

**Round 6 Questions and Answers for  
RFP Number 2013-CMFD-01**

<b>Question</b>	<b>Response</b>
<p><b>Question 1:</b> II.A The Agency will “Provide the successful vendor (Vendor) access to the Alabama Medicaid Management Information System (MMIS) or data extracts from the MMIS...”</p> <p>a. Will this information along with provider manuals, policies, procedures and other documentation, as deemed appropriate by the Agency, and as needed by the Vendor to provide services under the resulting contract be provided at the time of contract award?</p> <p>b. Does the information reside in one spot – such as a vendor library?</p> <p>c. Can the agency provide access to any of this information prior to proposal submittal?</p>	<p><b>a. Yes</b>  <b>b. Yes, on the Agency’s website.</b>  <b>c. Yes, on the Agency’s website.</b></p>
<p><b>Question 2:</b> II.A Will the Agency also provide training or arrange for training in the potential multiple managed care systems?</p> <p>a. Will the Vendor have direct access to view those systems?</p>	<p><b>The development of Regional Care Organizations is in the early stages and not expected to be operational until October 2016. Training will be provided once the systems have been established.</b></p>
<p><b>Question 3:</b> II.C.1 (Rule 102) – Can the Vendor assume that all managed care plans established regionally will utilize the NPI to uniquely identify providers?</p> <p>a. Will all services (including encounters, not necessarily reimbursable) be present in the respective plans’ histories?</p>	<p><b>The development of Regional Care Organizations is in the early stages and not expected to be operational until October 2016. This level of detail has not yet been determined.</b></p>
<p><b>Question 4:</b> In Section I. Background, the Agency states, “There are three pricing components, fixed, contingency, and extra contractual. The fixed fee is for the Case Management component, the contingency fee is for the advanced fraud analytic component, and the extra contractual fee is for extra staff support. The proposed contingency rate should not exceed 9.5%.” Can the Agency explain under what pricing category the Vendor will provide for conversion of existing and completed cases currently on “Agency drives”?</p>	<p><b>This cost should be listed as implementation cost under the fixed fee category.</b></p>
<p><b>Question 5:</b> We request the Agency provide more clarification regarding the terms, “unlimited rights to</p>	<p><b>Yes.</b></p>

<p>... disclose, or duplicate” as well as the term, “all products... become the property of the Agency”? While the Round 4 Q &amp; A did provide definition, some of the products provided either by the Prime or a Subcontractor may be proprietary, commercially available products. Will the Agency accept having unlimited rights to continue to use the products, post contract, but not be allowed to disclose, duplicate (other than for its own needs) or share/release proprietary software?</p>	
<p><b>Question 6:</b> The RFP indicates that the contingency fee (capped at 9.5%) will be paid based on recovered funds. Does this hold true if the Agency decides to agree to a financial settlement, e.g., 50% of actual overpayments to a given provider or will the contingency fee be based on the original amount determined?</p>	<p><b>In all cases, the contingency fee is based on recovered funds.</b></p>
<p><b>Question 7:</b> Does the Agency require the successful Vendor to have physical space in close proximity to the Agency or will the Agency provide ongoing work space for personnel it requires the Vendor to provide?</p> <p>a. Does the Agency require the Prime contractor and principal subcontractors to have an office in Alabama?</p> <p>b. Does the Agency require all personnel working on the contract to be in Alabama?</p>	<p><b>There is no requirement for the successful Vendor to have physical space in close proximity to the Agency. The Agency will provide ongoing work space for personnel if the option is exercised to require extra contractual staff.</b></p> <p><b>a. No.</b> <b>b. No.</b></p>
<p><b>Question 8:</b> Will the vendor have access to the beneficiary medical records for review and validation of quality of care issues, in particular for medical necessity and prior authorizations?</p>	<p><b>Yes, if the Agency exercises the option for extra contractual staff to support auditing the cases identified through the tool.</b></p>
<p><b>Question 9:</b> Will the MMIS store ICD-9, ICD-10, or both?</p> <p>a. Will there be a cross-walk developed by the State to enable the vendor to use only one data mark?</p>	<p><b>The system will store both ICD-9 and ICD-10 Codes.</b></p> <p><b>a. An indicator has been added to the associated files to distinguish between ICD-9 and ICD-10</b></p>
<p><b>Question 10:</b> Is there a Service Level Agreement (SLA) requiring a minimum number of law enforcement referrals?</p>	<p><b>No.</b></p>
<p><b>Question 11:</b> Is there a minimum acceptance threshold dollar value required for case acceptance?</p>	<p><b>The threshold is \$2500.</b></p>
<p><b>Question 12:</b> The brief description provided for each of the Agency’s departments is very much</p>	<p><b>All units listed on page 6 of the RFP are located at the Agency within the Program Integrity Division.</b></p>

