

VENDOR QUESTIONS AND ANSWERS
R-04-07-1036
Ohio Medicaid Delivery System Redesign
Q & A period: June 11, 2004-June 23, 2004

Final Question and Answer Document

Tony DiSanza, Vice President - Consulting Services
BCS of Ohio, LLC
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June 16, 2004

Q1. In reading the RFP, ODJFS is requesting the bidder to "Identify, by position and by name, those staff they consider key to the project's success (at minimum, key staff identified must include a project manager);" (page 24) then 2 paragraphs later, it's stated For planning purposes, ODJFS estimates total hours necessary to complete this project is 2100 hours per SFY, for SFYs 05, 06, 07 and 08 (all Ohio SFYs run from July 1 of one year through June 30 of the following).

With one FTE = 2100 hours, does ODJFS estimate the total proposal to be only 1 FTE per year for 05, 06, 07, 08?

A1. ODJFS does not intend for vendors to interpret this estimate as a proposal limitation of just one FTE per year. Vendor proposals are to indicate the number of staff, covering the appropriate range of skills and experiences which the vendors believe to be sufficient to accomplish the deliverables. ODJFS expects that vendors will propose annual hour investments near the number of hours per SFY estimated by ODJFS, but vendor proposals varying more than slightly from that estimate must include a detailed justification for the hours proposed.

Yvonne Powell
EP&P Consulting, Inc.
Washington, DC

June 22, 2004

Q2. We understand that ODJS is the single state agency in Ohio responsible for the administration of the Medicaid program. What role, if any, will other state and county agencies play in this contract? For example, will a working group of ODJFS sister state agencies and/or county mental health boards be established? If yes, what role will the successful vendor have with this workgroup?

A2. The selected vendor will work under contract solely with and at the direction of ODJFS, Office of Ohio Health Plans. Programs operated by other state agencies, directly or through localized or county administration will involve interaction and facilitation with representatives of those entities. ODJFS acknowledges that informal workgroups and stakeholder meetings will be necessary and facilitated by

the selected vendor. Formal workgroups may be proposed by the vendor and developed at the option of ODJFS in order to accomplish the deliverables.

- Q3.** Does ODJS anticipate that the successful vendor will establish capitation rates (RFP section 2.4 F. 1.pg 28) and therefore be required to have an actuary on staff or as on subcontractor?
- A3.** **ODJFS anticipates that the selected vendor will demonstrate in their proposal the rate setting expertise to develop rate methodologies for use by ODJFS to meet Medicaid requirements and CMS approvals.**
- Q4.** Does ODJS have a schedule that prioritizes deliverables by SFY? If not, how will the distribution of deliverables by SFY be determined?
- A4.** **The work anticipated under the resulting contract is dynamic in nature and priorities may change over the term of the contract to comply with changes in budget priorities, federal and/or state laws, regulations or policies. Therefore, the selected vendor will meet with ODJFS within thirty days after the contract start date to prioritize activities. Updated work plans will be developed on a quarterly basis for ODJFS consideration and approval to detail time frames for completion of tasks, update estimates of hours to be applied to each task/deliverable, and update policy goals and outcomes.**
- Q5.** ODMRDD has already begun the process of developing individual funding levels. For which other populations does ODJFS anticipate establishing funding ranges? (RFP section 2.4.D.3 pg 28)
- A5.** **Over the term of the contract, the vendor may be asked to develop individual funding levels for other Medicaid waiver populations, such as individuals in Ohio's Home Care Waivers (Waiver-eligible children and adults below the age of 60).**
- Q6.** In RFP section 2.4.D.2 and D.3 (pg 28), does ODJFS want one assessment tool that will be used across all populations served, or can there be multiple assessment tools?
- A6.** **ODJFS can not be any more specific on this. ODJFS is open to vendor recommendations in their technical proposal.**

**Lisa Stratton, Director--Business Development
AMERIGROUP Corporation**

June 23, 2004

- Q7.** Reference: General. If a managed care organization is awarded the Medicaid Delivery Structure Redesign contract, would it be eligible to participate in other Ohio Medicaid procurements/programs?

