



STATE OF ALASKA
Department of Health and Social Services
Division of Health Care Services
3601 C Street, Suite 578
Anchorage, AK 99503

Request For Proposals

RFP Number: 2012-0600-1109

Date of Issue: June 6, 2012

Medical Assistance provider Audits

The purpose of this solicitation is to conduct onsite audits and desk audits statewide in Alaska in compliance with the requirements of AS 47.05.200

Offerors Are Not Required To Return This Form.

Important Notice: If you received this solicitation from the State of Alaska's "Online Public Notice" web site, you must register with the procurement officer listed in this document to receive subsequent amendments. Failure to contact the procurement officer may result in the rejection of your offer.

Lois Blastick
Procurement Officer
Department of Name

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SECTION ONE INTRODUCTION AND INSTRUCTIONS

1.01 Return Mailing Address, Contact Person, Telephone, Fax Numbers and Deadline for Receipt of Proposals

Offerors must submit an original and four, unbound copies of their proposal, in writing, in a sealed envelope to the procurement officer. **Submit only one Cost Proposal in a separate, sealed envelope. No portion of the cost proposal shall be included within the body of the proposal.** Include with your proposal packet a CD containing electronic copies of the Proposal and Cost Proposal as separate documents. Submissions must be addressed as follows:

Department of Health and Social Services
Division of Health Care Services
Attention: **Lois Blastick**
Request for Proposal (RFP) Number: **2012-0600-1109**
Project name: **Medical Assistance Provider Audits**
3601 C Street, Suite 578
Anchorage, AK 99503

Proposals must be received no later than 4:00 P.M., Alaska Time on July 24, 2012. Fax proposals are not acceptable. Oral proposals are not acceptable.

Important Note: There is **no** overnight express mail delivery to Juneau, Alaska. Expedited mail service takes at least two nights.

An offeror's failure to submit its proposal prior to the deadline will cause the proposal to be disqualified. Late proposals or amendments will not be opened or accepted for evaluation.

PROCUREMENT OFFICER: **Lois Blastick**— PHONE **907-269-3002**- FAX **907-269-7829** - TDD **907-465-3196**

The State of Alaska provides one Request for Proposal (RFP). Additional RFPs may be purchased for the cost of reproduction, \$.25 per page.

1.02 Contract Term and Work Schedule

The contract term and work schedule set out herein represents the State of Alaska's best estimate of the schedule that will be followed. If a component of this schedule, such as the opening date, is delayed, the rest of the schedule will be shifted by the same number of days.

The length of the contract will be from the date of award, approximately **October 1, 2013 through September 30, 2014**, the State reserves the right to exercise up to five (5) one (1) year optional renewals at the State's discretion.

Unless otherwise provided in this RFP, the State and the successful offeror/contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least 30-days before the desired date of cancellation.

The approximate contract schedule is as follows:

- Issue RFP June 6, 2012,

- Deadline for Receipt of Proposals July 24, 2012,
- Proposal Evaluation Committee complete evaluation by August 3, 2012,
- State of Alaska issues Notice of Intent to Award a Contract August 10, 2012,

1.03 Purpose of the RFP

The Department of Health and Social Services, Program Integrity section, is soliciting proposals to conduct on-site audits and desk audits statewide. For the first year of the contract, 80 audits will be required of the contractor. In subsequent years, the number of audits may vary in accordance with the requirements of Alaska Statute 47.05.200. The purpose of the audits include ensuring provider compliance with state and federal policies, regulations and statutes, recovering overpayments, supporting the investigation and prosecution of violations of criminal statutes and protecting the Medicaid program from inappropriate expenditures resulting from fraud, waste, abuse or misuse. To this end, the on-site audits and desk audits are utilized to determine:

1. that the services billed by providers on claims documents were actually provided to Medicaid recipients who were eligible at the time that services were delivered;
2. that the services, procedure codes, and number of units for which claims were submitted reconcile with the recipient's medical chart record of the services rendered, and the services were medically necessary;
3. That the stop and start times are documented for all time based codes;
4. that the diagnoses recorded on the claim forms reconcile with the medical charts;
5. that the provider records substantiate that the services were rendered on the dates for which the claims were submitted;
6. that the provider followed Medicaid rules and appropriately billed all third party payers, applied proper co-payment and recipient cost-of-care as required;
7. that no duplicate billings and/or payments were made or received by the provider;
8. that no concurrent inpatient, nursing facility or other residential care billings exist with other Medicaid providers;
9. that the provider obtained appropriate authorization for services as applicable;
10. that billings and/or payments did not exceed applicable service limits or 24 hours of service in one day;
11. that the place of service code billed was accurate for the site at which the service was provided (inpatient hospital, office visit, etc.);
12. that Medicaid-eligible medical providers were enrolled with Alaska Medicaid at the time of service; and,
13. that the providers complied with their Alaska Medicaid Provider Agreement to identify and quantify overpayments and to detect all possible violations of Alaska and federal policies, regulations and criminal statutes.

The audits conducted under the resulting contract must meet the requirements of AS 47.05.200.

1.04 Budget

Department of Health and Social Services, Division of Health Care Services, estimates a budget of \$6,360,000.00 dollars for completion of this project two years with five one-year optional annual renewals. Proposals priced at more than **\$6,360,000.00** and **\$11,357.00 per audit** will be considered non-responsive.

1.05 Location of Work

The on-site audits will be conducted statewide, as well as out-of-state, at the location of the provider being audited. Desk audits will be completed at a site chosen by the contractor. The State will not provide work space for the contractor. The contractor must include in their price proposal the costs of making necessary on-site trips within the State and, if necessary, to providers located out of state.

The state **WILL NOT** provide workspace for the contractor. The contractor must provide its own workspace.

By signature on their proposal, the offeror certifies that:

- (a) all services provided under this contract by the contractor and all subcontractors shall be performed in the United States; and
- (b) the offeror is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report.

The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <http://www.state.gov/g/tip/>

Failure to comply with (a) or (b) of this requirement will cause the state to reject the proposal as non-responsive, or cancel the contract.

1.06 Assistance to Offerors with a Disability

Offerors with a disability may receive accommodation regarding the means of communicating this RFP or participating in the procurement process. For more information, contact the procurement officer no later than ten days prior to the deadline for receipt of proposals.

1.07 Required Review

Offerors should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and objectionable material must be made in writing and received by the procurement officer at least ten days before the proposal opening. This will allow issuance of any necessary amendments. It will also help prevent the opening of a defective solicitation and exposure of offeror's proposals upon which award could not be made. Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the procurement officer, in writing, at least ten days before the time set for opening.

1.08 Questions Received Prior to Opening of Proposals

All questions must be in writing and directed to the issuing office, addressed to the procurement officer. The interested party must confirm telephone conversations in writing. **No further questions will be allowed after 1:30 pm Alaska time on July 17, 2012.** Send questions to lois.blastick@alaska.gov.

