraud needs to be detected at multiple points where as statement in section 3.2 Point E “Claims that have been automatically approved for payment are scored” suggests that claims will be scored for fraud only once post payment approval. Can you please clarify?

- c. Can we get more details on how the current data and process flows form claim submission to adjudication and at which step the scoring is expected?

Answer to question 148: See answer to question #16

Question 149: In Section 3.2.1.1. point M say “Provide a change control process that applies quick changes in reaction to changing patterns of behavior;” Does that mean system should be able to allow Analyst to suggest some changing pattern noticed in Fraud to be used for highlighting fraudulent claim?

Answer to question 149: Change control is a formal process used to ensure that changes to a product or system are introduced in a controlled and coordinated manner. It reduces the possibility that unnecessary changes will be introduced to a system without forethought, introducing faults into the system or undoing changes made by other users of software. The goals of a change control procedure usually include minimal disruption to services, reduction in back-out activities, and cost-effective utilization of resources involved in implementing change.

Question 150: Is it safe to assume the analytic model will provide claim level score and not member or provider level score even though it might examine claims by member or provider?

Answer to question 150: Unable to answer this question without additional clarification

Question 151: Is there a required turnaround time for Analyst to review and make decision on the flagged claims?

Answer to question 151: This has yet to be determined

Question 152: How many user roles do you envision will have access to the UI?

Answer to question 152: Four or more

Question 153: Section 3.2.1.1 H states “Be linked to third party systems and data sources”, can you please provide more clarification on following:

- a. Details of data sources are expected to be linked?
- b. Expected data availability and frequency from third part systems and databases?
- c. Location of the data sources and how Fraud Surveillance Application will communicate with these data sources?

Answer to question 153: See answers to question #100 and 101

Question 154: How do you envision the work queue logic? Would there be Analysts specializing in certain group of claims or the flagged claims will be randomly routed to each Analyst?

Answer to question 154: This has yet to be determined

Question 155: What is the preferred choice of hosting? Managed service or site deployed inside MMIS environment?

Answer to question 155: See answer to question #80

Question 156: Section 3.2.2.5 B states “Continue to meet the training needs of approximately 10-15 users” Can we safely assume maximum number of user on the system is 15?

Answer to question 156: Yes

Question 157: Are there any major changes expected in the existing system (i.e. MMIS) in near future?

Answer to question 157: See RFP 7461254 Attachment 2 - Rhode Island MMIS Application Overview

Question 158: Keeping in mind that the hosting service be done in the United States, can offshore personal work on developing the models remotely?

Answer to question 158: See answer to question #43

Question 159: How will the state consider capabilities proposed by a prospective vendor that may be important to meet Rhode Island’s overall FWA objectives, but which have not been specifically requested in the RFP (i.e., capabilities of which the state may not be aware but that have been beneficial to other states with similar needs)?

Answer to question 159: The State is open to value-added suggestions by vendors. However, the RFP responses will be evaluated per the Evaluation section of the RFP.

Question 160: Please confirm that the scope of work for this RFP concerns only fee-for-service claims and excludes managed care encounter data.

Answer to question 160: See answer to question # 24

Question 161: In Section 3.2, the RFP states that the requested predictive modeling platform will score all claims post-edits but pre-payment—all within the MMIS workflow. In certain MMIS platform workflows, all data fields/attributes associated with a claim are not fully aggregated until they reach a post-payment data warehouse. Is this the case in Rhode Island? A predictive model often will require more attributes of a claim than an edit-based process. Will all data fields necessary to run the predictive models be available to the vendor in the pre-payment claim format? If not, then who is responsible for resolving those data fields and attributes for each claim before the claim enters the predictive model?

Answer to question 161: Question 161a. The detailed/aggregation MMIS fields question cannot be answered until the vendor thoroughly explores the existing data structures. The State’s Fiscal Agent will be available to initially assist the vendor in its data inventory.

Question 161b. See answer to Question 161a.

Question 161c. The State is depending on the successful vendor to inventory the existing data structures, analyze the situation, and provide the State with a successful fraud detection design. Note that the State is in the process of enhancing its MMIS encounter data, so the State expects the successful vendor to utilize the improved encounter data.

Question 162: In Section 3.2 F the RFP refers to establishing risk thresholds for all claims. How often will the state review and reset the pre-determined risk thresholds for claims risk flagging? Or is this process the responsibility of the selected vendor?

Answer to question 162: It is envisioned that the vendor will work with the state to develop and fine-tune initial thresholds, but the state will be responsible for reviewing and adjusting during the Operation & Maintenance phase.

Question 163: Does the state envision expanding the user base beyond the 10–15 trained users mentioned in Section 3.2.1.5 C?

Answer to question 163: No

Question 164: Section 3.2.7.7 F requires the selected vendor to “[i]ncorporate additional pertinent external databases as they become available.” Does the state have any such databases in mind?

Answer to question 164: Not at this time

Question 165: Please provide additional information regarding the EOHHS CHOICES data warehouse. Which vendor maintains this system? Where is it hosted? Please describe the host platform, network infrastructure, and database technologies employed by the system.