A7. At this point, ODJFS is not aware of any other procurement opportunities from which the selected contractor for this project must be excluded. If as a result of this work, ODJFS identified a need to procure additional services to implement program strategies developed through the Ohio Medicaid Delivery System Redesign Project, ODJFS would make every effort to ensure separation between the two activities thereby potentially making it possible for this vendor to bid on the other project.

However, the best interests of Ohio Medicaid consumers must be given primary consideration, and if by virtue of information gained through work on this project the selected vendor would have an unfair advantage, this vendor and/or any subcontractor(s) might be precluded from bidding. ODJFS emphasizes however, that no additional RFPs are envisioned at this time.

Q8. Reference: General. Would the successful contractor or any of its subcontractors or consultants be precluded from bidding a procurement that would result from the Medicaid Delivery Structure Redesign?

A8. Please refer to A7.

Q9. Reference: Section 2.2, Scope of Work. Please provide the ODJFS' assumptions in determining the estimate that the total hours necessary to complete this project is 2,100 hours per SFY. Is the project priced "not to exceed" this amount?

A9. The ODJFS estimated total hours is solely for planning purposes. A vendor may propose greater or fewer hours to complete the project along with a detailed explanation or justification of the additional or reduced planned total hours. ODJFS will only compensate the selected vendor up to the amount as indicated in the vendor's Cost Proposal for the appropriate SFY.

Q10. Reference: Section 2.2, Scope of Work, item G. What is the estimation of time needed to work on location with ODJFS staff for ODJFS meetings, forums, presentations, negotiations and other events as required?

A10. ODJFS can not be any more specific on this component. ODJFS is open to vendor recommendations in their technical proposal.

Q11. Reference Attachment A, ODJFS Model Contract, Article XI.A.4. What are the licensure requirements of the contractor selected for the Medicaid Delivery Structure Redesign program?

A11. There are no professional certifications or licensures required of interested vendors for this project, other than the qualifications and requirements expressed in Section 2.1 of this RFP. That article in the model contract generally refers to licensures or certifications needed in regulated professions, so if a contract were for the services of a home-based medical care provider, or a pharmacist, architect, or plumber, the vendor would be required to possess and maintain the appropriate, current license or other certification.

Donna Cameron
HealthEvolutions
Indianapolis, IN

- Q12.** Are the various "five years experience" requirements needed on a per individual team member basis or cumulative across all team members? (Reference: 2.1 A, Required Vendor Qualification -A1-A5, C3)
- A12. ODJFS will review the five year experience requirement on each individual key staff person. Additionally, proposals will be evaluated for organizational experience and staff experience in those sections of Phase Two of the Technical Proposal Scoring. See 2.1, C. of the RFP.**
- Q13.** What are the data management systems in Ohio which will provide critical utilization and financial data for each delivery system? [Reference: 2.2 Scope of Work (C, D, E)]
- A13. Upon ODJFS securing proper confidentiality agreements, the selected vendor will have access, as needed, to eligibility, claims payment and encounter data necessary to complete the project via the information systems ODJFS has available, such as Medicaid Management Information System (MMIS), Client Registry Information System-Enhanced (CRIS-E) and Decision Support System (DSS).**
- Q14.** What level of data access expertise will be available to the vendor in order to retrieve the necessary data for the project? (Reference: 2.2 Scope of work (C, D, E))
- A14. ODJFS will provide sufficient expertise to retrieve the data deemed necessary for the vendor to complete the project.**
- Q15.** Can you provide some additional information on the preferred sequence of when each deliverable is needed? (Reference: 2.4 Specifications of the Deliverables, Sections A-F)
- A15. The work anticipated under the resulting contract is dynamic in nature and priorities may change over the term of the contract to comply with changes in budget priorities, federal and/or state laws, regulations or policies. Therefore, the selected vendor will meet with ODJFS within thirty days of the contract start date to prioritize activities. Updated work plans will be developed by the selected vendor on a quarterly basis for ODJFS consideration and approval to detail time frames for completion of tasks, update estimates of hours to be applied, and update policy goals and outcomes.**
- Q16.** Please clarify the meaning of who is to be considered "Key" staff vs. "Participating" staff and how this delineation should be used and whether it is necessary to list them separately for each component of the project (i.e. research, clinical, state health plan, etc)? (Reference: 2.1 C 1 Scope of Work - Staff Experience and Capabilities). Also, please clarify the request to provide information on those key staff assigned to key leadership roles (Section 2.1 C Scope of Work) vs. the request to provide a listing of all

key and support/clerical staff assigned to each deliverable as outlined in the cost proposal (Section 4.2 B Cost Proposal).

