

# State Term Schedule

## INVITATION FOR PROPOSALS (IFP)

**IFP NUMBER: STSJFS04001**  
**DATE ISSUED: January 28, 2004**

The Ohio Department of Job and Family Services (ODJFS) is requesting proposals for the Medicaid Information Technology Assessment Project.

**PROPOSAL DUE DATE AND TIME:** **February 10, 2004, 11:00 A.M., EST**

**SEND PROPOSALS TO:** ODJFS, Office of Ohio Health Plans  
30 East Broad Street, 31st Floor  
Columbus, Ohio 43215

**INQUIRY PERIOD BEGINS:** January 28, 2004

**INQUIRY PERIOD ENDS:** February 5, 2004, 8:00 a.m.

**ESTIMATED PROJECT START DATE:** February 27, 2004

## **PART ONE: PURPOSE, RESTRICTIONS, EVALUATION AND SCOPE OF WORK**

**Purpose.** The Ohio Department of Job and Family Services (ODJFS) (through a partnership of the Office of Ohio Health Plans and the Office of Management Information Systems) is soliciting proposals from vendors with approved State Term Schedules (STS) that are authorized to provide IT/Data related services under their STS. The STS must be approved prior to the proposal due date and time.

ODJFS, through the Office of Ohio Health Plans (OHP), serves as the single state agency responsible for the administration of the Medical Assistance (Medicaid) Program, Title XIX of the Social Security Act, the State Children's Health Insurance Program (SCHIP) and other publicly funded health coverage programs. Ohio's Medicaid program is the sixth largest public health care purchaser in the country providing health care coverage for an estimated 1.8 million Ohioans at a projected cost of nearly \$12 billion in SFY 2004. This represents 75% of all long term care, and constitutes 33% of Ohio's budget expenditures and 76% of ODJFS' budget expenditures. OHP's plans provide essential health care coverage for 1:3 births, 1:4 children, and 1:4 seniors over the age of 85 years. More information about ODJFS can be found at <http://jfs.ohio.gov> and OHP at <http://jfs.ohio.gov/ohp>.

The Medicaid Information Technology System (MITS) project seeks to engage a vendor to complete:

- A) Project Management – of this MITS assessment project;
- B) Business Assessment – of ODJFS' HIPAA project and Medicaid's core business functions to develop gap analysis between business needs and current IT systems and a business case, based in part on the Center for Medicare and Medicaid Services (CMS) Medicaid Information Technology Architecture (MITA), with detailed business requirements;
- C) Technical Assessment – of ODJFS management information systems supporting the Medicaid business, including but not limited to the Medicaid Management Information System (MMIS), Client Registry Information System Enhanced (CRIS-e) to deliver an analysis of gaps between business needs and MIS current state and detailed technical requirements and plans to address these business needs;
- D) Evaluation of Options – to evaluate options including contracting, commercial off the shelf and best of breed systems, to increase OHP's value purchasing capabilities; and
- E) Recommended Business Case – to recommend business and technology options that enable OHP to improve the performance, cost effectiveness and quality of Ohio's health plans.

The current IT systems supporting OHP are twenty (20) year old stand-alone mainframe systems, some client server systems and a decision support system (DSS). The MMIS is a state operated claims adjudication system that was purchased from Consultec, Inc. in 1984 and implemented in 1986, and today processes both Medicaid and County Disability Claims. Medical service providers submit claims and are reimbursed for eligible services rendered to eligible recipients based on ODJFS and federal policy. Client eligibility is determined through CRIS-e, which is also a legacy system used by 15,000 caseworkers and administrators in support of the state and federal programs for Ohio Works First (OWF); Prevention, Retention and Contingency (PRC); Food Stamps (FS); Temporary Assistance for Needy Families (TANF) and Medicaid benefits to eligible Ohio recipients. The system also determines Medicaid eligibility for foster care and adoption assistance for children interfacing with Ohio's child welfare systems. Core operations in support of these users include application intake, eligibility determination, and issuance of benefits to clients. Other IT systems supporting OHP's business include the Medstat DSS, a long term care facilities rate system and managed care management and reporting system.

The contract will be valid from award until June 30, 2004. The State may renew the contract within the next fiscal year to complete the scope of work described in this IFP.

