NEW YORK STATE | Office of the Medicaid Inspector General

ANDREW M. CUOMO
Governor

THOMAS R. MEYER
Acting Medicaid Inspector General

February 27, 2015

The New York State Office of the Medicaid Inspector General (OMIG) released solicitation OMIG 14-03 for the provision of Medicaid Recovery Audit Contractor Services on January 23, 2015. Prospective Offerors were given the opportunity to submit questions regarding the Request for Proposal (RFP). Three (3) vendors submitted questions to the OMIG. Below, is the OMIG's official response to those questions that were received.

1. "Would NY consider providing PDF or Word files (currently pictures are included) of the forms required for submission?"

   OMIG Response – *Attached, in fillable PDF format, are all forms that must be completed to be in compliance with the terms of this RFP. For future reference, all necessary forms may be found on the OMIG's website at the following address: http://www.omig.ny.gov/resources/forms-appendices.*

2. "What percentage of the current Medicaid dollars are paid to Managed Care Organizations in NY versus Fee-For-Service? What is the State's projection for the future (i.e., next five years) of managed care enrollment?"

   OMIG Response – *In 2014, 51.6% total Medicaid dollars were paid to Managed Care Organizations, in 2013 it was 47% and in 2012 it was 39.2%. The NYS DOH has a goal of 95% of all Medicaid enrollees in Managed Care over the next five years.*

3. "Does the OMIG have a recovery claims database that the contractor can access to ensure that the same claims are not already under review to avoid duplication of auditing efforts?"

   OMIG Response – *The OMIG does have a database that may be accessible to the Contractor.*

4. "How will the OMIG provide the contractor with claims, provider, recipient, and reference file data? Would the contractor have access to data repositories/warehouse?"

   OMIG Response – *The OMIG will provide the Contractor access to claims via the Medicaid data warehouse, New York State Department of Health datamart, and the paid claims file from the MMIS. The Contractor will have the ability to query the data warehouse. Yes, there are flat files with packed fields.*

5. "What is the State's process to determine recovery of managed care claims?"

   OMIG Response – *The OMIG conducts reviews/audits of managed care monthly and supplemental capitation payments to ensure that the managed care plan was entitled to receive payment. If the payments were made in error the OMIG issues draft/final audit reports and recovers the payments.*

6. "Will OMIG pay a separate fee to the contractor to educate provider and identify vulnerabilities or gaps between policy and the system edits?"

   OMIG Response – *No, the OMIG will not pay a separate fee to the Contractor to educate provider and identify vulnerabilities or gaps between policy and the system edits. All costs associated with the fulfillment of the requirements of the Contract must be considered by the Offeror when developing its financial proposal.*

7. "Will OMIG allows recovery from providers on issues identified by the contractor that are also part of educating the provider?"

   OMIG Response – *All Non-TPL overpayments may be recovered with the OMIG's approval of the workplan.*

8. "Does the OMIG require that the medical director be licensed in the State of NY?"

   OMIG Response – *No, the OMIG does not require that the medical director be licensed in the State of NY.*

9. "Can the OMIG please provide information about workloads for the existing RAC contractor? (i.e., number of reviews/claims, number of providers involved, value of erroneous payments identified, and payments recovered)"

   OMIG Response – *For SFY 2013-14, 821 reviews were completed. For the same period, there were $32 million in overpayments identified, and $3.8 million in underpayments identified. Approximately $36 million was recovered.*

10. "What would be the expected minimum number of staff and what types of staff would be required to work in NY office to be established within 15 miles of the OMIG Headquarters?"

    OMIG Response – *At a minimum, the Project Manager and a backup available for questions and meetings would be required to work in the NY office that is established within 15 miles of the OMIG Headquarters.*

11. "What would be the defining need that would require an onsite audit?"

    OMIG Response – *The size of the Aged Trial Balance reports and the number of accounts, location of provider, provider's preference as well as the expense vs potential recovery are all considerations for conducting an on-site audit.*

12. "Are drugs carved out of the managed care benefit?"

