



**New York State
Vendors' Conference
July 8th, 2013, 10:00 a.m.
Medicaid Administrative Services
Request for Proposal (RFP)**

Speaker:

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Note: This is a transcript of the presentation and discussion during the Vendors' Conference on July 8, 2013. This transcript does not amend the RFP or contain the official responses to questions discussed at that meeting. The official answers will be posted on a rolling basis on this public web site, with the last one or about August 16, 2013.

Mr. Jonathan Halvorson: Welcome to the vendors conference for the NYS Medicaid Administrative Services procurement. This is a bit of a departure for us in doing this as a webinar. We usually do it face-to-face. So I'm sure your travel budgets will appreciate that. The downside is that we can't see you and you can't see each other. We will be publishing a list of all participants in this conference along with all the contact information later. We're also recording this presentation-the audio and video-and we'll make that available, and we'll make it available in transcript as well. In a moment I'll make a few introductions. I just wanted to first quickly go over the agenda for today. I'm just going to be outlining things and hitting key points. I won't be reading through this entire presentation. We'll look at some key dates, give a quick overview of the procurement goals and scope, point out some of the features that distinguish this procurement from a typical MMIS procurement, go over some of the major components of this RFP, and take a look at the evaluation criteria.

We scheduled an hour for the presentation, and a half hour for questions. I will try to finish well within the hour limit for the presentation. And now we'll make a few introductions.

I am Jonathan Halvorson, Deputy Director Division of Systems for the Office of Health Insurance Programs. In the room we have about 15 people from the Department of Health. A few of the key subject matter experts I'll mention by name here: We have Cynthia Beaudoin, Senior Attorney who has worked with us closely on this procurement. Do we have Jonathan Bick in the room? We do not, but he may be on the call, who is the Director for the Division of OHIP Operations which is significantly impacted by this procurement. He directs the provider enrollment, and recertification, as well as the prior authorization approval functions that are outlined in this RFP. Janet Elkind; Mary Carol is here who reports to Janet for the Division of Program Development and Management, and she oversees the pharmacy component. Chris Hall-Finney, who I report to, Director of Division of Systems is here. Dennis Wright is here, Administration and Contract Director for the Division of Systems. He is also one of



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the three designated contacts for this RFP relating to contract matters after the vendor has been selected. Joe Zeccolo is here for the Fiscal Management Group. He is the point of contact for all lobbying inquiries and efforts.

In terms of the key dates...As you know, the RFP was released June 25th. Written questions will be due on Thursday, July 18th at 4:00pm. We will answer questions as we can, so we expect to have a couple of sets of responses posted on the website, the last of which will be on or about August 16th. And then the proposal submission deadline is 4pm, September 25th. The submission deadline is a little bit on the aggressive side we know; we do not anticipate extending that at this time, to anticipate a question. And we'll go onto the next slide...

I just introduced Joe Zeccolo and Dennis Wright. In addition we have here Pat Allen, who will be the primary contact for all content related questions. You will submit the formal written questions to Pat as well, and all procurement library requests will go through Pat. When it comes time to submit proposals, you will coordinate with Pat on the delivery of those proposals. And please *make sure you do that* as well.

A quick background on the Medicaid Program: it is the largest program in the United States, not by membership, but by expenditures and I think by comprehensiveness. Along with affiliate programs it provides health care coverage to over five million New Yorkers. The mix of programs will change a little bit in 2014 with the Affordable Care Act, but the total population will stay relatively constant, and actually even increase in 2014. There are major changes, as many of you know, happening in New York Medicaid through the Medicaid Redesign Team, and one of those changes is the continued migration to managed care. The various initiatives that have been conducted through the guidance of the MRT have made a major impact on this procurement and if you have questions to ask about that we have additional information in the procurement library as well.

The current system encompasses a large variety of components processing over 2 million transactions per day in 2012; 1.3 million of which were claims. That number will go down through the outcome of the changes that I've just discussed with the migration of managed care, and some other system changes. We've outlined projections for those transaction volumes in the procurement library. The system provides access for a wide variety of users, including Department of Health employees, other State agencies, local district social services, and Medicaid providers. And, as you know, the capabilities include transaction processing...there is a web based application, there is an internet application provider access, many external file transfers, and so on.