Answer to question 165: Answer 165a. The State's Fiscal Agent, Hewlett Packard Enterprise Systems (HPES) maintains the Data Warehouse.

Answer 165b. See the answer to Question 139
Answer 165c. Database is Oracle 11g, Extract/Transfer/Load (ETL) technology is Informatica, and Business Objects provides the BI data abstraction layer and browser access for registered users. Network infrastructure is a securely hosted mix of Windows and Unix servers. Please see the RFP for more information.

Question 166: In order to ensure sufficient time to incorporate information from the state's responses to questions into the proposal response, will the state consider extending the deadline for receipt of proposals?

Answer to question 166: See answer to question #51

Question 167: Per bullet D, all claims must enter the predictive modeling solution system without impact to current systems processing performance levels - can you clarify the Service Level Agreement for the current claim systems processing? (Section 3.2, p. 9)

Answer to question 167: See answer to question #29

Question 168: Per 3.2.1.2 bullet G, can you please provide a copy of the RIDoIT security standards? (Section 3.2.1.2, p. 10)

Answer to question 168: See answer to question #64

Question 169: Can you provide role descriptions and skill sets of the 10-15 end users? Is this team already in place? If not, what is the timeline for hiring?(Section 3.2.1.5, p. 12)

Answer to question 169: See answer to question #65

Question 170: Sections 3.2.2.3 and 3.2.2.5 detail requirements for 24/7 system availability for users, as well as a 24/7 toll free helpline. Do you anticipate the 10-15 users will be actively engaged on the system 24/7? Based on our experience implementing similar solutions for other customers, Vendor recommends that the State of Rhode Island require 24/7 accessibility to the product for users, but amend the support requirement to be normal business hours rather than 24/7. This change would allow the State to significantly reduce, and more effectively use, costs associated with support.

Additionally, Vendor recommends the solution is implemented such that any interruption in the predictive modeling solution service does not impact claims processing performance levels. In other words, after a claim is processed through existing MMIS automated pre-payment edits and payment rules, should the claim enter the predictive modeling solution system and not meet Service Level Agreements or encounter any error during scoring, the claim would bypass the solution and automatically be returned to the MMIS system for financial processing and payment. Is this acceptable to the State of RI? (Section 3.2.2.3, p. 15)

Answer to question 170: As to normal business hours vs. 24/7, the State agrees normal business hours are an appropriate solution. The hourly times per day will be defined by the State. An “interruption in the predictive modeling solution service” means the predictive modeling system is down. To avoid shutting down the existing MMIS claims processing system, the predictive modeling solution should be indeed by bypassed, allowing the claim to be paid in MMIS after its existing business rules are cleared.

Question 171: As predictive models incorporating ICD codes will be sensitive to changes, what is Rhode Island's ICD-10 implementation timeline?

Answer to question 171: Rhode Island is on schedule to implement ICD-10 on or before October 1, 2014

Question 172: Please clarify exactly what the state wants in the pricing proposal. While the state provides several tables with blanks to fill in, the tables indicate that

additional information is required, such as the listing of software products. Where and how does the state want this additional information listed? (p. 22)

Answer to question 172: Please include additional information and attachments in your cost proposal as necessary.

Question 173: Should the electronic submission include the price proposal? (p.32)

Answer to question 173: There should be two separate electronic submissions; one for the technical proposal and one for the cost proposal. Cost information should not be included in the technical proposal.. Vendors should clearly identify each electronic submission.

Question 174: Are the people in the pricing tables considered key personnel? (p.32)

Answer to question 174: They may or may not be, depending on the solution proposed.

Question 175: What is the expected round trip response time to MMIS if a real-time interface is used? (Section 3.3, p. 21)

Answer to question 175: See answer to question #11

Question # 30- Attachment -IAPD approval letter received from CMS

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Boston Regional Office
JFK Federal Building, Government Center
Room 2325
Boston, Massachusetts 02203



Division of Medicaid and Children's Health Operations / Boston Regional Office

January 31, 2013

Steven M. Costantino, Secretary
Executive Office
of Health and Human Services
57 Howard Avenue.
Louis Pasteur Building
Cranston, RI 02920

Dear Mr. Costantino:

This letter is in response to the State's request for Federal Financial Participation (FFP) for a Predictive Analytics Advance Planning Document (APD) to implement a comprehensive fraud case management software toolset in support of its Fraud, Waste and Abuse reduction initiative as part of the State's approved Medicaid Management Information System (MMIS).