    OMIG Response – *No, drugs are not carved out of the managed care benefit.*

13. "If the contractor determines that an underpayment exists, how is the contingency fee calculated?"

    OMIG Response – *The contingency fee is calculated at the same rate as an overpayment multiplied by the identified underpayment amount.*

14. "Does the Contractor receive a contingency fee for self-reported overpayments by the provider if the overpayments stem from the contractor's audit?"

    OMIG Response – *Yes, the Contractor may receive a contingency fee for self-reported overpayments by the provider if the overpayments stem from the contractor's audit as long as the report was made using the Contractor's provider web portal.*

15. "Under the "Office and Staffing Requirements" section of the RFP (Pg. 28) it is stated that, "The offerer shall establish an office within 15 miles of the headquarters of the OMIG." What will be the primary function of this location? What percentage of the audits work is expected to be performed there?

    OMIG Response – *The primary function is having management interact on a daily basis if necessary with the OMIG's Bureau of Third Party and Contract Review. Oversight of all review work is expected to be at that location; however, actual reviews do not need to be performed there.*

16. "Can the OMIG give a full list of the responsibilities that are expected of the Lawyer licensed to practice in NY? Can this lawyer be utilized on a contractual basis when needed or must they be on staff 100% of the time?"

    OMIG Response – *It is not necessary that a lawyer be on staff 100% of the time. However, one needs to be available when legal issues arise on a case by case basis.*

17. "Can OMIG give an estimated count of claims available for review for each of the provider types given in the "Pertinent Statistics" section of the RFP?"

    OMIG Response – *The OMIG can give an estimated count of claims available for review for each of the provider types given in the "Pertinent Statistics" section of the RFP. Please refer to the table on the final page of this Q&A for supporting information.*

18. "Is there an abrasion limit for record request per provider campus?"

    OMIG Response – *There is no set, or definite, abrasion limit. This matter is addressed on a case-by-case basis.*

19. "Given that the majority of the 2013 spend came from capitated providers, what percentage of the audit is expected to be comprised of capitated claims?"

    OMIG Response – *Based on recent managed care model contract language changes, allowing expanded abilities to recover, the OMIG estimates 50% of the audits will be based on encounter claims, 40% on Fee-For-Service, and 10% on capitation payments.*

20. "Inpatient Hospital complex reviews are out-of-scope for this review. Will the RAC be able to perform Semi-Automated reviews for Inpatient Hospital claims?"

    OMIG Response – *Yes, the RAC will be able to perform Semi-Automated reviews for Inpatient Hospital claims based upon coordination and approval with the OMIG.*

21. "If a provider self-discloses an improper payment after the RAC has issued a medical record request and or findings letter, will the RAC still receive credit for the improper payment?"

    OMIG Response – *Yes, the RAC will receive credit for an improper payment if a provider self-discloses one after the RAC has issued a medical record request and or findings letter as long as the self-disclosure is submitted through the Contractor's provider web portal.*

22. "In reference to RFP Page 2**,** Is the Bidder to submit the completed Intent to Offer or Not to Offer with its proposal or should this completed form be submitted to the OMIG in advance of the proposal submission deadline? If yes, please provide the submission instructions and submission deadline."

    OMIG Response – *For this RFP, the Intent to Offer or Not to Offer form may be submitted in lieu of a proposal, if you do not intend to submit a proposal but would like to remain on the OMIG's Bidder's List. If you are submitting a proposal, you are not required to submit the Intent to Offer or Not to Offer form.*

23. "In reference to RFP Section II.A, Throughout the RFP, "improper payment" is used to refer collectively to overpayments and underpayments that are not subject to Third Party Liability (TPL) recoveries that will be reviewed under a separate contract.

    Will the OMIG please specify if a Credit Balance review, which may result in identifications of both TPL and non-TPL related overpayment, be considered a RAC audit?"

