



State of Rhode Island  
Department of Administration / Division of Purchases  
One Capitol Hill, Providence, Rhode Island 02908-5855  
Tel: (401) 574-8100 Fax: (401) 574-8387

May 22, 2013

**ADDENDUM # 5**

**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)**

---

**Notice to Vendors: Attention All Bidders**

- Attached are vendor questions with State responses and the sign-in sheet from the Pre-Bid Conference held on Wednesday, May 8, 2013 at 10:00 AM at the Department of Administration, One Capitol Hill, Providence, RI Conference Room A -Second Floor.
- The State's General Conditions of Purchase contain the specific contract terms, stipulations and affirmations to be utilized for the contract awarded to the RFP. The State's General Conditions of Purchases/General Terms and Conditions can be found at the following URL: <https://www.purchasing.ri.gov/RIVIP/publicdocuments/ATTA.pdf>

**No further question will be answered**

**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.*

**Pre-Bid Vendor Questions for RFP # 7461254 Enhanced Fraud, Waste and Abuse and Improper Payment Surveillance and Detection Capability**

Question 1: My first question, regarding managed care counter data. In the State's answer to question Number 24, found in Addendum 4. While the State clarified that only service claims would additionally be within the scope the successful vendor predictive modeling solution would be to, "have the ability to review managed care encounter data." And the answer to Question 26, the State indicates that such data would be provided in ANSI ASC X12N 837 Institutional and Professional - Version 5010 1.02.

Is it the State's expectation that the vendor will use predictive modeling for service claims to identify potential medical cost, quality and care action access issue in the managed care, encounter data and flagged those issues for analysis review even if payments has all right been made by MCO, and/or if care episodes in question is not reimbursed on a per visit or per service basis? So, that's my first question.

Answer to question 1: yes

Question 2: If the State has other expectations of the vendor's capability to analyze managed care data, can those be provided to bidders in advance of submitting a response to the RFP; and the third question, if the State does not have other specific expectations, can a bidder assume that any subsequent requirements for analysis of managed care data will be handled as a change order with separate pricing to be provided by the State.

Answer to question 2: The state's expectations have been outlined in the RFP and in Addendum 4 Q&A.

Question 3: Second question is concerning the anticipation term of the contract. The RFP states that the contract

that results from this RFP will have an initial term that commences with contract execution. In Addendum 4 the answer to Question 39 states, that the State envisions selecting a vendor by October 1, 2013, but this is subject to change. Question is the October 1, 2013 date, the date that the State currently envisions contract execution as that phrase is used in Section 1.3, or is October 1, 2013, the date the State envisions for notice of contract award. And the follow-up question is, if October 1, 2013, is the date the State envisions for notice of contract award, when does the State envision contract execution?

Answer to question 3: October 1, 2013 is only a target date for vendor selection and is subject to change. The state does not have a target date for contract execution.

Question 4: Third question concerns Addendum Number 4. The answer to Question 37 in response to a question asked of who owns certain preexisting intellectual property, the State affirmed that preexisting intellectual property is owned by the contractor, but then went on to say that, "contractor will grant the State a perpetual license to use and maintain the system." When the State uses the word system, do they solely mean any proprietary software, and any third party software which after use of best efforts the license may be transferred to the State?

Answer to question 4: Yes

Question 5: Next question concerns Addendum 4. Addendum Number 4, answer to Question 44. In response to Question 44 the State said that, "this solution is integrated into the RI MMIS, and the project is receiving enhanced funding through CMS. As such, Rhode Island retains ownership of the system upon termination of the contract." Question: If a contractor uses a system that is comprised of hardware that has already been purchased and since it's within the contractor's data center preexisting proprietary software, preexisting third party software ownership of these elements would be retained by the contractor according to the answer to Question 37, and Addendum 4, wouldn't the contractor retain ownership of these elements in such a system and not the State upon termination of the contract retained by the contractor according to the answer to

Question 37, and Addendum 4, wouldn't the contractor retain ownership of these elements in such a system and not the State upon termination of the contract.

Answer to question 5: Yes, but as stated in Addendum #4 – Q&A #4, the State would receive a perpetual license to use and maintain the software. However, the state understands that preexisting SaaS-based solutions may cease to function at the termination of the contract.