Two types of questions generally arise. One may be answered by directing the questioner to a specific section of the RFP. These questions may be answered over the telephone. Other questions may be more complex and may require a written amendment to the RFP. The procurement officer will make that decision.

1.09 Amendments

If an amendment is issued, it will be provided to all who were mailed a copy of the RFP and to those who have registered with the procurement officer as having downloaded the RFP from the State of Alaska Online Public Notice web site.

1.10 Alternate Proposals

Offerors may only submit one proposal for evaluation.

In accordance with 2 AAC 12.830 alternate proposals (proposals that offer something different than what is asked for) will be rejected.

1.11 Right of Rejection

Offerors must comply with all of the terms of the RFP, the State Procurement Code (AS 36.30), and all applicable local, state, and federal laws, codes, and regulations. The procurement officer may reject any proposal that does not comply with all of the material and substantial terms, conditions, and performance requirements of the RFP.

Offerors may not qualify the proposal nor restrict the rights of the state. If an offeror does so, the procurement officer may determine the proposal to be a non-responsive counter-offer and the proposal may be rejected.

Minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the RFP;
- are trivial, negligible, or immaterial in nature;
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision;

may be waived by the procurement officer.

The state reserves the right to refrain from making an award if it determines that to be in its best interest.
A proposal from a debarred or suspended offeror shall be rejected.

1.12 State Not Responsible for Preparation Costs

The state will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

1.13 Disclosure of Proposal Contents

All proposals and other material submitted become the property of the State of Alaska and may be returned only at the state's option. AS 40.25.110 requires public records to be open to reasonable inspection. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, proposals will become public information.

Trade secrets and other proprietary data contained in proposals may be held confidential if the offeror requests, in writing, that the procurement officer does so, and if the procurement officer agrees, in writing, to do so. Material

considered confidential by the offeror must be clearly identified and the offeror must include a brief statement that sets out the reasons for confidentiality.

1.14 Subcontractors

Subcontractors may be used to perform work under this contract. However, of the assigned staff, a minimum of 50%, including management positions employed by the contractor, must be direct employees of the prime contractor.

Subcontractors may be used to perform work under this contract. If an offeror intends to use subcontractors, the offeror must identify in the proposal the names of the subcontractors and the portions of the work the subcontractors will perform.

If a proposal with subcontractors is selected, the offeror must provide the following information concerning each prospective subcontractor within five working days from the date of the state's request:

- (a) complete name of the subcontractor;
- (b) complete address of the subcontractor;
- (c) type of work the subcontractor will be performing;
- (d) percentage of work the subcontractor will be providing;
- (e) evidence that the subcontractor holds a valid Alaska business license; and
- (f) a written statement, signed by each proposed subcontractor that clearly verifies that the subcontractor is committed to render the services required by the contract.

An offeror's failure to provide this information, within the time set, may cause the state to consider their proposal non-responsive and reject it. The substitution of one subcontractor for another may be made only at the discretion and prior written approval of the project director.

1.15 Joint Ventures

Joint ventures are acceptable. If submitting a proposal as a joint venture, the offeror must submit a copy of the joint venture agreement which identifies the principals involved and their rights and responsibilities regarding performance and payment.

1.16 Offeror's Certification

By signature on the proposal, offerors certify that they comply with the following:

- (a) the laws of the State of Alaska;
- (b) the applicable portion of the Federal Civil Rights Act of 1964;
- (c) the Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
- (d) the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the federal government;
- (e) all terms and conditions set out in this RFP;

- (f) a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury;
- (g) that the offers will remain open and valid for at least 90 days; and
- (h) that programs, services, and activities provided to the general public under the resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued thereunder by the federal government.

If any offeror fails to comply with [a] through [h] of this paragraph, the state reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

1.17 Conflict of Interest

Each proposal shall include a statement indicating whether or not the firm or any individuals working on the contract has a possible conflict of interest (e.g., currently employed by the State of Alaska or formerly employed by the State of Alaska within the past two years) and, if so, the nature of that conflict. The Commissioner, Department of Health and Social Services, reserves the right to **consider a proposal non-responsive and reject it or** cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the program to be developed by the offeror. The Commissioner's determination regarding any questions of conflict of interest shall be final.

1.18 Right to Inspect Place of Business

At reasonable times, the state may inspect those areas of the contractor's place of business that are related to the performance of a contract. If the state makes such an inspection, the contractor must provide reasonable assistance.

1.19 Solicitation Advertising

Public notice has been provided in accordance with 2 AAC 12.220.

1.20 News Releases

News releases related to this RFP will not be made without prior approval of the project director.

1.21 Assignment

Per 2 AAC 12.480, the contractor may not transfer or assign any portion of the contract without prior written approval from the procurement officer.

1.22 Disputes

Any dispute arising out of this agreement will be resolved under the laws of the State of Alaska. Any appeal of an administrative order or any original action to enforce any provision of this agreement or to obtain relief from or remedy in connection with this agreement may be brought only in the Superior Court for the State of Alaska.

1.23 Severability

If any provision of the contract or agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

1.24 Federal Requirements

The offeror must identify all known federal requirements that apply to the proposal, the evaluation, or the contract.

Expenditures from this contract may involve federal funds. The U.S. Department of Labor requires all state agencies that are expending federal funds to have a certification filed in the proposal (by the offeror) that they have not been debarred or suspended from doing business with the federal government. Certification regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions **(included in this document) must be completed and submitted with your proposal.**

<https://www.epls.gov/>

SECTION TWO

STANDARD PROPOSAL INFORMATION

2.01 Authorized Signature

All proposals must be signed by an individual authorized to bind the offeror to the provisions of the RFP. Proposals must remain open and valid for at least 90-days from the opening date.

2.02 Pre-proposal Conference

A pre-proposal conference will not be held for this solicitation. See Section 1.08 for instructions on submitting questions regarding this RFP.

2.03 Site Inspection

The state may conduct on-site visits to evaluate the offeror's capacity to perform the contract. An offeror must agree, at risk of being found non-responsive and having its proposal rejected, to provide the state reasonable access to relevant portions of its work sites. Individuals designated by the procurement officer at the state's expense will make site inspection.

2.04 Amendments to Proposals

Amendments to or withdrawals of proposals will only be allowed if acceptable requests are received prior to the deadline that is set for receipt of proposals. No amendments or withdrawals will be accepted after the deadline unless they are in response to the state's request in accordance with 2 AAC 12.290.