**Budget Estimate:** The budget is not to exceed \$1,000,000.

**Restriction:** The Contractor selected through this IFP process will NOT be eligible to respond to procurements for the main Medicaid Information Technology Systems (MITS) installation and post implementation support work. This contract is for the assessment phase of this project. Other project

phases for which this vendor may be eligible, if ODJFS would seek additional vendor services, might include technical review of any future RFP, project management activities, and/or independent validation and verification functions.

**Evaluation.** In the proposal evaluation phase, the committee will rate the proposals submitted in response to this IFP based on the Offeror Profile, Candidate Information, Solution, and Quote sections of this IFP.

**Basis for Selection:** The Contractor that provides the best value to the State will be selected. Best value will be determined by reviewing the offeror and Staff's qualifications and experience, the proposed plan for completing the work, the cost and the offeror and proposed staff's previous work performance.

**Scope of Work (High-level Description of Main Tasks of the Project).** The Contractor must complete the following activities for the project:

**A. Project Management**

The Contractor must provide project management for the duration of the project. The Contractor must adhere to the proposed project schedule and provide weekly and monthly status reports that document at a minimum the progress, issues and next steps for the project. Additionally, the Contractor must provide ODJFS OHP with a project budget and maintain logs for project issues and risks. The required deliverables are listed below:

<b>A.D Project Management Deliverables</b>
<ul style="list-style-type: none"><li>• Project Schedule</li><li>• Project Budget</li><li>• Project Status Reports (Monthly- Steering Committee, Weekly- State Project Manager)</li><li>• Issues Log</li><li>• Risk Lists and Risk Response Log</li></ul>

**B. Business Assessment** – This would consist of:

**B.1 HIPAA Assessment & Validation:** The contractor must be responsible for the assessment and validation of the current HIPAA project being implemented at ODJFS. The required tasks and deliverables are listed below:

<b>B.1. T HIPAA Assessment Tasks (not to exceed a duration of six weeks)</b>
<ol style="list-style-type: none"><li>1. Assess HIPAA project management implementation to identify critical success factors for full HIPAA compliance focusing on:<ol style="list-style-type: none"><li>a. Project organization and staff competency development,</li><li>b. Managing project requirements, deliverable quality and risks,</li><li>c. Project planning, scheduling, testing and reporting.</li></ol></li><li>2. Assess current business processes and staff competencies to determine how maximum benefit can be achieved through HIPAA compliance and/or through new system development.</li></ol>

**B.1.D1 HIPAA Assessment Deliverables**

1. Assessment – Findings
2. Validation – Results
3. Recommendations – HIPAA Validation, and Future OHP & MIS Project Management Lessons Learned

The recommendations should also answer the following questions: How is Ohio's HIPAA project implementation in comparison to other states? What are the critical success factors in achieving full HIPAA compliance and best practices in leveraging these changes for new system development? What business processes will be improved through HIPAA compliance and what should be targeted for new system development?

**B2 Medicaid Core Business Process Assessment** - The contractor must assess current Medicaid business activities, recommend "To Be" business processes, flow and reengineering requirements, develop gap, cost/benefit and impact analysis, and develop detailed business requirements. The required tasks and deliverables are listed below:

**B2.T Medicaid Core Business Process Assessment tasks**

Assess OHP's core business processes and develop gap analysis between:

- current MMIS and CRIS-e systems, maintenance and project management or development environment, MIS staff support of OHP business needs;
- current and future required staff competencies;
- current MMIS and CRIS-e systems, functionality and change management;
- ODJFS' current architecture \* and CMS MITA functionality; and
- Current MMIS and Eligibility support systems.