<p>appreciated. Could you please provide the location(s) for each of the Agency departments?</p>	
<p><b>Question 13:</b> Is the vendor expected to provide education and outreach to parties outside of the Agency? If so please provide several organizational examples.</p>	<p><b>No.</b></p>
<p><b>Question 14:</b> Does the Agency require the traditional bidder's response where there would be one prime with potentially several subcontractors or is it acceptable for a vendor to bid on only one facet of the program, for example case management system?</p>	<p><b>It is not acceptable for a vendor to bid for only one facet of the program.</b></p>
<p><b>Question 15:</b> Based on the fact that a Vendor can propose different methodologies for hosting that allows the Agency to opt for either a cloud based or locally hosted solution, what additional criteria beyond "best value" will drive the Agency's decision to select one solution over another?</p>	<p><b>Vendor profile and experience and responses to the scope of work and RFP requirements will also be considered. (See page 27 of RFP.)</b></p>
<p><b>Question 16:</b> If a Vendor only proposes a State-hosted solution, will this approach be deemed to be "responsive" passing the Agency's first gate towards evaluation?</p>	<p><b>Yes.</b></p>
<p><b>Question 17:</b> When the Agency says a locally hosted solution may be proposed, does this assume a locally hosted solution is the State's data center or are there other locally hosted offerings the Agency is referring to or wants Vendor's to consider?</p>	<p><b>The Agency is referring to its data center.</b></p>
<p><b>Question 18:</b> If Vendor proposes a locally hosted solution or State data center solution, will all the same SLA's be required and apply?</p> <p>a. Will the State's data center be able to meet the required SLA's?</p>	<p><b>Yes. The same SLA's will apply.</b>  <b>a. Yes. The Agency's data center will be able to meet the SLA's.</b></p>
<p><b>Question 19:</b> Given Vendors may provide a response that allows the Agency to opt for either a cloud based or locally -hosted solution, and given these solutions are materially different in how they are technically and financially proposed, how will the Agency equalize or baseline technical and price proposals in order to conduct an accurate technical comparison and financial evaluation of solutions offered by each Vendor?</p>	<p><b>The Agency will evaluate the total cost of ownership associated with any proposed solution. The vendor must submit a price proposal that reflects the total cost of ownership for either a locally hosted or cloud based solution.</b></p> <p><b>In the event the proposed solution is to be housed at the Agency's data center, the price must include on-site installation costs, configuration costs, customization costs, software licensing fees and maintenance fees for the contract period.</b></p>