2.05 Supplemental Terms and Conditions

Proposals must comply with Section **1.11 Right of Rejection**. However, if the state fails to identify or detect supplemental terms or conditions that conflict with those contained in this RFP or that diminish the state's rights under any contract resulting from the RFP, the term(s) or condition(s) will be considered null and void. After award of contract:

- a) if conflict arises between a supplemental term or condition included in the proposal and a term or condition of the RFP, the term or condition of the RFP will prevail; and
- b) if the state's rights would be diminished as a result of application of a supplemental term or condition included in the proposal, the supplemental term or condition will be considered null and void.

2.06 Clarification of Offers

In order to determine if a proposal is reasonably susceptible for award, communications by the procurement officer or the proposal evaluation committee are permitted with an offeror to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or substantive change to the proposal. The evaluation by the procurement officer or the proposal evaluation committee may be adjusted as a result of a clarification under this section.

2.07 Discussions with Offerors

The state may conduct discussions with offerors in accordance with AS 36.30.240 and 2 AAC 12.290. The purpose of these discussions will be to ensure full understanding of the requirements of the RFP and proposal. Discussions will be limited to specific sections of the RFP or proposal identified by the procurement officer. Discussions will only be held with offerors who have submitted a proposal deemed reasonably susceptible for award by the procurement officer. Discussions, if held, will be after initial evaluation of proposals by the PEC. If modifications are made as a result of these discussions they will be put in writing. Following discussions, the procurement officer may set a time for best and final proposal submissions from those offerors with whom discussions were held. Proposals may be reevaluated after receipt of best and final proposal submissions.

If an offeror does not submit a best and final proposal or a notice of withdrawal, the offeror's immediate previous proposal is considered the offeror's best and final proposal.

Offerors with a disability needing accommodation should contact the procurement officer prior to the date set for discussions so that reasonable accommodation can be made. Any oral modification of a proposal must be reduced to writing by the offeror.

2.08 Minimum Qualifications

In order for offers to be considered responsive offerors must meet these minimum prior experience requirements.

Note: Please provide the start and end dates, including month and year, in which the minimum requirements were satisfied.

1. The Audit Manager must have a minimum of five years of experience with Generally Accepted Accounting Principles and financial auditing standards with specific expertise in medical records auditing, investigative research, and state and federal health care criminal law. The experience requirements must be met through specific experience with United States principles and standards. The five years of experience must have occurred within the last seven years.
2. At least one of the proposed project team members must possess a minimum of three years experience in statistical sampling, extrapolation, data analysis, and data management.
3. All audit staff assigned to the project, including subcontractors, must have a minimum of one year of experience with Generally Accepted Accounting Principles and financial auditing standards with specific expertise in medical records review, investigative research, and state and federal health care criminal law. The experience requirements must be met through specific experience with United States principles and standards. The one year of experience must have occurred within the last five years.
4. At least one of the proposed project team members must be a medical professional. This requirement may be satisfied by a Registered Nurse, Advanced Nurse Practitioner, Physician Assistant or Physician with a minimum of three years experience in medical record auditing.
5. At least one of the proposed project team members must be a Certified Professional Coder with a minimum of one year coding experience.
6. If subcontractors are used, of the assigned staff, a minimum of 50%, including management positions employed by the contractor, must be direct employees of the prime contractor.

An offeror's failure to meet these minimum prior experience requirements will cause their proposal to be considered non-responsive and their proposal will be rejected. Evidence of meeting minimum prior experience must be shown in the experience section of the offeror's proposal.

2.09 Evaluation of Proposals

The procurement officer, or an evaluation committee made up of at least three state employees or public officials, will evaluate proposals. The evaluation will be based solely on the evaluation factors set out in Section SEVEN of this RFP.

After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. The amendment will incorporate the clarification or change, and a new date and time established for new or amended proposals. Evaluations may be adjusted as a result of receiving new or amended proposals.

2.10 Vendor Tax ID

A valid Vendor Tax ID must be submitted to the issuing office with the proposal or within five days of the state's request.

2.11 Alaska Business License and Other Required Licenses

At the time the proposals are opened, all offerors must hold a valid Alaska business license and any necessary applicable professional licenses required by Alaska Statute. Proposals must be submitted under the name as appearing on the person's current Alaska business license in order to be considered responsive. Offerors should contact the Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing, P. O. Box 110806, Juneau, Alaska 99811-0806, for information on these licenses. Offerors must submit evidence of a valid Alaska business license with the proposal. An offeror's failure to submit this evidence with the proposal will cause their proposal to be determined non-responsive. Acceptable evidence that the offeror possesses a valid Alaska business license may consist of any one of the following:

- (a) copy of an Alaska business license with the correct NAICS code;
- (b) certification on the proposal that the offeror has a valid Alaska business license and has included the license number in the proposal;
- (c) a canceled check for the Alaska business license fee;
- (d) a copy of the Alaska business license application with a receipt stamp from the state's occupational licensing office; or
- (e) a sworn and notarized affidavit that the offeror has applied and paid for the Alaska business license.

You are not required to hold a valid Alaska business license at the time proposals are opened if you possess one of the following licenses and are offering services or supplies under that specific line of business:

- Fisheries business licenses issued by Alaska Department of Revenue or Alaska Department of Fish and Game.
- Liquor licenses issued by Alaska Department of Revenue for alcohol sales only.
- Insurance licenses issued by Alaska Department of Commerce, Community and Economic Development, Division of Insurance.
- Mining licenses issued by Alaska Department of Revenue.

2.12 Application of Preferences

Certain preferences apply to all contracts for professional services, regardless of their dollar value. The Alaska bidder, Alaska veteran, and Alaska Offeror Preferences are the most common preferences involved in the RFP

process. Additional preferences that may apply to this procurement are listed below. Guides that contain excerpts from the relevant statutes and codes, explain when the preferences apply and provide examples of how to calculate the preferences are available at the Department of Administration, Division of General Services' web site: <http://doa.alaska.gov/dgs/policy.html>

Alaska Products Preference - AS 36.30.332

Recycled Products Preference - AS 36.30.337

Local Agriculture and Fisheries Products Preference - AS 36.15.050

Employment Program Preference - AS 36.30.170(c)

Alaskans with Disability Preference - AS 36.30.170 (e)

Employers of People with Disabilities Preference - AS 36.30.170 (f)

The Division of Vocational Rehabilitation in the Department of Labor and Workforce Development keeps a list of qualified employment programs; a list of individuals who qualify as persons with a disability; and a list of persons who qualify as employers with 50 percent or more of their employees being disabled. A person must be on this list at the time the bid is opened in order to qualify for a preference under this section.

As evidence of an individual's or a business' right to a certain preference, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of the employment program preference, Alaskans with Disability Preference or Employers of People with Disabilities Preference described above, an individual or business must be on the appropriate Division of Vocational Rehabilitation list at the time the proposal is opened, and must provide the procurement officer a copy of their certification letter. Offerors must attach a copy of their certification letter to the proposal. The offeror's failure to provide the certification letter mentioned above with the proposal will cause the state to disallow the preference.