The core Medicaid business processes are listed below in order of priority (for purposes of this project i.e. MITS assessment) :

1. Eligibility and Enrollment
2. Third Party Liability
3. Financial Management Services and Reporting
4. Claims Financial Reporting
5. Service Prior Authorization (PA) and Referral Processing
6. Long Term Care Processing
7. Eligibility Verification System (EVS) and Electronic Claims Management
8. Automated Systems Training and Integrated Test Facility (ITF)
9. Provider Enrollment and Database Management
10. Contract Management
11. Benefits Administration and Database Management
12. Member Services
13. Reference Database Management
14. Claims Pricing and Adjudication Processing
15. Pharmacy Benefit Management Services
16. Drug Rebate
17. Managed Care
18. Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Tracking, Monitoring, and Reporting
19. Management and Administrative Reporting System (MARS)
20. Quality Control and Surveillance and Utilization Review
21. Data Warehouse and Decision Support System/Executive Information System (DSS/EIS)
22. Claims submission Medium– Paper (including claims entry), Electronic Data Interchange (EDI) & Web

**B2.D Medicaid Core Business Process Assessment Deliverables**

1. Assessment - High level "As Is" Business Activities which should also document Current core activities and processes
2. Identification - "To Be" Business Processes and Flow Reengineer and Requirements
3. Analysis - Gap, Cost/Benefit and Impact
4. Recommendations – Business Process Reengineering which should include Recommended process flow
5. Detailed Business Requirements – for the proposed MITS system

**C. Information Technology (IT) Assessment and Evaluation** – Contractor will be responsible for conducting a technical assessment with gap analysis and documenting detailed technical requirements of the Medicaid enterprise business requirements (identified in section B2.T above) and MITA initiative. The required tasks and deliverables are listed below:

**C.T IT Assessment & Evaluation Tasks**

1. Gap Analysis – identify technology gaps in the following areas:
  - i. Current market based solutions and MITA,
  - ii. ODJFS/State of Ohio technology enterprise architecture and MITA, and
  - iii. ODJFS/State of Ohio technology enterprise architecture and market based solutions.
2. Technical System Requirements – develop detailed system requirements of the business needs for the entire Medicaid enterprise (including eligibility and enrollment, financial management, and transitioning entire system to electronic environment) and all functions in the CMS MITA framework
3. Recommend Options – recommend Commercial off the Shelf (COTS) and/or Best of Breed (BOB) components, systems, and/or other contracting, leasing or purchasing options, including analysis of the advantages and disadvantages, and costs and benefits of each recommendation from a strategic, operational and technical perspective,
4. Conversion Issues – between legacy environment and MITS/MITA requirements

**C.D Assessment Deliverables**

1. Gap Analysis
2. Technical System Requirements
3. Recommended Options
4. Conversion Requirements

**D. Evaluation Of Options** – The contractor must be responsible for performing cost/benefit analysis for business process reengineering and technical system options (commercial-off-the-shelf or best-of-breed) to improve performance, value purchasing and cost management. The required tasks and deliverables are listed below:

<b>D.T Assessment &amp; Validation tasks</b>
<ol style="list-style-type: none"> <li>1. Total Cost of Ownership (TCO) Estimate</li> <li>2. Return on Investment (ROI) Analysis               <ol style="list-style-type: none"> <li>a. Quantitative analysis of operational improvements</li> <li>b. Period of 15 years.</li> </ol> </li> <li>3. Analysis of range of MITS management options, including:               <ol style="list-style-type: none"> <li>a. Current state of outsourced business functions and staff competencies,</li> <li>b. Assessment of costs and benefits of options ranging from complete outsourcing (i.e. fiscal agent), to contracting or leasing options, to purchase options, to state operated management.</li> </ol> </li> <li>4. Financial (cost/benefit) Analysis               <ol style="list-style-type: none"> <li>a. Business process reengineering (BPR) cost and savings by business function</li> <li>b. Technology investment – recommended in IT Assessment and Evaluation</li> <li>c. Other Financial Metrics - Net Present Value (NPV), Internal Rate of Return (IRR), and Payback Period</li> </ol> </li> </ol>

<b>D.D Evaluation of Options Deliverables</b>
<ol style="list-style-type: none"> <li>1. Detailed Business Case –including Total Cost of Ownership estimate, Return of Investment (ROI) Analysis , Financial Analysis, Options in pursuing various approaches to systems with pros and cons</li> <li>2. Contract Management Options – including analysis of range of MITS management options</li> </ol>

**E. Recommendation** – The contractor must be responsible for providing the final recommendations. The required tasks and deliverables are listed below :

<b>E.T.1 Recommendation tasks</b>
Compile Recommendations for <ol style="list-style-type: none"> <li>1. Business Assessment</li> <li>2. Technology Assessment</li> <li>3. Evaluation of Options</li> </ol>