- A16. Participating staff, outside of the Key staff, may perform data, research, support and clerical functions, necessary to move the work forward. Key Staff, as determined by the vendor, will be evaluated in the staff experience section of Phase Two of the Technical Proposal Scoring. See 2.1.C. of the RFP.**

Cost Proposal section 4.B.1 states:

For each deliverable, for each state fiscal year (SFY), vendor must identify all key and support/clerical staff to be utilized, the hourly billing rate for each, and the number of hours of work the vendor expects will be needed of those staff members in order to fully and successfully fulfill ODJFS project objectives. Key staff MUST be identified by name and position/role; support/clerical staff may be identified by position/role only, or by name and position/role, at vendor's discretion. The vendor's cost proposal form must also report the resulting per-deliverable cost for each SFY by totaling the hours offered for all staff to be used for that deliverable, multiplied by their appropriate billing rates. ODJFS will require a clause in the resulting contract regarding key personnel in that any person identified as critical to the success of the project may not be removed without reasonable notice to ODJFS as specified in Section 3.12 of the RFP.

- Q17. What are the current reimbursement systems for each of the Medicaid program areas being discussed? (Reference 2.4 F-Reimbursement system design and development)**

- A17. Current reimbursement systems include cost-based, fee-for-service, and capitated systems.**

- Q18. Are there particular areas of concern or priority with respect to existing reimbursement systems/methodology which need change? (Reference 2.4 F-Reimbursement system design and development)**

- A18. The reimbursement system design and development work anticipated under the resulting contract is dynamic in nature and priorities may change over the term of the contract to comply with changes in budget priorities, federal and/or state laws, regulations or policies. Therefore, the selected vendor will meet with ODJFS within thirty days after the contract start date to prioritize activities.**

- Q19. In the last 3 years, have there been lawsuits regarding the "selected" reimbursement systems for review? (Reference 2.4 F-Reimbursement system design and development)**

Yes.

If yes:

- * Could you provide a brief summary of the issues?
- * What was the outcome?

***Zimmerman v. ODJFS*, Franklin County Common Pleas Court. Several county MR/DD boards and their board members sued ODJFS in a challenge to the fixed reimbursement system for the Community Alternative Funding System (CAFS) program. For services provided by private CAFS providers, matching funds under the Medicaid program are paid by the county boards. The county boards allege that the new reimbursement system dramatically raises rates for private providers, and boards' obligation to pay Medicaid match for these private providers at the disputed rates reduces the boards' ability to provide services for non-Medicaid persons with MR/DD.**

This case is still pending. The plaintiffs obtained a temporary restraining order (TRO) which prevents ODJFS from paying any CAFS providers above the providers' usual and customary rates, for services that have not been reviewed by a team, and for services which have not been incorporated into a plan authorized by law. The TRO has been extended indefinitely pending a decision on the plaintiffs' motion for preliminary injunction.

This is the only lawsuit that involves a challenge to an entire system of Medicaid reimbursement. Other cases, mainly in the long-term care area, have involved challenges to the manner in which a system of reimbursement has been applied to providers; however, they were not challenges to the reimbursement methodology itself.

Q20. Are there pending lawsuits regarding such reimbursement systems?

A20. Yes. See answer to Q19 above.

Q21. Can the respondent propose staggering of the reimbursement systems research or design? (Reference 2.4 F Reimbursement system design and development Sections 1 and 2)

A21. ODJFS can not be any more specific on this. ODJFS is open to vendor recommendations in their technical proposal and the selected vendor will meet with ODJFS within thirty days of the contract start date to prioritize activities.

Q22. Is it acceptable for a bidder to use MBEs registered in states other than Ohio toward fulfillment of the MBE guidelines? Will consideration be given to using MBE vendors who are certified in another state? (Reference: 3.8 - Minority Business Enterprise)

A22. While it is acceptable for a bidder to use an MBE(s) registered in states other than Ohio, and the use of registered MBE(s) is encouraged, ODJFS will neither penalize nor give scoring preference to bidders who utilize MBE(s) services to perform work on this project, regardless of the state in which the MBE is registered.