2.13 5 Percent Alaska Bidder Preference AS 36.30.170 & 2 AAC 12.260

An Alaska Bidder Preference of five percent will be applied prior to evaluation. The preference will be given to an offeror who:

- (a) holds a current Alaska business license;
- (b) submits a proposal for goods or services under the name on the Alaska business license;
- (c) has maintained a place of business within the state staffed by the offeror, or an employee of the offeror, for a period of six months immediately preceding the date of the proposal;
- (d) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.05 or AS 32.11 and all partners are residents of the state; and
- (e) if a joint venture, is composed entirely of entities that qualify under (a)-(d) of this subsection.

Alaska Bidder Preference Affidavit

In order to receive the Alaska Bidder Preference, proposals must include a statement certifying that the offeror is eligible to receive the Alaska Bidder Preference.

2.14 5 Percent Alaska Veteran Preference AS 36.30.175

An Alaska Veteran Preference of five percent will be applied prior to evaluation. The preference will be given to an offeror who qualifies under AS 36.30.170 (b) as an Alaska bidder and is a:

- (a) sole proprietorship owned by an Alaska veteran;

- (b) partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
- (c) limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
- (d) corporation that is wholly owned by individuals and a majority of the individuals are Alaska veterans.

Alaska Veteran Preference Affidavit

In order to receive the Alaska Veteran Preference, proposals must include a statement certifying that the offeror is eligible to receive the Alaska Veteran Preference.

2.15 Formula Used to Convert Cost to Points

AS 36.30.250 & 2 AAC 12.260

The distribution of points based on cost will be determined as set out in 2 AAC 12.260 (c). The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined through the method set out below. In the generic example below, cost is weighted as 40% of the overall total score. The weighting of cost may be different in your particular RFP. See section SEVEN to determine the value, or weight of cost for this RFP.

EXAMPLE

Formula Used to Convert Cost to Points

[STEP 1]

List all proposal prices, adjusted where appropriate by the application of all applicable preferences.

Offeror #1 -	Non-Alaskan Offeror	\$40,000
Offeror #2 -	Alaskan Offeror	\$42,750
Offeror #3 -	Alaskan Offeror	\$47,500

[STEP 2]

Convert cost to points using this formula.

$$\frac{[(\text{Price of Lowest Cost Proposal}) \times (\text{Maximum Points for Cost})]}{(\text{Cost of Each Higher Priced Proposal})} = \text{POINTS}$$

The RFP allotted 40% (400 points) of the total of 1000 points for cost.

Offeror #1 receives 400 points.

The reason they receive that amount is because the lowest cost proposal, in this case \$40,000, receives the maximum number of points allocated to cost, 400 points.

Offeror #2 receives 374 points.

$$\begin{array}{rclclclclcl} \$40,000 & \times & 400 & = & 1,600,000 & \div & \$42,750 & = & 374 \\ \text{Lowest} & & \text{Max} & & & & \text{Offeror \#2} & & \text{Points} \\ \text{Cost} & & \text{Points} & & & & \text{Adjusted By} & & \\ & & & & & & \text{The Application Of} & & \\ & & & & & & \text{All Applicable} & & \\ & & & & & & \text{Preferences} & & \end{array}$$

Offeror #3 receives 337 points.

$$\begin{array}{ccccccc} \$40,000 & \times & 400 & = & 1,600,000 & \div & \$47,500 & = & 337 \\ \text{Lowest} & & \text{Max} & & & & \text{Offeror \#3} & & \text{Points} \\ \text{Cost} & & \text{Points} & & & & \text{Adjusted By} & & \\ & & & & & & \text{The Application Of} & & \\ & & & & & & \text{All Applicable} & & \\ & & & & & & \text{Preferences} & & \end{array}$$

2.16 Alaska Offeror Preference AS 36.30.250 & 2 AAC 12.260

2 AAC 12.260(e) provides Alaska offerors a 10 percent overall evaluation point preference. Alaska bidders, as defined in AS 36.30.170(b), are eligible for the preference. This preference will be added to the overall evaluation score of each Alaskan offeror. Each Alaskan offeror will receive 10 percent of the total available points added to their evaluation score as a preference.

EXAMPLE

Alaska Offeror Preference

[STEP 1]

Determine the number of points available to Alaskan offerors under the preference.

Total number of points available - 100 Points

$$\begin{array}{ccccccc} 1000 & \times & 10\% & = & 100 \\ \text{Total Points} & & \text{Alaskan Offerors} & & \text{Number of Points} \\ \text{Available} & & \text{Percentage Preference} & & \text{Given to Alaskan Offerors} \\ & & & & \text{Under the Preference} \end{array}$$

[STEP 2]

Add the preference points to the Alaskan offers. There are three offerors: Offeror #1, Offeror #2, and Offeror #3. Offeror #2 and Offeror #3 are eligible for the Alaska Offeror's Preference. For the purpose of this example presume that all of the proposals have been completely evaluated based on the evaluation criteria in the RFP. Their scores at this point are:

Offeror #1 - 890 points
Offeror #2 - 800 points
Offeror #3 - 880 points

Offeror #2 and Offeror #3 each receive 100 additional points. The final scores for all of the offers are:

Offeror #1 - 890 points
Offeror #2 - 900 points
Offeror #3 - 980 points

Offeror #3 is awarded the contract.

2.17 Contract Negotiation

2 AAC 12.315 CONTRACT NEGOTIATIONS After final evaluation, the procurement officer may negotiate with the offeror of the highest-ranked proposal. Negotiations, if held, shall be within the scope of the request for proposals and limited to those items which would not have an effect on the ranking of proposals. If the highest-ranked offeror fails to provide necessary information for negotiations in a timely manner, or fails to negotiate in good faith, the state may terminate negotiations and negotiate with the offeror of the next highest-ranked proposal. If contract negotiations are commenced, they may be held in the 978 conference room on the 9th floor of the *Frontier* Building in *Anchorage*, Alaska.

If the contract negotiations take place in **Anchorage**, Alaska, the offeror will be responsible for their travel and per diem expenses.

2.18 Failure to Negotiate

If the selected offeror

- fails to provide the information required to begin negotiations in a timely manner; or
- fails to negotiate in good faith; or
- indicates they cannot perform the contract within the budgeted funds available for the project; or
- if the offeror and the state, after a good faith effort, simply cannot come to terms,

the state may terminate negotiations with the offeror initially selected and commence negotiations with the next highest ranked offeror.

2.19 Notice of Intent to Award (NIA) — Offeror Notification of Selection

After the completion of contract negotiation the procurement officer will issue a written Notice of Intent to Award (NIA) and send copies to all offerors. The NIA will set out the names of all offerors and identify the proposal selected for award.