<b>E.D.1 Recommendation Deliverables</b>
<ol style="list-style-type: none"> <li>1. Final recommendations document</li> </ol>

**PROJECTED HI-LEVEL TIMELINE FOR THE PROJECT**

ID	Task Name	Start	Finish	Deliverable
1	Hi-level Business Process Assessment	Mon 3/8/04	Tue 6/15/04	HIPAA Assessment Findings, HIPAA Assessment Validation, HIPAA Assessment Recommendations, Business Process As-Is & To-Be, Gap Analysis, Cost Benefit & Impact, BPR Recommendations
2	Hi-level Technology Assessment	Thu 4/15/04	Tue 6/15/04	Technical As-is, Gap Analysis, Recommended Options, Conversion Requirements
3	Evaluation of Options and Business Case Development	Tue 6/1/04	Wed 6/30/04	Detailed Business Case with Evaluation of Options, Contract Management Options
4	Draft Detailed Business & Technical requirements	Thu 7/1/04	Fri 10/1/04	Detailed Business/Functional requirements for the recommended system, Detailed Technical Requirements for the recommended system, Conversion Requirements

**Work Hours & Conditions.** Contractor is required to work with Ohio Department of Job and Family Services' staff. The Ohio Department of Job and Family Services normal working hours are 8:00 a.m. to 5:00 p.m. with a one-hour lunch period for a total of eight working hours per day. Contractor may have to work under unusual working conditions which may include operation of a computer terminal for long periods of time, working in excess of eight hours per day, working on Saturdays, Sundays and State holidays.

**Reimbursable Expenses.** None.

**Bill to Address.** The contractor must submit invoices in quadruplicate (1 original and 3 copies) for completed services by the first business day of each month to the bill to address on the purchase order. Contractor's federal tax identification number and purchase order number must appear on all statements and time sheets. One copy of the PRIOR APPROVED time sheets must be submitted with the invoice. The provisions of Ohio Revised Code, Section 126.30 will also apply to any contract between the parties.

## PART TWO: IFP INQUIRIES, AMENDMENTS AND FORMAT

**Inquiries and Amendments.** Offerors may make inquiries regarding this IFP any time during the inquiry period listed on the IFP cover sheet. The State may not respond to any improperly formatted inquiries. The State will try to respond to all inquiries within 48 hours, excluding weekends and holidays. The State will not respond to any inquiries received after 8:00 a.m. on the inquiry period end date. The State may extend the proposal due date through an amendment on the State Procurement Web site. Amendments may be provided one business day prior to the proposal opening date.

**Internet Inquiries** - Offerors may make inquiries regarding this IFP any time during the inquiry period listed on the IFP cover page. To make an inquiry, offerors must use the following process:

- Access the State Procurement web site at <http://www.ohio.gov/procure>;
- From the Navigation Bar on the left, select "Find it Fast";
- Select "Doc/Bid/Schedule #" as the Type;
- Enter the IFP Number found on Page 1 of the document;
- Click the "Find It Fast" button;
- On the document information page, click the "Submit Inquiry" button;
- On the document inquiry page, complete the required "Personal Information" section by providing:
  - First and last name of the prospective offeror's representative who is responsible for the inquiry,
  - Name of the prospective offeror,
  - Representative's business phone number, and
  - Representative's e-mail address;
  - Type the inquiry in the space provided including:
    - A reference to the relevant part of this IFP,
    - The heading for the provision under question, and
    - The page number of the IFP where the provision can be found; and
  - Click the "Submit" button.

Offerors submitting inquiries will receive an immediate acknowledgement that their inquiry has been received as well as an e-mail acknowledging receipt. Offerors will not receive a personalized e-mail response to their question nor will they receive notification when the question has been answered.

Offerors may view questions and answers using the following process:

- Access the State Procurement web site at <http://www.ohio.gov/procure>;
- From the Navigation Bar on the left, select "Find it Fast";
- Select "Doc/Bid/Schedule #" as the Type;
- Enter the IFP Number found on Page 1 of the document;
- Click the "Find It Fast" button;
- On the document information page, click the "View Q & A" button to display all inquiries with responses submitted to date.