Q23. Does the ODJFS maintain a list of certified MBEs that is different from the list of certified MBE firms listed in the procurement section of the Ohio.gov website? If so, could you please provide a list of those MBEs as well? (Reference: 3.8 - Minority Business Enterprise)

- A23. No. ODJFS does not maintain a list of certified MBEs that is different from the list that is maintained by the Ohio Department of Administrative Services (DAS). Please refer to DAS' dedicated website (provided in the RFP) for Ohio's official MBE listing.**
- Q24.** In the cost proposals for both the cost per hour and flat fee deliverables, is ODJFS expecting the selected vendor to "not exceed" each cost number submitted? (Section 4.2 B - Cost Proposal)
- A24. Please see the answer to Question 32, at the end of this Q&A document.**
- Q25.** If the bids are to be considered on a "not to exceed" basis, can ODJFS offer additional detailed information (such as regular or expected meeting schedules and public forums) to assist the bidder in estimating the number of hours involved for each the deliverables that will allow reasonable and meaningful consideration of stakeholder feedback.? (Reference: 2.4 C 1, 2.4 E and 4.2 B)
- A25. ODJFS can not be any more specific at this time on the work to be done over the life of the contract expected to result from this RFP, but vendors should consider the answer to Question 32, at the end of this Q&A document.**
- Q26.** Please provide a listing of the main advocacy or other organizations with whom that bidder will have to interact significantly for purposes of this project, including a brief description of the organization (or website).
- A26. Organizations may include, but are not limited to, other state agencies which administer programs to Medicaid-eligible populations, the Ohio Olmstead Task Force, ARC of Ohio, Ohio Legal Rights Service, Association of Philanthropic Homes for Aged, Alcohol, Drug Addiction & Mental Health Boards, County Alcohol & Drug Addiction Services, Community Mental Health Boards, Ohio Association of County Behavioral Health Authorities, Ohio Council of Behavioral Healthcare Providers, County Boards of MR/DD, Ohio Superintendents of County Boards of MR/DD, Ohio Association of County Boards of MRDD, Ohio Provider Resource Association, Ohio Home Care Association, Centers for Medicare and Medicaid Services.**
- Q27.** Once the bid is awarded, how will the quarterly update mechanism (e.g. revised estimate of hours, updated work plans) work in conjunction within the annual budget limit or the cumulative four-year bid amount? (Reference: 2.2 Scope of Work and 4.2 B Cost Proposal)
- A27. The work anticipated under the resulting contract is dynamic in nature and priorities may change over the term of the contract to comply with changes in budget priorities, federal and/or state laws, regulations or policies. Therefore, the selected vendor will meet with ODJFS within thirty days of the contract start date to prioritize activities. Updated work plans will be developed on a quarterly basis for ODJFS consideration and approval to detail time frames for completion of tasks, update estimates of hours to be applied, and update policy goals and outcomes.**

Please see the answer to Question 32, at the end of this Q&A document for information on how any changes in deliverables' prices resulting from such work changes will be calculated and specified. Each quarterly work plan will be appended to the contract having full force and effect as if an actual amendment to the contract.

**Dianne Hasselman, Senior Engagement Manager
Tucker Alan Inc., part of Navigant Consulting, Inc.
Washington D.C.**

June 23, 2004

Q28. General - Is the State currently receiving technical assistance support for redesigning its Medicaid delivery systems for people with disabilities? If so, who is the current contractor?

A28. Yes, The Lewin Group, Inc.

Q29. Section II, 2.4, Specification of Deliverables - Please confirm that even though the contract period is expected to run from September 2004 to June 2005, the Contractor would perform the tasks identified in the scope of work over a four-year period.