	<p><b>In the event the proposed solution is cloud based, the price must include all costs to the Agency under a Software as a Service (SaaS) delivery model.</b></p> <p><b>Vendor profile and experience, responses to the scope of work and RFP requirements and price (including overall cost of ownership) will be weighted and scored as a part of the technical and financial evaluation.</b></p>
<p><b>Question 20:</b> Vendors may propose a solution where the Agency purchases the software and is responsible for hosting the system within its own data center. If this type of solution is proposed, the vendor must provide hardware specifications for hosting the solution – e.g. web server, database server, etc. Vendors must also provide an estimate of the number of staff and skill sets that will be necessary to support the proposed System if the Agency elects to assume hosting responsibility.</p> <p>a. How will the Agency make this decision (meaning if the agency elects to assume hosting responsibility), what is the decision making criteria? For instance, if the only solution a vendor was to supply was a state-hosted option/solution, would this be deemed to be “compliant”?</p>	<p><b>Vendor profile and experience, responses to the scope of work and RFP requirements and price (including total overall cost of ownership) will be weighted and scored as a part of the technical and financial evaluation. Yes, if the only solution a vendor was to supply was a state-hosted option/solution, it would be deemed to be “compliant”.</b></p>
<p><b>Question 21:</b> The RFP indicates that additional deliverables may be included as a result of Contract negotiations. How does the Agency intend to compensate the Vendor for added deliverables when a fixed price is to be provided?</p>	<p><b>This statement allows for additional deliverables to be proposed by Vendor and to be included in the fixed price submitted with the RFP.</b></p>
<p><b>Question 22:</b> C.6 – Reporting indicates the agency will not compensate the Vendor for development and/or submission of the weekly, monthly and/or ad hoc reports, yet has provided a minimum required number and type of reports. How does the Agency envision the Vendor recoup the cost for these stated requirements?</p>	<p><b>This cost should be included in the fixed price submitted with the RFP.</b></p>
<p><b>Question 23:</b> C.12 - Performance Standards and Liquidated Damages –The Agency has defined Liquidated Damages for submission of all deliverables and completion of all Phases as “One percent (1%) of the total payment amount per incident per day beyond the due date of the</p>	<p><b>a. The Implementation Cost listed on the Pricing Proposal Sheet.</b></p> <p><b>b. The 1% listed is only applicable for the Final Project Implementation Plan and the 7 phases under C.5. Deliverables.</b></p>

<p>deliverable/completed phase.”</p> <p>a. What is the defined total payment amount? Is it the entire Firm Fixed Price for the year, divided monthly? If so, it is egregious to assess damages based on an entire year for one deliverable and/or a phase that is not completed. Further, unless the Final Project Implementation Plan also lists timeframes and due dates that are to be adhered to by the Agency, there is no recourse for the Vendor when lack of completion is due to circumstances that are the Agency’s fault not the Vendor.</p> <p>b. In addition, the Performance Standards and Liquidated Damages lists the specific amount of \$100.00/ per incident/per day for the weekly, monthly and ad-hoc reports, which can be assessed in addition to the one percent (1%), because in C.5 the weekly, monthly and Ad Hoc reports are already listed. The effect is to increase the amount of liquidated damages and should be removed from the RFP and the resultant contract.</p> <p>c. The Agency has also added liquidated damages of \$500.00/day for every day that the approved Corrective Action Plan (CAP) is not implemented to the satisfaction of the Agency. What level of Agency satisfaction will be used?</p> <p>i. The CAP may be utilized to correct the above mentioned deliverable or phase that is not completed on time – and since the CAP has liquidated damages also, the effect is to increase the amount of liquidated damages and should be removed from the RFP and the resultant contract.</p>	<p><b>c. The Agency will use reasonable discretion when determining satisfaction.</b></p> <p><b>i. This will not be removed from the RFP or the resultant contract.</b></p>
<p><b>Question 24:</b> What additional performance standards and liquidated damages may be included as a result of Contract negotiations? How does the Agency determine what these will be?</p> <p>a. The Vendor has no knowledge of these possible penalties at the time of the proposal submission – at what point will the Vendor be given an opportunity to revise the price as a result of the additional performance standards and liquidated damages?</p>	<p><b>See Amendment 5 on the Agency’s website.</b></p>
<p><b>Question 25:</b> Scoring – The noted scoring</p>	<p><b>Sub-factors will not be provided.</b></p>