2.20 Protest

AS 36.30.560 provides that an interested party may protest the content of the RFP.

An interested party is defined in 2 AAC 12.990(a) (7) as "an actual or prospective bidder or offeror whose economic interest might be affected substantially and directly by the issuance of a contract solicitation, the award of a contract, or the failure to award a contract."

If an interested party wishes to protest the content of a solicitation, the protest must be received, in writing, by the procurement officer at least ten days prior to the deadline for receipt of proposals.

AS 36.30.560 also provides that an interested party may protest the award of a contract or the proposed award of a contract.

If an offeror wishes to protest the award of a contract or the proposed award of a contract, the protest must be received, in writing by the procurement officer within ten days after the date the Notice of Intent to Award the contract is issued.

A protester must have submitted a proposal in order to have sufficient standing to protest the proposed award of a contract. Protests must include the following information:

- a. the name, address, and telephone number of the protester;
- b. the signature of the protester or the protester's representative;

- c. identification of the contracting agency and the solicitation or contract at issue;
 - d. a detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
- (b) the form of relief requested.

Protests filed by telex or telegram are not acceptable because they do not contain a signature. Fax copies containing a signature are acceptable.

The procurement officer will issue a written response to the protest. The response will set out the procurement officer's decision and contain the basis of the decision within the statutory time limit in AS 36.30.580. A copy of the decision will be furnished to the protester by certified mail, fax or another method that provides evidence of receipt.

All offerors will be notified of any protest. The review of protests, decisions of the procurement officer, appeals, and hearings, will be conducted in accordance with the State Procurement Code (AS 36.30), Article 8 "Legal and Contractual Remedies."

SECTION THREE STANDARD CONTRACT INFORMATION

3.01 Contract Type

The Contract resulting from this RFP will be a firm, fixed fee contract.

3.02 Contract Approval

This RFP does not, by itself, obligate the state. The state's obligation will commence when the contract is approved by the Commissioner of the Department of Health and Social Services, or the Commissioner's designee. Upon written notice to the contractor, the state may set a different starting date for the contract. The state will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by the state.

3.03 Standard Contract Provisions

The successful offeror will be required to sign and submit the attached State's Standard Agreement Form for Professional Services Contracts (form 02-093/Appendix A). The successful offeror must comply with the contract provisions set out in this attachment. No alteration of these provisions will be permitted without prior written approval from the Department of Law.

3.04 Proposal as a Part of the Contract

Part or all of this RFP and the successful proposal may be incorporated into the contract.

3.05 Additional Terms and Conditions

The state reserves the right to add terms and conditions during contract negotiations. These terms and conditions will be within the scope of the RFP and will not affect the proposal evaluations.

3.06 Contract Additions, Anticipated Amendments

At the State's sole option and contingent upon available funding, DHSS may invoke a second phase of this contract for additional professional services that fall within the general scope of the original contract. If opted for, work under phase II may not progress until the Procurement Officer of record determines in writing that phase II is necessary and in the State's best interest.

3.07 Insurance Requirements

The successful offeror must provide proof of workers' compensation insurance prior to contract approval.

The successful offeror must secure the insurance coverage required by the state. The coverage must be satisfactory to the Department of Administration Division of Risk Management. An offeror's failure to provide evidence of such insurance coverage is a material breach and grounds for withdrawal of the award or termination of the contract.

Offerors must review form APPENDIX B2, attached, for details on required coverage. No alteration of these requirements will be permitted without prior written approval from the Department of Administration, Division of Risk Management.

3.08 Contract Funding

Approval or continuation of a contract resulting from this is contingent upon legislative appropriation.

3.09 Proposed Payment Procedures

The state will make payments based on a negotiated payment schedule. Each billing must consist of an invoice and progress report. No payment will be made until the progress report and invoice has been approved by the project director.

For the first term of the contract and all subsequent terms, the state will make payments in accordance with the following methodology:

- (1) An initial payment shall be issued to the contractor upon State's written acceptance of the sample selection.
- (2) Payment for audits shall be issued upon completion of the audit. Under no circumstances shall the State pre-pay the cost of an audit. A per audit cost will be the basis of payment.
 - a. Payment upon 79 completed selected audits.
 - b. Last 80th audit payment

Each billing must consist of an invoice and progress report. No payment will be made until the progress report and invoice has been approved by the project director.

3.10 Contract Payment

No payment will be made until the contract is approved by the Commissioner of the Department of Health and Social Services or the Commissioner's designee. Under no conditions will the state be liable for the payment of any interest charges associated with the cost of the contract.

The state is not responsible for and will not pay local, state, or federal taxes. All costs associated with the contract must be stated in U.S. currency.

3.11 Informal Debriefing

When the contract is completed, an informal debriefing may be performed at the discretion of the project director. If performed, the scope of the debriefing will be limited to the work performed by the contractor.

3.12 Contract Personnel

Any change of the project team members named in the proposal must be approved, in advance and in writing, by the project director. Personnel changes that are not approved by the state may be grounds for the state to terminate the contract.

3.13 Inspection & Modification - Reimbursement for Unacceptable Deliverables

The contractor is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by the project director. The state may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. The project director may instruct the contractor to make corrections or modifications if needed in order to accomplish the contract's intent. The contractor will not unreasonably withhold such changes.

Substantial failure of the contractor to perform the contract may cause the state to terminate the contract. In this event, the state may require the contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

3.14 Termination for Default

If the project director determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, the state may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all of the remaining work.

This clause does not restrict the state's termination rights under the contract provisions of Appendix A, attached.

3.15 Contract Changes - Unanticipated Amendments

During the course of this contract, the contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the project director will provide the contractor a written description of the additional work and request the contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of such amendments per AS 36.30.400.

The contractor will not commence additional work until the project director has secured any required state approvals necessary for the amendment and issued a written contract amendment, approved by the Commissioner of the Department of Health and Social Services or the Commissioner's designee.

3.16 Contract Invalidation

If any provision of this contract is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

3.17 Nondisclosure and Confidentiality

Contractor agrees that all confidential information shall be used only for purposes of providing the deliverables and performing the services specified herein and shall not disseminate or allow dissemination of confidential information except as provided for in this section. The contractor shall hold as confidential and will use reasonable care (including administrative, physical and technological security) to prevent unauthorized access by, storage, disclosure, publication, dissemination to and/or use by third parties of, the confidential information. "Reasonable care" means compliance by the contractor with all applicable federal and state law, including the Social Security Act, the Health Insurance Portability and Accountability Act ("HIPAA"), the Health Information Technology for Economical and Clinical Health Act ("HITECH Act"), and 45 C.F.R. Parts 160 and 164 ("Privacy and Security Rule"). The contractor must promptly notify the state in writing if it becomes aware of any storage, disclosure, loss, unauthorized access to or use of the confidential information.