Question 6: The final question concerns Administrative, Item 3 states, "including development hours report for period which describes the expenditures 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. During operations, provide the same information for change orders," In Addendum Number 4, the response to question Number 67, the State indicated it was not requiring a pool of development hours, it would seem to alleviate the need for development hours report since there is no pool of OEHHS hours to report hours expended.

Is the development hours report still a requirement?

The development hours report is still a requirement, is the State only interested in hours expended to develop new software?

Answer to question 6: The development hours report is still a requirement. It is to include hours expended during the Start-up and Development Phase, and on any Change Orders during Operations.

Question 7: Will the State of Rhode Island be utilizing any external consultants to aid in the analysis of the many submissions that you will receive?

Answer to question 7: This has not yet been determined

Question 8: Part of the requirements of the RFP is to require references of businesses in the State right now, doing is reaching out to the contact, to make sure we can get a reference. I think ask permission to, we have information

to reach out to state agencies using a software, to get a reference?

Can we go and make a request? I think it prevents this. There's a section there that says, no other contact, State parties will be permitted that without getting a request. The question for you is do we have permission to go out and reach out to State agencies to get a name for a reference?

Answer to question 8: Yes

Question 9: That actually raises a quick follow-up question that I had which is, in that reference documentation process, if any of the organizations in the room here are currently partnered with State Medicaid organizations or paid organizations have large Medicaid populations, does the State have a preference, would you like to see all State's bodies, or would you like to see a mix? Is there a preference?

Answer to question 9: The state does not have a preference.

Question 10: The funding letter at the end of Addendum 4 discusses the licensed budget allocated over four years. Are we going to assume that if we are buying the software up-front perspective or are you assuming the cost of the software allocated in four years? I guess it comes down to what's the licensing model for the software itself? Like a SaaS model you are looking as if you are going to mobilize the system up-front, or as you go? What's the clarification on the actual procurement of the system? A SaaS model or a contract model?

Answer to question 10: The state will consider all solutions proposed. Vendors that can offer their proposed solution as either SaaS or a traditional licensing model may submit separate cost proposals for each. Cost proposals for SaaS based solutions should be clearly identified as such.

Question 11: If I understand that budget that's described, we're a new organization, and in that organization, just curious, as to your charter, Medicaid only, Medicaid and

other health and human services programs, and does that extend out to affordable care?

Answer to question 11: Medicaid and other health and human service programs overseen by EOHHS.

Question 12: How would you characterize the success of this project?

Answer to question 12: Success is not a destination, it's a road. ROI metrics for this project are still being developed.

Question 13: Just to follow up on a prior question in regards to the claims, in that question Number 78 in Addendum 4, it states that only FFS claims will be subjected to pre-payment review in Phase 1.

What is Phase 1 tend to want?

And in several responses to questions in Addendum 4, references are made to your Fiscal Agent, HPES. We want to know if you have any covenant resources or availability of those resources, because this program limitation larger depends on the collaboration, cooperation of the vendor get from these services. Want clarification what that type of covenant or commencement from HPES is on this?

Answer to question 13: For Phase 1, the state is seeking pre-payment review and post-payment analytics on FFS claims and post-payment analytics on MCO claim data. The state will work with its Fiscal Agent to ensure their level of cooperation is sufficient.

Question 14: Section 3.2.1.6, E, on Page 13, of the RFP says, identify and clearly distinguish all support services the vendor provides to EOHSS and EOHSS's user from those services provided to vendors other client. Want to get clarification of what exact you mean by that, and I

guess the same question is repeated under 3.2.2.6.

Answer to question 14: If the vendor is performing other services for EOHHS, EOHHS departments or other State of Rhode Island agencies that were contracted for separately, these must be segregated out for project reporting purposes.