At the heart of this procurement, is our effort to replace the existing MMIS with a new system that meets CMS criteria and guidelines for MMIS certification and that also meets the MITA guidelines. The affiliated services for this system are an expansion in some ways of what we have currently. I'll go through a few of the key objectives. There are many others that are described in Attachment E of the RFP and elsewhere. So we will replace the existing eMedNY functions. The only major exception to that is encounter processing. There are a couple of minor exceptions, and one of them is [that] some reporting functions will move to the Medicaid Data Warehouse. The new system, as I mentioned, will have to meet CMS certification requirements and comply with all Federal regulations and policy. In order to highlight that, we included in the RFP as an attachment, the MECT checklist from CMS, so that you can see what those requirements are. The new system will also take over the clinical review and administrative functions including claims processing for NYS Pharmaceutical Programs—that includes Medicaid and non-Medicaid programs, the most notable of the non-Medicaid programs being the EPIC Program. This procurement also encompasses the EHR Incentive Program called MEIPASS, and there will be a takeover of prior approval functions from DOH staff. There are many others outlined, again, and they are described in detail in Attachment E.



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For the scope, [this graphic shows the] scope identified by the services provided. This is really just an outline, again, that this is more than just a fiscal agent services procurement. It includes a wide variety of administrative services. One that I'll call out here, the specific benefit carve outs. Some of these exist for the managed health plans. There are a few selected benefits that are carved out of managed care and paid through the fee-for-service system, including some family planning and transportation.

This diagram is on page 11 is in the RFP, but I'm providing here again, just to outline and give a structure to the MAS system and its context. Some of the major systems that it interacts with will be the Health Benefit Exchange and WMS for eligibility enrollment, TLP contactor, enrollment broker, Medicaid Data Warehouse, Managed Care plans, and drug rebate and pharmacy contractor. The MMIS Enterprise is considered to be the Medicaid Data Warehouse and currently eMedNY, and will be replaced by the MAS Contractor System. The Drug Rebate / Pharmacy Pricing component will also be considered a part of the MMIS, and we will have the new solution in place. This is really of interest primarily in terms of CMS funding and requirements, but obviously the system will interact with many others that we haven't outlined in this high level view.

So, we've made some changes to this RFP from past efforts. One of the goals of these changes has been to include not just traditional MMIS vendors, but also others that participate in the health benefit administration and claims payment markets. So that includes: Medicare administrative contractors, administrative services organizations, commercial and managed care organizations, some system integrators as well.

Another change that we've made is to seek to focus more on configuration of existing infrastructure and platforms. Not only for claims processing, but in terms of the integration of that system with others: customer service, care management...again, a number of objectives here. One [reason to focus on configuration is that it] is the direction that MITA 3.0 has gone in. Another is that we think that this will streamline and make more efficient the implementation process, as well as future enhancements. Another change is the emphasis on COTS products. [The goal] is to have these delivered by the contractor, licensed to the department in accordance with the contractors' standard license agreement to the extent possible. There may be some amendments necessary to satisfy requirements outlined in Section 6.

For Fiscal Agent Responsibility and State Oversight, again, this will be an MMIS System so it will have to conform with the CMS Requirements for MMIS systems. The contractor will be a fiscal agent so that means they will not take on health insurance risk; that will reside with New York State. And regardless of whether the Department owns or licenses the particular components of this solution, we must have access to and oversight of all systems and records produced as part of the MAS procurement to ensure our ability to determine and enforce compliance with requirements.

In opening up this procurement to some non-traditional vendors as well as the traditional vendors, some issues were raised relating to conflict of interest and so we wanted to identify some exclusions that will apply. The primary one being that any Managed Care Organization that provides risk-based capitated Medicaid services to New York State is not eligible to function as the fiscal agent, and therefore can't submit a proposal as the prime vendor on the RFP, although it can serve as a subcontractor. New York has also selected to carve out the drug rebate responsibilities into a separate procurement because of the openness of this contract to commercial and Medicaid health plans.



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As a subcontractor, MCOs that participate in New York's managed Medicaid program can be included, although they have to be insulated from providing services or having exposure to the following information: Fee for Service Payments, Maternity KICK Payment Processing, Stop-Loss Payments and Capitation Payments.

Where MCOs that participate in New York managed Medicaid can participate [in the MAS contract] is, for example, in provider enrollment/certification and customer service, and some other functions that don't run into these issues. And just to be clear, again, managed care organizations that do not participate in New York State Medicaid [Managed Care] do not have these exceptions or these exclusions.

And in looking at [...] moving away from some of the traditional build-from-the-ground-up models of MMIS procurements that have been in New York State and other states in the past, we've modeled out some scenarios for the solutions that may be provided as a result of this procurement.

Scenario 1 is closest to the traditional approach. This would be the traditional existing MMIS vendor that has created its system as a result of Federal and State contracts, and is creating a COTS-like product to apply to New York State. And because such a system would have been developed with Federal and State money, the ownership and enhancements of the system would remain in the public domain.