    OMIG Response – *A Credit Balance review, which may result in identifications of both TPL and non-TPL related overpayments, may not be considered, in its entirety, a RAC audit. In accordance with the terms of this RFP, only the non-TPL overpayments that are identified during a Credit Balance review may be considered a RAC audit. The OMIG's TPL recoveries will be handled under a separate contract.*

24. "In reference to RFP Section II.C.4, **I**t is our understanding that the CMS requirement excludes previously audited claims from being re-reviewed.

    Does the OMIG agree that TPL coordination is not an audit and that such claims could still have another, unrelated overpayment that should be recovered by RAC?"

    OMIG Response – *Yes, the OMIG agrees that TPL coordination is not an audit and that such claims could still have another, unrelated overpayment that should be recovered by RAC.*

25. "In reference to RFP Section II.D,

    To fulfill the scanning requirement; is it acceptable to provide the ability for providers to load electronic images/documents to the portal?"

    OMIG Response – *Yes, to fulfill the scanning requirement, it is acceptable to provide the ability for providers to load electronic images/documents to the portal.*

26. "In reference to RFP Section II.F, This requirement states, "The Contractor will build and maintain a Recovery Claims Database. The database should be a free standing system where Medicaid claim details recovered by the Contractor can be accessed by the OMIG to minimize duplication of effort among all the entities performing audits and review work."

    If an Offeror already has a proprietary claims database that is not a free standing system, but that meets all other requirements, will the OMIG accept this solution and agree that all rights of ownership of the Offeror's database will remain solely with the Offeror?

    This question assumes that the OMIG will be able to use the Database for the term of the Contract and that the claims data in said Database belong to the OMIG."

    OMIG Response – *If an Offeror already has a proprietary claims database that is not a free standing system, but that meets all other requirements, the OMIG will accept this solution and agrees that all rights of ownership of the Offeror's database will remain solely with the Offeror on the condition that the OMIG will be able to use the Database for the term of the Contract and that the claims data in said Database belongs to the OMIG.*

27. "In reference to RFP Section II.F.11, This requirement states, "All data files and programs created under this project shall be the sole property of the State and, upon request, must be provided to the OMIG in a format approved by the OMIG."

    Will the OMIG please clarify what is meant by the term "programs" in this sentence? Also, will the OMIG confirm that it does not refer to computer programs that operate the RAC Recovery Claims Database which are proprietary and solely owned by the Offeror?"

    OMIG Response – *"Programs" in this context means claim data and query results. "Program" does not refer to computer programs that operate the RAC Recovery Claims Database which are proprietary and solely owned by the Offeror.*

28. "In reference to RFP Section VII.F.2.a, This requirement states, "The Contractor shall work closely and cooperatively with the OMIG and the successor Contractor to transfer appropriate software, records, and other items deemed necessary by the OMIG, and to ensure uninterrupted services to providers and the OMIG during the transition period. This includes concluding all unresolved reviews initiated prior to the conclusion of the contract, attending any hearings resulting from the Contractor's assessments during the course of the contract, and defending the State's position at hearings pending final payment."

    Will the OMIG please add the term "non-proprietary" to the reference to "software" in this requirement in the Transition Plan to clarify that the Contractor will not be required to transfer its proprietary software to another vendor or the OMIG?"

    OMIG Response – Yes, t*he OMIG will add the term "non-proprietary" in reference to "software" in Section VII.F.2.d in the resultant Contract*.

29. “In reference to RFP Section VII.G, This requirement states, “The OMIG Confidential Information includes but is not limited to: (i) the meaning ascribed to "Nonpublic Personal Information” in Title V of the Gramm-Leach-Bliley Act of 1999 ("GLBA") or any successor Federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time, as it relates to the OMIG's consumers; (ii) "Protected Health Information (PHI)" as such term is defined in the Health Insurance Portability and Accountability Act of 1996, or any successor Federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("HIPAA"); and (iii) any personally identifiable or other information protected under any other applicable State or Federal statute, rule or regulation. All material made available to the Contractor or its staff will remain the property of the OMIG. In addition, the Contractor, subcontractor and staff shall maintain the confidentiality of all material, including the identity of any parties and content of any material to which they are exposed or have access. **All improvements to applications and processes developed at the OMIG's expense and within the scope of the services provided to the OMIG shall be the sole and exclusive property of the OMIG.** The Contractor will not divulge, disclose or furnish to any other party the information or processes utilized at the OMIG, disclosed to the Contractor, or developed by the Contractor or another during the course of the project unless such information is in the public domain. Any request for information from third parties shall be reported to the OMIG in writing within twenty-four (24) hours. News releases pertaining to this Agreement will not be made without prior State approval and then only in conjunction with the OMIG.”