A29. At the sole discretion of ODJFS and subject to approval by the Controlling Board, the contract period is expected to run from approximately September 7, 2004 through June 30, 2005, with a renewal contract to be in effect, contingent upon satisfactory vendor performance and continued availability of funding, with CB approval, from July 1, 2005 through June 30, 2007 and again from July 1, 2007 through June 30, 2008. Since state law prohibits ODJFS from making financial commitments beyond the fiscal biennium (e.g., 7/01/03 through 6/30/05), the contract with the selected vendor will be subject to renewal each biennium. Renewal is at the sole discretion of ODJFS and contingent upon the availability of funds and satisfactory performance by the vendor, and is subject to approval by the Controlling Board. [Please refer to Section 1.10 of the RFP.]

Vendors are required to complete all cost forms for SFYs 05, 06, 07 and 08 for all flat-fee and hourly deliverables as specified in Section 4.2, B. of the RFP. According to current work plans, the selected vendor will perform work on all deliverables in each of the original and renewal contract years.

Q30. Section V, 5.1.B, Phase II. Review - Criteria for Scoring the Technical Proposal - Please elaborate on scoring for the MBE component of the proposal? For example, Attachment B does not include an evaluation component for the MBE contractor. Will the State factor the MBE component into bidders' scores?

A30. If the vendor opts to use an MBE(s) for this project, the MBE (as "subcontractor") and the vendor will be considered as one entity and therefore will not be evaluated separately. The MBE(s) will be required to demonstrate the necessary qualifications as specified in the RFP. Other than the MBE's, or any subcontractor's qualifications for the project (established in Section 2.1), the use of an MBE is score-neutral. [See also answer to Q22.]

Q31. Attachment A, ODJFS Model Contract - Would the State consider alternative language for the model contract? For example, we would like to suggest revisions to the indemnification clause.

A31. It depends. The State of Ohio is prohibited from entering into a contract which indemnifies public entities. Indemnification amounts are usually limited to the value of the contract and/or actual or direct damages, whichever is less. Vendors may submit alternative language to the ODJFS model contract as specified in Item #12 of Attachment D, Required Vendor Information and Certifications. While certain contract clauses may be negotiable, consideration of vendors' proposals will not take into account whether a vendor requests any contract language changes.

Q32. Attachment C, Cost Proposal Form - Would the State consider paying the Contractor's services based on hourly fees, as opposed to deliverables, or another progress-based payment schedule?

A32. Vendor cost proposals must display deliverables pricing in accordance with the cost proposal form (Attachment C), and ODJFS will utilize vendors' completed cost proposal forms, including Attachment F, Total Fiscal Years Cost Summary, in the vendor selection process described in Section 5.1, C.

ODJFS will limit the selected vendor's payment for the accomplishment of each deliverable to the cost indicated on that vendor's cost proposal – either the flat per-deliverable price, or the price based on the proper mix of vendor staff, at their respective hourly rates, multiplied by the maximum number of hours the vendor proposes as necessary for that deliverable.

The selected vendor may invoice for the flat-fee deliverable price (less any performance hold-back amount) following the satisfactory accomplishment of that deliverable.

The vendor may invoice on a monthly basis for the previous month's work done toward the accomplishment of any of the hourly-based deliverables for the number of staff used, and the number of hours each devoted to that work, according to their respective hourly rates (less any performance hold-back), up to the maximum cost for that deliverable as offered by in the vendor's cost proposal. Should the vendor satisfactorily accomplish any of the hourly-based deliverables using fewer hours than offered, those unused hours may, at the discretion of ODJFS, be redirected to other project deliverables through the quarterly updates to the work plan. In no case will ODJFS approve invoices reflecting cost for any hourly-based deliverable that is higher than was offered in the vendor's cost proposal, unless such additional hours/cost were noted and approved by ODJFS in an updated work plan, and are at least equally offset by a reduction (also to be noted in an updated work plan) in the actual cost for one or more other hourly-based deliverables.

If any such deliverable cost changes must occur across SFYs rather than within a single year, those changes must also be specified by ODJFS in the contracts for those years. ODJFS expects that the grand total for all deliverables over all years of

the selected vendor's contract should not exceed the grand total proposed in the vendor's cost proposal for all deliverables, for all possible years of the contract.

As stated in the Note at the conclusion of Section 4.2, B, ODJFS may negotiate the actual payment structure (invoicing structure, schedule, etc.) with the selected vendor.

**THIS CONCLUDES THE QUESTION & ANSWER DOCUMENT
FOR ODJFS RFP#: R-04-07-1036.**