Scenario 2 is a fully COTS-based solution either from a non-traditional vendor such as from a health plan or from a traditional MMIS vendor that has developed this separately, and in that case—the core solution—that ownership would remain with the vendor, and the enhancements would be covered by the public domain requirement.

I won't go reading all these other key points. All that, and more, is in the RFP itself.

In terms of Phasing and Timeline, the contract will be awarded for five years with the option to renew for three years in one year increments. The plan is to start the contract in January 2014. We have a one year primary DDI timeline. And that is split into a Phase I Release and a Phase II Release. The Phase I will be nine months after contract signing, and Phase II will be twelve months after. There is a planning period of 2 months indicated here; however we want to be clear that the State is already engaged in planning activities and has been for some time and will continue to accelerate that process as we get closer to the contract start. So we are looking at both business and some technical analysis related to business transformation and to prepare so that we can have a pretty good understanding of the starting point when the contractor is selected and we can begin.

I won't go over, in detail, all of these RFP structure components items again. This is all just a high level summary of what's in the RFP. I think that—I do—want to call out that RFP Section 6 is a duplicate of Attachment N, Appendix I. We wanted to make this more prominent in the RFP and not have it get buried at the end, and that's why we put it in Section 6 as well. Another thing to call out here is Attachment E. This is a key part of your response. It collects all the scored technical requirements, and the technical evaluation committee will rely on this to organize its review of the proposed solution. You will input your references to where in your response each of these requirements can be met. We also want to make clear that the MITA 3.0 framework was very important and central to our thinking to the functionality and architecture of the new system. We've even organized the requirements into the MITA 3.0 business areas. I won't go into a MITA background here. We've provided some additional information in the procurement library, and some that is described as well in the Attachment E and other parts of the RFP.



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Response Instructions...these are, again, this is just a copy of what is in the RFP and it should be fairly straightforward. I want to remind people to contact Pat Allen about the delivery of proposals. And I want to remind anyone responding to please keep the proposals at a reasonable length. We want you to be complete, but not to answer questions that weren't asked, or provide general brochures, videos, etc. that aren't germane to RFP questions or requirements.

I'm going back to MITA for a moment. This is, again, in the RFP itself. The Section weights were assigned by MITA category, and you can see here how we weighted things. We wanted to be transparent. I also mentioned that in the Attachment E we indicate the weights for individual items. So, we give you both the section weighting, and the individual requirement weighting. That is another departure for the Department of Health. And this is provided in Section 4 of the RFP.

Attachment H: The Pricing Schedule...All the instructions should be provided in the Schedule itself for how to fill this out. I'll just mention a few points. You'll be filling out Schedule B to F. Schedule A will auto-populate with the total pricing information. I think in Schedule A the only thing to fill out is your name. I can't stress enough that this Attachment should not be altered. Don't add columns or delete columns. Don't add new cells. It should be protected so you can't, but don't try to unprotect it and make any changes. And the Schedule should be filled out completely. So, if there is any financial information that is not filled out that should be or could be grounds for rejection.

For the Evaluation Approach, Compliance Assessment: there will be an initial Pass/Fail screening that includes the following: The Proposal must be submitted by the due date, and the Attachment E and the Attachment H must be completed in the proper format using the spreadsheets provided. Is there anything else you want to add to that item, Joe?

Mr. Joe Zeccolo: No

Mr. Jonathan Halvorson: We will use a best value award methodology. We will split the evaluation into a technical and price proposal being weighted at 70% and 30%, respectively. We've recreated the formula here, which is in the RFP. If you have any questions about that, of course, you may ask. I don't think it's worthwhile to go into it here.

I want to emphasize, in closing, the MWBE targets here. There is a goal of 10% participation, 5% minority owned, and 5% women owned business. A contractor that does not propose at least 10% of the contract value expensed to New York State Certified MWBE firms must document comprehensive good faith efforts for it to provide meaningful participation by MWBE's in the performance of the contract. We've included as a link here, the Directory of Certified Businesses. We'll also be providing, as we mentioned, a list of participants in this bidder's conference that will include some MWBE firms as well.

So, now we hit the questions and answers. The phones will remain off, so please submit your questions using the chat function, and just as a reminder, the answers today will be preliminary and non-binding. We'll send formal written responses as an amendment to the RFP at a later date.

Q: Can we receive a copy of the slides?

A: Yes. In the recording, we will provide the slides as well as the audio. We can also email separately, the slides to the participants in this conference.