    Will the OMIG remove the bolded sentence from this paragraph regarding Confidentiality?

    The sentences seems misplaced and if removal is not agreeable, revise the statement to read as follows: “All improvements to applications and processes developed exclusively for the OMIG and for which Contractor has been separately compensated by the OMIG, and within the scope of the services provided to the OMIG, shall be the sole and exclusive property of the OMIG.” An Offeror may make improvements to its applications and processes that are not specific to the OMIG on which case the Offeror would retain sole ownership of the applications and processes and retain all intellectual property rights related thereto.”

    OMIG’s Response – *No, all costs associated with the fulfillment of the requirements of the Contract must be considered by the Offeror when developing its financial proposal. This may include improvements to applications and processes developed exclusively for the OMIG in order to more appropriately meet those requirements. This section is referring only to those processes that are developed in order to fulfill the terms of the RFP and any improvements that might be required in order to continue to fulfill the terms as the Contract Term advances. Additional processes that would require separate compensation do not fall within the scope of this RFP.*

30. “In reference to RFP Appendix H, Section VI.(c)(2) and RFP Appendix K, Section VI.(c)(2), The requirements in these sections state, “(2) In the event that the Covered Program determines that returning or destroying the Protected Health Information is infeasible, the Business Associate shall provide to the Covered Program, notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, the Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as the Business Associate maintains such Protected Health Information.” and “(2) In the event that the OMIG determines that returning or destroying the Protected

Health Information is infeasible, the Contractor shall provide to the OMIG, notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, the Contractor shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as the Contractor maintains such Protected Health Information."

Is there a typographical error in the Business Associate Agreement?

It is our understanding that the RFP should instead read "In the event that the Business Associate determines . . ." since the Business Associate would be the entity who would make this determination and then provide notice to the Covered Program. Will the OMIG make the appropriate change to this section?"

OMIG Response – *The OMIG agrees to modify the language of Appendix H, Section VI.(c)(2) and Appendix K, Section VI.(c)(2) to:*

Appendix H, Section VI.(c)(2)
"(2) In the event that returning or destroying the Protected Health Information is infeasible, the Business Associate shall provide to the Covered Program, notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, the Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as the Business Associate maintains such Protected Health Information."

Appendix K, Section VI.(c)(2)
"(2) In the event that returning or destroying the Protected Health Information is infeasible, the Contractor shall provide to the OMIG, notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, the Contractor shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as the Contractor maintains such Protected Health Information."

Data to support the OMIG's Response to #17

Claims Paid by Provider Type Code for 2013 Dates of Payment
Sorted Descending by Amount Paid

Description	Claims
CHILD CARE INSTITUTION	855,710
NURSE	4,125,936
DENTIST	14,292,489
MEDICAL APPLIANCE DEALER	3,523,978
LABORATORY	24,720,242
CLINICAL PSYCHOLOGIST	676,908
THERAPIST	2,917,527
OPTICIAN	743,838
PODIATRIST	1,538,904
OPTOMETRIST	1,838,758
PHYSICIANS GROUP	6,518,608
DENTAL SCHOOL CLINIC	2,535
MULTI-TYPE GROUP	1,010,257
THERAPY GROUP	269,155
CLINICAL SOCIAL WORKER (CSW)	353,530
CHIROPRACTOR/PORT-XRAY-SVC - QMB SERVICES	104,620
PODIATRIST GROUP	43,621
DENTAL GROUPS	75,689
Total	**601,416,659**