<p>matrix provides for only three (3) categories and does not delineate any sub-factors that would be a part of the category. Please provide the Agency defined sub-factors for each category; Vendor Profile and Experience, Scope of Work and General RFP Requirements, and Price.</p>	
<p><b>Question 26:</b> General - Given the delay in supplying data to vendors for analysis past the “few days of mandatory pre-proposal conference”, will the State consider extending the due date for submission of proposals by 30 days?</p>	<p><b>No, the date will not be extended beyond February 28, 2014.</b></p>
<p><b>Question 27:</b> General - Please confirm – or otherwise clarify – that data files were/will be disseminated to vendors on the same day, to ensure that all respondents have the same amount of time to perform the requested analysis.</p>	<p><b>All data files were disseminated to vendors on November 13, 2013.</b></p>
<p><b>Question 28:</b> In the Vendor Conf Adv_Fraud_Detect_Case_Mgt_11-1-13[1] document, it refers to additional forthcoming information on proposal format to be included in Amendment 3; however there was no formatting information in Amendment 3. Will there be any more guidance on proposal format?</p>	<p><b>See Amendment 5 on Agency’s website.</b></p>
<p><b>Question 29:</b> C.5 Deliverables, page 14 - Given the potential for assessing liquidated damages, will the State support a day-for-day slip in deliverable due dates should the State be delinquent in supplying approval or other information required by the vendor to successfully complete the deliverable?</p>	<p><b>Yes.</b></p>
<p><b>Question 30:</b> C.5. Deliverables, page 15 -Phase 3 Deliverable</p> <p>How will the State ensure all data required for migration will be supplied on the Agency’s network drives in a timely manner – along with appropriate file specifications – to ensure successful migration?</p>	<p><b>Agency staff will ensure all paper files are scanned, labeled and placed on the Agency’s network drives prior to the vendor’s start date for migration to the system.</b></p>
<p><b>Question 31:</b> Attachment H Past Performance, page 24, “Vendor shall provide the information indicated for three (3) separate and verifiable references. The references listed must be for work similar in nature to that specified in this RFP.” . . . (pp2) “References that are listed as subcontractors in the response will not be accepted as Past Performance references under</p>	<p><b>The Vendor cannot use projects for which they were the subcontractor. The Vendor must submit 3 overall references.</b></p>

<p>this RFP”.</p> <p>Does this mean we cannot use projects for which we were the subcontractor or does it mean we cannot use references from our subcontractors/partners in bidding on this opportunity? Do you want three references for each team member, or three overall?</p>	
<p><b>Question 32:</b> Vendor is proposing a license to its COTS software. Pursuant to the revisions to Section C.13 of the RFP set forth in Amendment 2 to the RFP, Vendor is proposing the enclosed standard license and Hosting Agreement for its COTS software. Vendor proposes that the Hosting Agreement would apply in the event of a hosted solution, and the standard license would apply in a non-hosted transaction. Please confirm that such agreements are acceptable to the Agency.</p>	<p><b>The Agency cannot review individual Hosting Agreements.</b></p>
<p><b>Question 33:</b> Does the Agency agree that any standard License Agreement or Hosting Agreement included would become part of the Contract and take precedence over other terms and conditions in the resulting contract?</p>	<p><b>No.</b></p>
<p><b>Question 34:</b> Given the COTS nature of the proposal and pursuant to Amendment 2 to the RFP, please confirm that the hosting terms in the enclosed [Hosting Agreement] are acceptable to the Agency in lieu of those described in the background section of the RFP.</p>	<p><b>The Agency cannot review individual Hosting Agreements.</b></p>
<p><b>Question 35:</b> Does the Agency agree that the liquidated damage terms in Section C.12 of the RFP would be subject to the terms of the COTS hosting and license agreement submitted?</p>	<p><b>The Agency cannot review individual Hosting Agreements.</b></p>
<p><b>Question 36:</b> With regard to Section C.13 of the RFP as changed by Amendment 2 to the RFP, please clarify that Vendor will retain ownership of its proprietary existing intellectual property, including any derivative intellectual property resulting from the performance of the services.</p>	<p><b>This is confirmed.</b></p>
<p><b>Question 37:</b> Article VIII, Section D, references “the State Plan” and any contracts containing applicable provisions thereof. What is the State Plan and what provisions would be applicable?</p>	<p><b>A State Plan is a contract between a state and the federal government. It describes how the Medicaid program is administered by Alabama. It further sets out the groups of individuals to be covered, services to be provided, methodologies for providers to be reimbursed and the administrative requirements that</b></p>