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Q: Will the Department consider providing rolling responses to questions with the ability for vendors to submit a second round of questions?

A: We will provide rolling responses. We don't expect to change the deadlines, so if we happen to respond to a question before the July 18th deadline then you could ask a follow-up on that. But we don't intend to have a formal second round.

Q: When do you anticipate the RFP for drug rebate to be released?

A: I'll defer to Mary Carol. We have no response to that yet. If we can we will follow-up with something written later.

Q: In MAS requirement FIN001 of the RFP, the Department is requesting that the vendor "support maximum cost avoidance and reimbursement for Medicaid members" through a variety of functions, including:

- Preparation of retroactive reports (reverse crossover) to Medicare Part B or the provider, as appropriate, for all claims paid by Medicaid that should have been paid by Medicare part B.
- Accumulating claims up to a specified threshold amount and seeking TPL recovery when the threshold is reached
- Seeking recovery of claims previously paid when TPL coverage is identified by billing the third parties using the X12N 837 Coordination of Benefits transaction or a proprietary format
- Automatically re-billing insurance companies if a response (payment or denial) is not received within NYS guidelines
- Supporting recovery from an estate or designated trust
- Screening verified TPL resources against paid claims history retroactively for three years to identify recoverable funds

These are services already procured and operational through OMIG Contract 200801. Can the Department clarify how these two programs will operate for the State simultaneously?

A: That is a pretty detailed question. I, we'll have to address this one in writing. I want to be sure we don't send any ambiguous response here. With this and with any questions you ask today, please be sure to submit them in writing to us.

Q: In reviewing the 132 pages of requirements in attachment E, we noted that most of them are not assigned to specific program elements. For example the member call center current is part of the pharmacy programs but that is not stated in the RFP. Question: Will the department be issuing more specifics regarding which requirements pertain to which program elements?

A: We can certainly provide some additional detail. We'll answer this question specifically on call center related to Pharmacy. And if you have other specific questions, please ask those and that will be a lot easier to answer than something as open ended as this. And send those questions in writing.



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Q: Does the restriction on Medicaid Managed Care plans apply to affiliate corporations of the Medicaid plan?

A: I will answer that in writing. I believe I've answered, but I want to make sure I've worded that correctly, so we'll send that answer in writing as well. I believe we do, somewhere in the RFP, make a statement about this. But, again, we'll find that language and respond with it, as well as any clarification we think is appropriate.

Q: Will the State entertain any changes or be open to flexibility on issues such as implementation timeframe, warranties, indemnities, liabilities, etc.?

A: If there is an issue that you have that would apply generally, you can, of course, submit it. And if you think there's a problem we will look at that. However, you know, we must have the same requirements apply to everyone, and if there is any change that we make it would be as a formal amendment to the RFP. It would not be something that we would want to do after the selection.

Q: Similarly, the procurement library is heavily weighted with eMedNY materials - Question: will the Department be supplementing the procurement library with additional statistics and descriptive materials relative to the non-eMedNY program elements such as EPIC, PTAR, PBM, CHIP and others - as well as for the State functions to be taken over by the contractor such as the grievance and appeals process

A: We do have some additional [non-eMedNY] Procurement Library elements. We hadn't intended to provide others. We can consider whether we think there is anything else that should be added, and if so we will do so.

That is the end of the questions I have in the queue. I have not received any new questions. I'll maybe wait for another minute, and just while I'm waiting issue reminders. The verbal responses here are non-binding. We will follow up with formal written responses to all of the questions here. We also remind you for any of the questions you have submitted here, please resubmit them, along with any other clarification or follow up you would like, in writing, to Pat Allen. His contact information has been provided in the RFP.

Still no additional questions, so I think I'd like to thank you for your participation and look forward to future communication and response. Hold on, we have one question.

Q: A 12-month DDI period almost certainly will require a transfer of an exiting system. Is this the intent of the 12 month DDI period?

A: I'm not exactly sure what you mean by transfer of the existing system. If the transfer refers to a leveraging of an already existing system and configuring it, rather than building it from the ground up, if that is what is referred to the answer is: it's not that this is a requirement. We certainly do believe that it will make it easier to meet the 12 month goals. And so, it's up to the vendor to decide whether they can meet those goals by a different route. So, we'll follow up in writing with clarification of that.

Since we had the straggler question I'll wait another thirty seconds or so. Ok, well, obviously you can send any questions you would like, whenever you would like, as long as they are submitted before July 18th to Pat Allen and we will answer them as expeditiously as we can. As I mentioned, we will expect to be presenting more than one set of responses on a rolling basis. Again, thank you for your participation.



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