

NEW YORK
state department of
HEALTH

Nirav R. Shah, M.D., M.P.H.
Commissioner

Sue Kelly
Executive Deputy Commissioner

July 17, 2013

Dear Interested Party:

As you may be aware, as part of the 2013-2014 State budget, legislation authorized the Commissioner of the Department of Health (DOH) to implement a Medicaid incontinence supply management program. The goals of the program are to reduce the cost to New York State for incontinence products, improve the quality of product being provided, while maintaining the existing provider network.

Incontinence supplies, for the purpose of this Request for Information (RFI), are disposable and reusable diapers, liners, and underpads. Services may include, but are not limited to, distribution of supplies using the existing Medicaid provider network, bulk purchasing discounts, a preferred product rebate program, a combined procurement serving individuals in the community and in facility settings, as well as innovative utilization management programs.

Your response to the enclosed RFI is an important first step towards designing a successful incontinence supply utilization management program. Please provide a response to the questions presented in the enclosed packet, and any additional information that would support the Department's efforts to implement such a program.

Please send us your comments by August 23, 2013. Please be sure to include the name, telephone number, and e-mail address of a contact person to call if we have questions regarding your response.

Thank you for responding to this important initiative.

Sincerely,

Jonathan Bick
Director
Division of OHIP Operations
Office of Health Insurance Programs

Enclosure:

A. Purpose of this Request for Information (RFI)

The New York State Department of Health (the Department) is in the process of information gathering and researching possible approaches to providing incontinence supplies to Medicaid beneficiaries. For the purposes of this RFI, incontinence supplies are disposable and reusable diapers, liners, and underpads.

Services to be provided may include, but are not limited to:

- Distribution of supplies using existing provider network
- Bulk purchasing discounts
- A preferred product rebate program
- A combined procurement serving individuals in the community and in NYS Executive Agency institutions/facilities
- Innovative utilization management programs.

The desired future approach will support the State's goal to achieve cost savings and improve quality in the provision of incontinence supplies for Medicaid beneficiaries as contained in the budget for State Fiscal Year 2013-14.

In addition to the questions set forth in Section C- Information Requested, this RFI provides prospective respondents an opportunity to submit information and recommended ideas for the efficient and cost effective provision of quality incontinence supplies. Respondents are encouraged to refer to Section D- Guidelines for Responding to this RFI. This RFI seeks input from respondents who meet minimum qualifications outlined in Section D.1- Who May Respond, and are willing to provide responses to the questions listed in Section C- Information Requested. All input provided by prospective respondents will be used for informational purposes only. No awards will result from this request for information.

B. Background

This section presents an overview of the New York Medicaid Redesign (MRT) agenda, budget initiatives, and current provision of incontinence supplies to Medicaid FFS beneficiaries in the community and in facility settings, and the Department's strategy for managing this benefit going forward.

B.1- Department Overview and New York's Healthcare Reform Agenda

The Department is the Single State Agency responsible for administration of New York's Medicaid program, one of the largest insurance programs in the nation providing health care coverage to approximately 5 million beneficiaries. Currently, approximately 3.5 million Medicaid beneficiaries are enrolled in Managed Care plans and the remaining 1.5 million are enrolled in FFS.

Within the Department, the Office of Health Insurance Programs (OHIP) is directly responsible for administering the Medicaid FFS and Managed Care programs. In January 2011, Governor Cuomo created a blue-ribbon panel, the MRT, to reform New York's Medicaid program (http://www.health.ny.gov/health_care/medicaid/redesign/). The MRT process has resulted in numerous transformational recommendations that have been incorporated into the State's budget process.

One of the adopted recommendations is the Medicaid Global Cap, an essential element in changing the budget paradigm. Living within the cap has fundamentally changed the relationship between the State and Medicaid stakeholders and spending is monitored monthly against category-specific targets and reported publicly.