	<b>States must meet to participate. It is impossible to identify any of it as not applying.</b>
<b>Question 38:</b> Please confirm that Vendor's trade secrets and confidential financial information that is noted as such and submitted with Vendors proposal will be kept confidential by the Agency.	<b>The vendor can mark sections designated proprietary or trade secrets as confidential in the submission or even submit a separate redacted version. However, the information could still be required to be released if it is required under Alabama and/or federal law.</b>
<b>Question 39:</b> If the Agency terminates the contract, will the Agency pay for services completed prior to termination?	<b>Yes. The Agency will pay the contingency fee of all recovered improper payments associated with the contract.</b>
<b>Question 40:</b> With regard to disputes concerning intellectual property, will the Agency agree that a claim may be filed in a court of competent jurisdiction?	<b>Disputes and litigation are outlined in paragraph X on page 33 of the RFP and this section references the acceptable venues.</b>
<b>Question 41:</b> With regard to audit rights set forth in the RFP, does the Agency agree that audits may be subject to reasonable safety, security and confidentiality policies and procedures? In addition, does the Agency agree that Vendor's original records shall remain with the Vendor?	<b>Yes, the Agency agrees that audits may be subject to reasonable safety, security and confidentiality policies and procedures. The Agency agrees that the original is not necessary but access to all written information is required.</b>
<b>Question 42:</b> Can the Agency provide the form of disclosure statement referenced in Section D.D. of Article VIII?	<b>Please refer to Attachment D of the RFP, pages 48 &amp; 49.</b>
<b>Question 43:</b> Vendor has already signed a BAA, will that executed BAA be made part of the Contract?	<b>No. The current BAA is for the analysis of the data prior to contract execution.</b>
<b>Question 44:</b> When the Vendor uses advanced fraud detection to analyze MCO encounters, and it detects suspicious behavior by an MCO provider, does the State envision conducting its own review/investigation of the provider? Or does the State envision referring this case to the MCO's special investigations unit for pursuit? If the state refers to the MCO, will the Vendor receive a contingency fee payment (as part of Pricing Schedule B) if the MCO recoups payment from the Provider?	<b>The development of Regional Care Organizations is in the early stages and not expected to be operational until October 2016. This level of detail has not yet been determined.</b>
<b>Question 45:</b> How many years of claims does the State typically examine when conducting a review/investigation of a provider? What is the statute of limitations for reviewing/investigation a claim? If there is a difference between the typical investigation period and the statute of limitations, please provide the rational for the difference.	<b>Staff initially looks at 3 months of claims data and makes a determination whether to expand the review to 6, 9, or 12 months.</b>  <b>The look-back period is 3 years plus current.</b>  <b>There is not adequate staff to conduct reviews for 3 years plus current.</b>
<b>Question 46:</b> From the case numbers provided by	<b>a. The plan is to work both the cases identified by the</b>

<p>the State, it appears that the Provider Review Unit and the Investigations Unit have a substantial backlog of cases. Several questions:</p> <p>a. Is it the intention of the State to work the existing cases in inventory before tackling any cases identified by the advanced fraud detection system?</p> <p>b. If yes to part (a), is it correct to assume that vendors will not receive a contingency payment for recoveries from existing cases?</p> <p>c. If yes to part (a), will the Vendor receive a partial contingency payment if it is able to expand the scope of detection of an existing case by using advanced analytics?</p>	<p><b>successful vendor and the backlog cases.</b></p> <p><b>b. N/A</b></p> <p><b>c. N/A</b></p>
<p><b>Question 47:</b> Does the State anticipate hiring additional staff (investigators, clerical staff, others) to perform reviews/investigations? If yes, how many FTE’s can the Vendor assume will be hired, and when does the State anticipate they will begin work? If no, can the Vendor assume that the State will maintain the current staffing levels identified in Round Three Question 9 throughout the life of the contract?</p>	<p><b>No. If additional staff is needed to perform reviews/investigations, the State will request this staff from the successful Vendor at the price indicated in Pricing Schedule C – Extra Contractual Staff Support, on the Vendor’s Price Proposal Sheet.</b></p>
<p><b>Question 48:</b> PID will continue to receive tips and referrals for the foreseeable future. Advanced detection systems can be used to validate quickly whether a tip/referral is valid. Will the Vendor receive a contingency fee payment (as part of Pricing Schedule B) for recoveries from tips/referrals validated by the advanced detection system?</p>	<p><b>Yes.</b></p>
<p><b>Question 49:</b> In Round 4, Question 14, the State provided useful information on the value of identified and recouped dollars. Several questions about this information:</p> <p>a. Which of the five operational units generated these recoveries?</p> <p>b. Are these recoveries net of successful appeals submitted by providers and recipients?</p> <p>c. What is the value of identified and recouped dollars from your Recovery Audit Contractor for these same periods (net of successful appeals)?</p>	<p><b>a. The Provider Review Unit generated these recoveries.</b></p> <p><b>b. Yes.</b></p> <p><b>c. FY 2011 - \$740,260.08</b>  <b>FY 2012 - \$727,514.26</b>  <b>FY 2013 – Implementation phase for new RAC</b></p>
<p><b>Question 50:</b> RFP Section I (page 8) states that the advanced fraud analytic component of the solution must be priced on a contingency fee</p>	<p><b>No.</b></p>