The contractor shall comply with the business associate requirements set forth in HIPAA, the HITECH Act, and the Privacy and Security Rule if the contractor will be using or will have access to the protected health information (as defined in 45 C.F.R. 160.103) of DHSS, as part of the services performed by the contractor. The contractor shall be required to agree to the terms of, and sign, the HIPAA Business Associate Agreement as a condition of this contract if the contractor will be using or will have access to the protected health information of DHSS, as part of the services performed by the contractor.

Confidential information, as used herein, means any data, files, software, information or materials (whether prepared by the state or its agents or advisors) in oral, electronic, tangible or intangible form and however stored, compiled or memorialized that is protected health information (as defined in 45 C.F.R. 160.103); or classified confidential as defined by State of Alaska classification and categorization guidelines (i) provided by the state to the contractor or a contractor agent or otherwise made available to the contractor or a contractor agent in connection with this contract, or (ii) acquired, obtained or learned by the contractor or a contractor agent in the performance of this contract. Examples of confidential information include, but are not limited to: technology infrastructure, architecture, financial data, individually identifiable health information, trade secrets, equipment specifications, user lists, passwords, research data, and technology data (infrastructure, architecture, operating systems, security tools, IP addresses, etc).

If confidential information is requested to be disclosed by the contractor pursuant to a request received by a third party and such disclosure of the confidential information is required under applicable state or federal law, regulation, governmental or regulatory authority, the contractor may disclose the confidential information after providing the state with written notice of the requested disclosure (to the extent such notice to the state is permitted by applicable law) and giving the state opportunity to review the request. If the contractor receives no objection from the state, it may release the confidential information within 30 days. Notice of the requested disclosure of confidential information by the contractor must be provided to the state within a reasonable time after the contractor's receipt of notice of the requested disclosure and, upon request of the state, shall seek to obtain legal protection from the release of the confidential information.

The following information shall not be considered confidential information: information previously known to be public information when received from the other party; information freely available to the general public; information which now is or hereafter becomes publicly known by other than a breach of confidentiality hereof; or information which is disclosed by a party pursuant to subpoena or other legal process and which as a result becomes lawfully obtainable by the general public.

SECTION FOUR BACKGROUND INFORMATION

4.01 Background Information

The Alaska Medicaid program began in July 1972 to provide coverage to recipients found eligible under Title XIX of the Social Security Act. In addition, the State provides limited medical services under the Chronic and Acute Medical Assistance (CAMA) program. Alaska operates our State Children's Health Insurance Program (Denali Kid Care, or DKC) as an expansion to our Medicaid program. Approximately 135,000 unduplicated individuals were eligible for Alaska's Medical Assistance Programs during fiscal year 2010. Payments to providers for Medical Assistance were approximately \$1,300,000,000 in State fiscal year 2010. Alaska's fiscal agent processed approximately 621,000 claim lines each month for services provided to recipients in the last fiscal year.

The Alaska Department of Health and Social Services (DHSS) is the single state agency responsible for administering the Medicaid Program in Alaska. DHSS is responsible for overseeing the activities of Medicaid recipients and Medicaid providers and their representatives, to ensure that fraudulent and abusive behavior and neglect of recipients occur to the minimum extent possible.

Health care professionals must be enrolled as a provider in Alaska's Medical Assistance Programs to bill for services provided to program members. Out-of-state health care providers must be enrolled in their own State's Medicaid Program and in Alaska's program to receive payment for services provided to Alaska Medical Assistance recipients.

The State of Alaska contracts with Xerox, Inc. as our fiscal agent. Xerox operates the current legacy Medicaid Management Information System (MMIS) and is also under contract to Design Develop and Implement a new MMIS on the Enterprise platform which is currently under development. It is anticipated the new MMIS will go live during 2013.

Provider Participation Requirements

To enroll, a provider must successfully complete the Alaska Provider Enrollment and sign a Provider Agreement. In addition, the provider must agree to meet all of these initial and ongoing participation requirements:

- (1) must verify that the provider meets all other applicable requirements of 7 AAC 105 - 7 AAC 160 and all applicable federal and state licensing and certification requirements;
- (2) must comply with all federal and state laws as they apply to providing health care or related services to Medicaid recipients in this state, including laws related to recipient confidentiality, electronic transactions, and civil rights;
- (3) must assume responsibility for all information and claims submitted to the department by that provider or that provider's billing agent;
- (4) must agree to submit claims in the form or format required by the department for claim submission;
- (5) must comply with the requirements of AS 47.05.300 - 47.05.390 and 7 AAC 10.900 - 7 AAC 10.990 (barrier crimes, criminal history checks, and centralized registry), if applicable to that provider type.

Provider Types

The following provider types are eligible to participate in Alaska's Medical Assistance Program. Participation for some provider types is limited. Certain provider types, such as mental health clinics and Federally Qualified

Health Centers (FQHC) employ some practitioners who are not eligible for independent practice under the Alaska Medical Assistance Program requirements.

(1) a person with an active license under AS 08, or under the laws of the jurisdiction in which the person provides services, to practice as a/an

- (A) physician, including an osteopath;
- (B) podiatrist;
- (C) dentist;
- (D) optometrist;
- (E) chiropractor;
- (F) pharmacist or retail pharmacy;
- (G) physical therapist;
- (H) occupational therapist;
- (I) audiologist;
- (J) speech-language pathologist;
- (K) advanced nurse practitioner;
- (L) direct-entry midwife;
- (M) dietitian;
- (N) nutritionist;
- (O) psychologist;
- (P) hearing aid dealer; or
- (Q) registered nurse anesthetist;

(2) a facility licensed under AS 47.32, or under the laws of the jurisdiction in which it provides services, to operate as a/an

- (A) general acute care hospital or inpatient psychiatric hospital;
- (B) long-term care facility;
- (C) home health agency;
- (D) rural health clinic;
- (E) ambulatory surgical center;
- (F) hospice care agency;
- (G) residential psychiatric treatment center for persons under 22 years of age; or
- (H) intermediate care facility for the mentally retarded (ICF/MR);

(3) a company or individual not excluded in (b) of this section, supplying

- (A) medical transportation, ambulance services, oxygen, or eyeglasses;
- (B) under 7 AAC 120.200 - 7 AAC 120.299, durable medical equipment, medical supplies, prosthetics, orthotics, noncustomized-fabricated orthotics, respiratory therapy, enteral and oral nutritional products, or home infusion therapy; or
- (C) items paid under 7 AAC 130.305 as specialized medical equipment and supplies;

(4) a provider of EPSDT screening services under 7 AAC 110.205;

(5) a facility providing services for end-stage renal disease;