B.2- SFY 2013-14 Budget

The 2013-14 State budget adopted several MRT Phase III recommendations, including an incontinence supply initiative. Paragraph (g) of subdivision 2 of section 365-a of the Social Services Law was amended, providing the Commissioner of Health authority to implement an incontinence supply management program. The initiative seeks to support the Medicaid Global Cap by reducing costs for incontinence products while maintaining the existing provider network, and improving the quality of products provided to individuals.

B.3- Current coverage, utilization, and management

Incontinence supplies are covered by Medicaid for ages 3 and above, and include medically necessary reusable and disposable diapers, liners, and underpads. The majority of spending remains in FFS Medicaid since utilization is concentrated in currently managed care exempt populations such as elderly and disabled individuals. Exhibit A displays available utilization data for CY 2012 in Medicaid FFS, Managed Care, and from suppliers for the NYS Executive Agency institutions and facilities.

Payer/Setting	Incontinence Supplies Amount Paid	Unique Beneficiaries with Incontinence Supply Claims
Medicaid Fee for Service/Community	\$ 75,874,350	85,505
Medicaid Managed Care/Community	Pending	33,099
NYS Executive Agency Institution/Facility Based Spend	\$3,144,353	Pending

I In FFS, an electronic automated prior authorization (PA) must be obtained by the provider through the Dispensing Validation System (DVS) prior to dispensing incontinence supplies. DVS is a subsystem of the Department's Medicaid Management Information System, eMedNY. When the dispensing provider requests a DVS PA, service limits and utilization history are referenced in real time. This includes Medicaid eligibility, age, frequency and quantity, and other similar products recently authorized. If no conflicts are present, DVS approves the request and returns a PA number to the dispensing provider. The product is dispensed and the claim for reimbursement is submitted to eMedNY. The claims system edits for a valid PA, appropriate diagnoses associated with the provision of incontinence supplies, as well as other standard claims editing. If a DVS PA is rejected, the provider may request a prior approval from the Department on behalf of the beneficiary to override service limits with documentation of medical necessity.

C. Information Requested

Please provide responses to the questions presented in this section. Respondents are encouraged to provide any additional observations, strategies, and recommendations, including approaches to risk management, to support New York's efforts to implement an incontinence supply management program. All respondents are requested to provide responses in sufficient scope and detail using the template provided in Attachment A- Respondent Information Template.

All responses are non-binding and will be used for informational purposes only. Information provided becomes the property of New York State, for use at the Department's discretion. The Department is not responsible for any costs associated with the development and/or submission of any responses to this RFI.

C.1- Incontinence Supply Management

1. Describe your organization's experience as a single contractor responsible for the distribution of discounted quality products regionally or statewide.
2. Describe your organization's experience as one of multiple contractors responsible for the distribution of discounted quality products regionally or statewide.
3. Describe your organization's experience administering a preferred incontinence supply program whereby the State receives rebates on one or several manufacturers' products chosen for quality and price.
4. Describe your organization's experience contracting for incontinence supplies with facilities (e.g., inpatient hospitals, skilled nursing facilities, community residences, intermediate care facilities for the developmentally disabled).
5. Describe your organization's experience providing clinical peer to peer consultation and education with ordering and dispensing incontinence supply providers regarding medically appropriate products and quantities to treat each individual's diagnostic and functional condition.
6. Describe other incontinence supply management approaches your organization has implemented to improve quality of care and reduce costs.
7. Describe your organization's experience in implementing any combination of 1-6.

C.2- Corporate Qualifications

1. What previous experience or qualifications should be required for bidders, including prime contractors or subcontractors?
2. What innovations, technologies and products should the Department seek?
3. What strengths, capabilities, and qualifications should the Department seek?

C.3- General Information

1. Identify and describe your primary concerns in responding to procurement for an incontinence supply management program.
2. From your work on similar size projects, identify and describe the greatest challenge and risk points.
3. Identify and describe provisions the Department could include in a Request for Proposal (RFP) or Invitation for Bid (IFB) that would maximize participation and competition.
4. Identify and describe what RFP/IFB provisions would discourage competition.