Following the review of the APD, CMS approves this request in accordance with 45 CFR 95.611. The FFP and rates are listed below.

| | FFP Rate | FY13 | FY14 | FY15 | FY16 | FY17 | Total |
|-------------------|----------|-------------|-------------|-------------|-------------|----------|-------------|
| Personnel | 90% | \$42,332 | \$85,946 | | | | \$128,278 |
| DDI | 90% | \$450,000 | \$1,620,000 | | | | \$2,070,000 |
| Licenses | 75% | \$750,000 | \$1,200,000 | \$1,350,000 | \$1,500,000 | | \$4,800,000 |
| Operations | 75% | | \$277,500 | \$562,500 | \$562,500 | \$93,750 | \$1,496,250 |
| Total | | \$1,242,332 | \$3,183,446 | \$1,912,500 | \$2,062,500 | \$93,750 | \$8,494,528 |

In accordance with the Final Rule, published in the Federal Register Vol. 76 No. 75, April 19, 2011, in order to continue to receive enhanced FFP for operations of the MMIS, the State must submit an IAPD with plans to upgrade or modify the system to meet the required conditions and standards within 38 months of the Final Rule. Accordingly, the continuance of 75 percent FFP for operations after June 2014, will require an IAPD that identifies how the State will remediate or replace the MMIS

to become compliant with the 7 Standards and Conditions as outlined in 42 CFR 433 Subpart C. The IAPD should be submitted to CMS no later than April 1, 2014.

Although the approved amount is reflected above and serves as a not to exceed amount, FFP the State claims under this APD will be based on actual expenditures that are fully documented and auditable. The State must provide adequate support for all costs claimed in addition to providing detailed reports and audit trails. Amounts authorized or claimed for FFP are subject to adjustment if subsequent audits determine the amounts to be inaccurate or inappropriate. FFP is limited to CMS programs only. Federal funds are not to be included in the monies being matched with federal funds.

CMS is approving the FFP under §1903(a)(3) of the Social Security Act for this project subject to the conditions of Section 11225 of the State Medicaid Manual providing for multiple claims processing and information retrieval systems that meet certain criteria, including that these systems do not appreciably increase cost or detract from the primary benefits expressed in the SMM and other federal regulations and policies, and that the system meets established criteria for an approved (i.e., certified) MMIS, and all systems feed into a single comprehensive utilization and management reporting system for the efficient, economical, and effective administration of the State's Medicaid program.

Additionally, Section 4241 of The Small Business Jobs Act of 2010, P.L. 111-240, requires CMS to expand the use of predictive analytic technologies for identifying and preventing improper payments beyond Medicare to Medicaid and CHIP. Shortly after the end of FY 2014, the Secretary of the U.S. Department of Health and Human Services is required to submit a Report to Congress with analyses and recommendations for implementation of this requirement by the end of FY 2014, and, based on the results of that report, expand the use of predictive analytic technologies to Medicaid and CHIP claims by April 2015.

CMS requests that the State voluntarily agree to participate in an evaluation and provide findings and results of your efforts in implementing predictive analytics for the Medicaid program for inclusion in the Secretary's Report to Congress. The report will include an analysis of the cost-effectiveness and feasibility of expanding the use of predictive analytics technologies to Medicaid and CHIP and the effect, if any, the application of predictive analytics technologies to claims under Medicaid and CHIP would have on States and the commonwealths and territories and recommendations regarding the extent to which technical assistance may be necessary to expand the application of predictive analytics technologies to claims under Medicaid and CHIP, and the type of any such assistance.

The term of this approval is for twenty four (24) months from the approval date and will expire on November 28, 2014. The scope of the FFP approval represents SY 2013 and SY 2014 and should the contract be extended, an Advance Planning Document Update (APDU) will be required prior to funding additional period(s). If the scope, timeframe of work or expenditures change or exceed the amounts approved in this IAPD, please submit an APDU to CMS for prior approval as outlined in 45 CFR 95.611.

Additionally, CMS requires the State to begin monthly submission of the Transformed Medicaid Statistical Information System (T-MSIS) format as of January 2014. Data submissions are

expected to meet quality validation routines for acceptance within 30 days of the reporting month. MSIS formats will no longer be accepted as part of this transition.

Should the MMIS fail to maintain and produce all federally required program management data and information, including the required T-MSIS, eligibility, provider, and managed care encounter data, in accordance with requirements in the State Medicaid Manual Part 11 and the approved APD for this effort, FFP may be suspended or disallowed as provided for in federal regulations at 45 CFR 95.612.

Pursuant to Section 11238 of the SMM, the State must submit monthly progress and status reports to the CMS Regional Office. The reports must include the following information: 1) progress in the implementation of the new system, including progress against meeting the approved project schedules and milestones; 2) A written narrative describing specific activities and actions that the OIG and Medicaid programs are jointly engaged in concerning coordination of fraud and abuse detection, cost-avoidance, and cost recovery activities required under Title XIX of the SSA; 3) A report of project expenditures against the approved project budget, and; 4) after system go-live, a report that documents the specific nature and dollar amounts of all cost-avoidance and cost-savings resulting from this effort. The information in these monthly reports are essential to effective monitoring of your system development efforts as well as large scale system acquisitions. Thus, at various points in the approval process, beginning with approval of this APD, you are put on notice that CMS may require additional reports and information to support the viability and cost-effectiveness of this initiative. These reports may be augmented by onsite visits by federal staff to verify the project's status and progress.

If you have any questions, please feel free to contact David Guiney at 617-565-1298.

Sincerely yours,



Richard R. McGreal
Associate Regional Administrator

cc: Ralph Racca

Page 4 – Steven M. Costantino, Secretary

bcc (via e-mail)

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File ID: RI-MD-S-130

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