**Answer to Question 23 in Addendum 4:**

Answer to Question #23: With respect to populations, it is important to note two things: first, the number of persons who receive all of their medical services through FFS is relatively small now (about 10,000 persons) and will get smaller (to about 6,500) in 2014; but second, there are certain services that are carved out to FFS even for those populations that are currently enrolled in a managed care product (such as adult dental care, NICU services, and services provided by BHDDH). Between the two are significant numbers of persons for whom third parties, not Medicaid, are responsible for a large portion of their care (most notably, roughly 30,000 Medicare/Medicaid eligibles [MMEs]; 11,300 participants in our premium assistance program RItE Share; 3,000 children with special health care needs whose family insurance coverage pays for most of their primary and acute care; and 2,400 persons who are in Medically Needy community based flex status - that is, they are intermittently eligible for Medicaid based on their medical expenses incurred within a six-month reporting period.) If these groups are included, a count of 49,000 persons in FFS at the beginning of FY 2014 is a reasonable figure. That total is reduced to approximately 25,000 by December as the State phases in its new Rhody Health Options managed care plan for MMEs, phasing its enrollment of these individuals in four roughly equal steps (September 1, October 1, November 1 and December 1).

In terms of dollar volumes in FFS during the year, we anticipate FFS expenditures in the EOHHS Medicaid budget totaling \$445 million. The largest share, at \$197 million, is in nursing home claims, most of these falling in the first several months of the year, prior to the enrollment of these patients in Rhody Health Options. We anticipate \$80 million in Hospital claims including NICU services, \$42 million in Home and Community Based services (also much of it concentrated in the beginning of the year, prior to RHO enrollment), \$39 million in children's rehabilitative services, \$24 million in professional services and \$15 million in pharmacy (pre-rebate).

Outside of the EOHHS budget are expenditures estimated roughly at \$391 million\* in BHDDH services (including \$150 million\* in costs relating to Eleanor Slater Hospital and its satellites; plus another \$241 million\* relating chiefly to services for persons with developmental disabilities), and another \$45 million\* associated in residential treatment services provided by DCYF. (\* Figures marked with asterisks are based on FY 2011 actual amounts, not budget forecasts.)

Company	Representative	Address	Email	Phone
1. EMPERON	R KINGSTON	3055 LEBANON PIKE NASHVILLE TN	R.KINGSTON@EMPERON.COM	757-689-2194
2. SAS	Aniella Bernstein	33 Imperial Ave Cohasset NY 12047	aniella.bernstein@sas.com	919-531-9555
3. SAS	Jeremy Reayne	31 Pierre Venier Mashpee, MA, 02649	jeremy.reayne@sas.com	919-531-9555
4. SAS	Shawn Brix			
5. SAP	RATJIV SHAFI	3999 Howard Street Pike Newton Sq.	raj@shafi.com	732 823 1340
6. OPERA SOLUTIONS	JACK CAIN	6507 CHANTILLY DR SPRINGVILLE MD 21784	JACK.CAIN@OSGSLC.COM	(410) 552-0562
7. Opent Solutions	Lw DUA	10 Exchange Place 11FL Jersey City NJ 07302	ldua@opent.com	646 262 2425
8. Brian Optum Ellsworth	Brian Ellsworth	130 Bairnara Hill Rd Higganum CT 06441	Brian.Ellsworth@optum.com	612 632 6382
9. Verizon	Bill Doyle	125 HIGH ST, F3 BOSTON, MA 02110	William.J.Doyle@verizon.com	617-535-0320
10. VERISK	S. MARIEA	BOSTON, MA	SMARIEA@VERISKHEALTH.COM	781-296-5600
11. KPMG	S. ARUN	WASHINGTON, D.C.	arun.subramanian@kpmg.com	703-863-6400
12. DETICA	N. TERON	1676 INTERNATIONAL DR SUITE 1000 MELBOURNE VA 22102	NICOLAS.TERON@BAESYSTEMSDETICA.COM	571 217 8875

	Company	Representative	Address	Email	Phone
13.	KPMG	Marley Ghas	60 South F Beshing MA	mahines@kpmg.com	617-988-1304
14.	Salient	Stephen Sheiko	12 Metro Park Rd Ste 201 Albany NY 12205	ssheiko@salient.com	703-539-2046
15.	IBM	Robert Winkley	8 Light House Lane, Cheston, CT 06212	RPMCGINLE U.S.F.O.M. COM	860-227-5173
16.					
17.					
18.					
19.					
20.					
21.					
22.					
23.					
24.					

	Company	Representative	Address	Email	Phone
1.	AMB	Paul Bledy	60 Smta St Bozeman, Mn	pleb@amc KPMG.com	617-988 1212
2.	"	Paul Bledy	"	pblessing@kpmg.com	617 988 1559
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					