5. How long should the term of a resulting contract be to make it economically viable for your company to participate?
6. Identify and describe if the contract would be more or less economically viable if incontinence supplies provided in facilities were integrated into a statewide contract?
7. Identify and describe a recommended approach to contract pricing including a payment schedule and specific contract performance milestones tied to payments.
8. Identify and describe the challenges unique to a contractor supporting this initiative.

C.4- Implementation Management

1. Based on your experience, how long a time frame should be allowed for the implementation phase? Identify and describe minimum periods needed for major activities.
2. Based on your experience, identify and describe what types/levels of communication/education should be made available to the provider and beneficiary communities to ensure a successful implementation.

C. Guidelines for Responding to this RFI

D.1- Who May Respond

This RFI seeks input from all interested parties, including:

1. Organizations that have experience performing utilization management or rebate program services for state Medicaid programs or licensed health insurers;
2. Organizations that have experience contracting or providing incontinence supplies with state Medicaid programs, licensed health insurers or public or privately operated facilities;
3. Organizations willing to provide responses to the questions listed in Section C Information Requested.

D.2- Reply Structure

Respondents are requested to use the template provided in Attachment A- Respondent Information Template to structure their response. All replies to this RFI must use Microsoft Word. Respondents are encouraged to provide additional information beyond the required questions.

The Department reserves the right to request an open meeting of vendors that submitted a reply to the RFI to clarify responses. Notice of this meeting will be provided in writing by DOH.

Responses are respectfully requested by 5:00 PM ET on August 23, 2013

Responses must be emailed to: OHIPMedPA@health.ny.gov. Please put "Incontinence RFI response" in the subject line.

D. Results

THIS IS NOT A SOLICITATION FOR PROPOSALS. Information gathered from responses to this RFI may be used by the New York State Department of Health at an unspecified future time to develop a request for proposals from potential vendors to provide incontinence supply management services to the Medicaid population and residents of facilities in New York State. The New York State Department of Health is under no obligation to use any information or material submitted in response to this RFI. This RFI is issued solely for informational purposes and does not constitute a procurement or solicitation.

Attachment A: Respondent Information Template

Respondent Name and Address:	
Respondent Representative Contact Information:	
Incontinence Supply Management	
1. Describe your organization's experience as a single contractor responsible for the distribution of discounted quality incontinence products regionally statewide.	
2. Describe your organization's experience as one of multiple contractors responsible for the distribution of discounted quality products regionally or statewide.	
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4. Describe your organization's experience contracting for incontinence supplies with facilities (e.g., inpatient hospitals, skilled nursing facilities, community residences, intermediate care facilities for the developmentally disabled).	
5. Describe your organization's experience providing clinical peer to peer consultation and education with ordering and dispensing incontinence supply providers regarding medically appropriate products and quantities to treat each individual's diagnostic and functional condition.	
6. Describe other incontinence supply management approaches your organization has implemented to improve quality of care and reduce costs.	
7. Describe your organization's experience in implementing any combination of 1-6.	

Corporate Qualifications
1. What previous experience or qualifications should be required for bidders including prime contractors or subcontractors?
2. What innovations, technologies and products should the Department seek?
3. What strengths, capabilities and qualifications should the Department seek?
General Information
1. Identify and describe your primary concerns in responding to procurement for an incontinence supply management program.
2. From your work on similar size projects, identify and describe the greatest challenge and risk points.
3. Identify and describe provisions the Department could include in an RFP or IFB that would maximize participation and competition.
4. Identify and describe what RFP/IFB provisions would discourage competition.
5. How long should the term of a resulting contract be to make it economically viable for your company to participate?
6. Identify and describe if the contract would be more or less economically viable if incontinence supplies provided in facilities were integrated into a statewide contract?
7. Identify and describe a recommended approach to contract pricing including a payment schedule and specific contract performance milestones tied to payments.
8. Identify and describe the challenges unique to a contractor supporting this initiative.
Implementation Management
1. Based on your experience, how long a time frame should be allowed for the implementation phase? Identify and describe minimum periods needed for major activities.
2. Based on your experience, identify and describe what types/levels of communication/education should be made available to the provider and beneficiary communities to ensure a successful implementation.