**The State is not responsible for the accuracy of any information regarding this IFP that was gathered through a source different from the inquiry process described above.**

**Proposal Format.** Each proposal must be organized in the same format as described below. Any material deviation from the format outlined below may result in a rejection of the non-conforming proposal. Each proposal must contain an identifiable tab sheet preceding each section of the proposal.

**Cover Letter  
Offeror Profile**

**Candidate Information  
Quote  
Solution**

**The State will not be liable for any costs incurred by any offeror in responding to this IFP, even if the State does not award a contract through this process. The State may decide not to award a contract for the work. It may also cancel this IFP and contract for the work through some other process or by issuing another IFP.**

**Cover Letter.** The cover letter must provide the following and be signed by an individual authorized to legally bind the offeror.

- a. A statement regarding the offeror's legal structure (e.g., an Ohio corporation), Federal tax identification number, and principal place of business;
- b. The name, phone number, and fax number of a contact person who has authority to answer questions regarding the proposal.

**Offeror Profile.** The offeror must include five (5) references where it has demonstrated successful completion of a similar project with the following information:

- Name of the organization;
- Project details; and
- Contact/Project Manager including name, phone number and e-mail address.

The offeror must provide project references that clearly demonstrate how the offeror meets the following offeror experience requirements.

<b>Requirements</b>
Must have demonstrated experience with at least three (3) similar assessment projects for State Medicaid Agencies in the United States
Must have demonstrated experience with developing Business Requirements for Medicaid Information Technology systems
Must have demonstrated experience with fiscal agency analysis and recommendations for State Medicaid agencies
Familiarity and experience with the Medicaid Information Technology Architecture (MITA), project being executed by Center for Medicaid Services (CMS) and MITA business model
Familiarity and experience with MMIS system acquisitions in other Medicaid State Agencies in United States
Familiarity and experience with Commercial off the Shelf software (COTS) and Best of Breed MMIS systems being offered by the vendor community across United States

Each reference must be willing to discuss the offeror's performance with the evaluation committee.

**Candidate Information.** Offerors must provide resumes for candidates that will work on the project and will be available for the project.

All candidates must pass a background check.

**Quote.** Offeror must provide its quote on company letterhead. Offeror must provide the total cost estimate and resource plan for the work outlined in the deliverables, including part number, if applicable, position description, hourly rate and page number according to the offeror's current State Term Schedule.

**Solution.** Offeror must provide its suggested solution and project schedule (including a work breakdown structure, dates, resources and cost), for performing the scope of work outlined in the deliverables.

**PART THREE: PROPOSAL SUBMITTAL**

**Proposal Submittal.** Each offeror must submit three (3) complete, sealed, and signed copies of its proposal, and each proposal must be clearly marked "**Medicaid Information Technology Assessment Project #STSJFS04001**" on the outside of its envelope.

All proposals and other material submitted will become the property of the State and may be returned only at the State's option.

**Rejection of Proposals** The State may reject any proposal that is not in the required format, does not address all the requirements of this IFP, or that the State believes is excessive in price or otherwise not in its interest to consider or to accept. In addition, the State may cancel this IFP, reject all the proposals, and seek to do the work through a new IFP or other means.

The State may reject late proposals regardless of the cause for the delay.

**The State will reject any Proposal that takes exception to the terms and conditions and/or pricing of the State Term Schedule.**

**SUPPLEMENT 1**

<b>*Current ODJFS Architecture</b>		
<b>Category</b>	<b>Distributed</b>	<b>Mainframe</b>
Development Environment	WebSphere Studio Application Developer, WebSphere Studio Enterprise Developer, Dimensions PVCS, Dimensions Change Management, ERWIN Data Modeler	Telon, SLCM
Security	Novell LDAP	RACF
Productivity Tools	MS Office Suite, Novell Groupwise	
Operating System	IBM AIX, Microsoft NT, Microsoft XP	OS 390 (MVS)
Database Engines	Oracle, DB2	IMS DB/DC, DB2
Programming Languages	Java	MVS Cobol
Framework Architecture	J2EE, MVC, STRUTS	
Middleware	IBM MQ, JDBC	OTMA, IBM MQ
Application Server	IBM WebSphere Application Server	OS 390
Presentation	MS Internet Explorer, Netscape browsers	CICS/MVC, Jacada