<p>basis. Likewise, the Price Proposal Sheet (Attachment I) requires pricing of the advanced fraud detection analytics as a percent of recovered monies.</p> <p>Many vendors' advanced fraud detection analytics are comprised of pre-existing proprietary software, which cannot be licensed on a contingency-fee basis. Not only would offering software licenses on this basis represent a significant financial risk to the vendor, but it could actually jeopardize the valuation of the intellectual property (IP) embodied in the proprietary software. As a result, many interested and qualified vendors may be precluded from bidding on this procurement due to the unacceptable level of financial and legal risk.</p> <p>In view of the above, would the State be willing to accept fixed-fee pricing for licenses and support fees for pre-existing proprietary software for the advanced fraud detection analytics solution?</p>	
<p><b>Question 51:</b> In the vendor conference, you stated that the Agency intends this system to "replace the existing SIRS/DSS solution".</p> <p>a. Does the system have to certify with CMS prior to going live?</p> <p>b. Is the state willing to go live and allow the vendor(s) to perform certification/remediation work required for certification at a later date?</p>	<p><b>a. CMS has not indicated that we have to go through certification for this implementation and do not anticipate we will have to until we are required to certify the MMIS again.</b></p> <p><b>b. If our assumption in (a.) is not correct, the Agency will have to assess the impact of not having certification requirements in place prior to go-live. We will not allow the system to go live if any missing certification requirement(s) would affect the Agency ability to receive full federal funding for the system.</b></p>
<p><b>Question 52:</b> What is the order of precedence for reviewing claims (Chosen Vendor or the RAC)? Can the Agency provide a narrative on the order of claims review and how each vendor will review claims at the different times throughout the Agency's workflow(s)?</p>	<p><b>At this time, the Vendor or the RAC will be able to review any claim (ICN) that is not flagged in the system.</b></p>
<p><b>Question 53:</b> If the RAC flags a claim from a provider, will all claims from that provider be "off limits"?</p> <p>a. How does the state intend to handle conflicts between the RAC and chosen vendor? It appears there is a potential for conflict when new claims are identified and an existing</p>	<p><b>All claims from a particular provider will not be flagged. Only the Internal Control Number (ICN) identified as an improper claim will be flagged.</b></p> <p><b>a. The ICN will be marked in the system which will prevent any potential conflict.</b></p> <p><b>b. No.</b></p>

<p>investigation/audit is underway by the RAC.</p> <p>b. If newly identified claims were made part of an on-going audit, would the chosen vendor still be able to bill for those recoveries made even if the RAC handles them?</p>	
<p><b>Question 54:</b> Is the new system required to communicate directly with the MMIS (i.e. via API calls) for various purposes such as:</p> <p>a. Retrieval of Provider or Recipient listings/data bases,</p> <p>b. Recipient restrictions/lock-in flags/specialist referrals, etc.,</p> <p>c. Pay/No-pay/Hold payment flags on individual claims,</p> <p>d. OR, is the system expected to communicate to/from the MMIS via batch file input for various purposes (such as those listed above).</p> <p>e. OR, will the MMIS system be updated manually and extracts taken at timed intervals (i.e. provider/recipient databases).</p>	<p><b>The MMIS will be updated manually and extracts taken at timed intervals.</b></p>
<p><b>Question 55:</b> Does the state have monies budgeted for the existing MMIS vendor to perform changes to support and integrate with the new Case Management/Analytics solution(s)?</p>	<p><b>Yes.</b></p>