(6) a personal care agency;

(7) a home and community-based waiver services provider, including a provider of environmental modification services under 7 AAC 130.300;

(8) a care coordination agency provider, as defined in 7 AAC 130.319;

(9) a residential supported-living services provider, as defined in 7 AAC 130.319;

(10) a federally qualified health center (FQHC);

(11) a tribal health program;

- (12) a provider of in-state freestanding or portable x-ray services;
- (13) a provider of behavioral health rehabilitation services under 7 AAC 135.010(c) for a child experiencing a severe emotional disturbance;
- (14) a private-duty nursing agency;
- (15) a school district providing a Medicaid-covered service to a Medicaid recipient;
- (16) an independent laboratory;
- (17) an outpatient therapy center;
- (18) a provider of family planning services;
- (19) a provider of targeted case management services;
- (20) a community behavioral health services provider;
- (21) a mental health physician clinic;

Reimbursement

Reimbursement for medical services under the Alaska Medical Assistance Program is pursuant to the following methodologies*:

- (1) Advanced Nurse Practitioners: Lesser of billed charges or 85% of the physician Resource Based Relative Value Scale (RBRVS). See 7 AAC 145.100.
- (2) Ambulatory Surgical Center (ASC) Services: ASC payment is based on the Medicare ASC code group to which the billed service(s) is/are assigned. See 7AAC 145.630.
- (3) Behavioral Rehabilitation Services (BRS): Must be a grantee approved by the Department. Lesser of billed charges or rates for applicable services as identified in 7 AAC 145.580.
- (4) Chiropractic Services: Lesser of billed charges or the physician RBRVS. See 7 AAC 145.110.
- (5) Community Health Aide: Tribal encounter rate or payment methodology applicable to a nontribal provider in 7 AAC 145 if the tribal health program has elected to use that payment methodology for the billed service. See 7 AAC 155.020.
- (6) Dental Services: Lesser of billed charges or the state fee schedule or tribal encounter rates for emergent adult services and routine or prior-authorized dental services for 21 years old and under; or the prior-authorized maximum amount per recipient, per year, for adult enhanced dental services (over 21 years old). See 7 AAC 145.120.
- (7) Family Planning Services and Supplies: Lesser of billed charges or 85% of the physician RBRVS for services. See 7 AAC 145.150.
- (8) FQHC and Rural Health Clinic: Facility specific all-inclusive encounter rate. See 7AAC 145.700.
- (9) Home and Community-Based Waiver Services: Rates and methodologies set out in 7AAC 145.520 for the following services:
 - a. Care coordination, specialized equipment and supplies
 - b. Specialized private duty nursing
 - c. Environmental modifications service
 - d. Adult day care, chore, habilitation, meals, respite, or waiver transportation service
 - e. Residential supported living services
- (10) Home Health Services: 80% of billed charges. See 7AAC 145.510.

- (11)Home Infusion Therapy: See 7AAC 145.400 (h).
- (12)Hospice Care Services: Lesser of billed charges or the CMS established Medicaid rates per service established under 42 CFR 418.306. See 7AAC 145.690.
- (13)Imaging services: Lesser of billed charges or RBRVS. See 7 AAC 145.160.
- (14)Inpatient Hospital: Facility specific per diem. Designated small hospitals receive percentage of billed charges for all services. See 7AAC 145.600.
- (15)Alaska Native (IHS) hospital: All-inclusive per diem rate. See 7 AAC 155.010
- (16)Laboratory Services: See 7 AAC 145.460.
- (17)Skilled or Intermediate Nursing Facility Services: Facility specific per diem rate. See 7 AAC 145.640.
- (18)DME, medical supplies and prosthetic devices: Lesser of billed charges or the State maximum. See 7 AAC 145.420.
- (19)Behavioral Health Clinic Services: At the rates established in 7 AAC 145.580.
- (20)Alaska Native (IHS) clinic: All-inclusive encounter rate. See 7 AAC 155.010.
- (21)Behavioral Health Rehabilitation Services: At the rates established in 7 AAC 145.580.
- (22)Direct Entry-Midwife Services: Lesser of billed charges or 85% of the physician RBRVS. EPSDT services are paid at 100% of RBRVS. Lab services are paid at the Medicare Fee Schedule unless no Medicare fee is established; then paid at 85% of RBRVS. Assistant-at-surgery services are paid at 25% of the allowable rate. Medical supplies are paid at the allowed amount for DME/supplies. Unlisted codes are manually reviewed and priced at 50% of billed charges. See 7 AAC 145.130.
- (23)Nurse Midwives: Lesser of billed charges or 85% of the physician RBRVS. See 7 AAC 145.100 (e).
- (24)Nutrition Services: Lesser of billed charges or the physician RBRVS subject to the limits identified in 7 AAC 145.180.
- (25)Outpatient Hospital Services: Percentage of billed charges for most services. Designated small hospitals receive percentage of billed charges for all services. See 7 AAC 145.600.
- (26)Personal Care Services: Lesser of billed charges or the State maximum. See 7 AAC 145.500.
- (27)Physical and Occupational Therapy Services: Lesser of billed charges or 85% of the physician RBRVS. See 7 AAC 145.300 - 320.
- (28)Physician Services: Lesser of billed charges or the RBRVS value for the procedure, subject to the exceptions listed at 7 AAC 145.220.
- (29)Podiatry Services: Lesser of billed charges or the physician RBRVS. See 7AAC 145.240.
- (30)Prescribed Drugs: Lesser of billed charges, the Federal Upper Limit, State Maximum Allowable Cost, or the estimated acquisition cost (Wholesale Acquisition Cost +8%) plus a volume based dispensing fee, plus the reasonable and necessary postage or freight costs incurred in the delivery of the prescription from the dispensing pharmacy to a recipient in a rural area, paid through the pharmacy system. The Offeror should see 7AAC 145.400 and 7 AAC 145.410 for special payment methods involving dispensing physicians, unit dose dispensing, high technology drugs, postage, brand name vs. generic drugs, compounding prescriptions, infusion therapy drugs, and dispensing fees.
- (31)Private Duty Nursing: The Department will reimburse for in-state private duty nursing services at the lesser of billed charges or the State maximum allowed. See 7 AAC 145.250.
- (32)Residential Treatment: All-inclusive daily rate established by DHSS. See 7 AAC 145.620.
- (33)Respiratory Therapy Services: Lesser of billed charges or the State maximum. See 7 AAC 145.420
- (34)School Based Services -The Department will pay for school-based services in accordance with 7 AAC 145.350 at the lesser of billed charges or:

- a. 85% of the RBRVS fee schedule for procedures with an established relative value unit (RVU);
 - b. for services with no established RVU, the Department will pay according to the established fee schedule.
- (35)Speech, Hearing and Language Services: Lesser of billed charges or 85% of physician RBRVS. See 7 AC 145.330 - 340.
- (36)Substance Use Rehabilitation Services: At the rates established in 7 AAC 145.580.
- (37)Targeted Case Management: Lesser of billed charges or the State established monthly encounter rate. See 7AAC 145.265.
- (38)Telemedicine: Lesser of billed charges or the Physician RBRVS, payment to presenting provider is limited to the rate established for a brief evaluation and management of an established patient. See 7 AAC 145.270.
- (39)Transportation Services: Billed charges, except as specified in Table I-3 of the Transportation and Accommodations section of the Alaska Medicaid Provider Billing Manual. See Also 7 AAC 145.440.
- a. Non-emergency ground ambulance within the same community: Lesser of billed charges or the State maximum.
 - b. Non-emergency ground ambulance outside the community: Lesser of billed charges or State maximum, plus a rate per mile.
 - c. Emergency ground ambulance: State based rate plus a rate per mile.
 - d. Emergency air ambulance: Lift-off fee plus per mile rate.
 - e. Non-emergency air ambulance: Lesser of billed charges or the State maximum.
 - f. Commercial airline: Billed charges.
 - g. Lodging and meal costs for recipients and approved escorts: Lesser of billed charges or the State maximum.
- (40)Vision Care Services: See 7 AAC 145.280
- a. Examinations: Lesser of billed charges or physician RBRVS.
 - b. Eyeglasses: DHSS awards a competitive-bid contract for eyeglasses (frames and lenses); the Department will pay an enrolled provider \$80 for dispensing and fitting contact lenses, \$30 for dispensing and fitting eyeglasses, and \$10 for eyeglass frame repair.
 - c. Optometrist services: Lesser of billed charges or the physician RBRVS.
- (41)Payment for services provided in another state: Unless otherwise noted in 7 AAC 105- 7 AAC 160, the Department will pay an out-of-state provider in accordance with 7 AAC 145.025.

*Note to Offerors. The payment methods in this section are stated generically. The Offeror is encouraged to see the Billing Manuals and Alaska Administrative Codes for specifics and exceptions. See <http://www.medicaidalaska.com/providers/Billing.shtml>

SECTION FIVE SCOPE OF WORK

5.01 Scope of Work

The DHSS Program Integrity section is soliciting proposals for desk and on-site audits of services delivered by Medicaid-enrolled providers to Medicaid-eligible clients. A statewide sample of all enrolled Medical Assistance provider types must be selected. For the first year of the contract resulting from this RFP, a total of 80 providers are to be audited. The contractor, in consultation with the Department, will select 75 providers to be audited and determine which providers will have desk or on-site audits. The Program Integrity section will select up to five additional providers to be audited and determine whether they are to be desk or on-site audits. In subsequent years, the number of audits may vary in accordance with the requirements of Alaska Statute 47.05.200.

The purposes of the audits include ensuring provider compliance with state and federal policies, regulations and statutes, recovering overpayments, supporting the investigation and prosecution of violations of criminal statutes and protecting the Medicaid program from inappropriate expenditures resulting from fraud, waste, abuse or misuse. To this end, the on-site audits and desk audits are utilized to determine:

1. that the services billed by providers on claims documents were actually provided to Medicaid recipients who were eligible at the time that services were delivered;
2. that the services, procedure codes, and number of units for which claims were submitted reconcile with the recipient's medical chart record of the services rendered, and the services were medically necessary;
3. That the stop and start times are documented for all time based codes;
4. that the diagnoses recorded on the claim forms reconcile with the medical charts;
5. that the provider records substantiate that the services were rendered on the dates for which the claims were submitted;
6. that the provider followed Medicaid rules and appropriately billed all third party payers, applied proper co-payment and recipient cost-of-care as required;
7. that no duplicate billings and/or payments were made or received by the provider;
8. that no concurrent inpatient, nursing facility or other residential care billings exist with other Medicaid providers;
9. that the provider obtained appropriate authorization for services as applicable;
10. that billings and/or payments did not exceed applicable service limits or 24 hours of service in one day;
11. that the place of service code billed was accurate for the site at which the service was provided (inpatient hospital, office visit, etc.);
12. that Medicaid-eligible medical providers were enrolled with Alaska Medicaid at the time of service; and,
13. that the providers complied with their Alaska Medicaid Provider Agreement to identify and quantify overpayments and to detect all possible violations of Alaska and federal policies, regulations and criminal statutes.

The audits conducted under the resulting contract must meet the requirements of AS 47.05.200.

5.02 Deliverables

Agreed Upon Procedures:

Prior to the start of the contract, the contractor and state will agree to a set of standard procedures to be

performed for each audit. These agreed-upon procedures will include a description of the planning, claims analysis, detailed claims documentation review, field examination and reporting steps to be taken for each audit.

Provider Selection:

The contractor, in consultation with the Department, shall select, for the first year of the contract 75 providers to be audited and decide the ratio of desk audits and on-site audits to the total number. At least 2 providers must be facilities as defined under AS 47.07.900. Providers must be selected from all Medical Assistance providers and the sampling must represent a variety of provider types and locations. It is anticipated that at least 33% of these audits will be on-site.

The DHSS Program Integrity section will select an additional 5 providers for audit and determine whether the audit is an on-site or desk audit. In subsequent years, the number of audits may vary in accordance with the requirements of AS 47.05.200.

Sample Selection:

The contractor will develop, maintain and perform a sampling of Medicaid providers' activities through statistically valid methodologies that will result in an adequate sample selection. The methods used must be standard, recognized methodologies. All calculations used in the sampling process must be made available to the Department upon request. The sampling methodologies used by the contractor must support extrapolation of overpayments and the contractor must be able to justify and explain the sampling methodologies utilized in legal or administrative proceedings.

The scope of each audit will cover one calendar year of the provider's activities starting with calendar year 2010. Each subsequent audit cycle will cover the subsequent calendar year.

The proposal must include a description of the sample selection methodologies to be used for this contract in compliance with the criteria as outlined in this section.

Records Review, Findings, and Reports:

The principal focus of desk and on-site audits is to identify violations of Medicaid program rules including claim overpayments as well as potential violations of criminal statutes. It is also to determine if services billed to the Medicaid program are supported by documentation contained in the providers' recipient medical, financial or other records, and whether the provider is complying with the Medicaid Provider Agreement and all applicable federal and state statutes, regulations policies and procedures.

The audits will involve a review of medical necessity, computerized analysis of Medicaid claims activity; other MMIS information; providers' financial records, including financial credit balances; billing records; the services received as documented in providers' clinical medical records including diagnostic testing results and prescribed services documentation, and any other information which may support the services billed to Medicaid. A determination will be made as to whether the services billed meet the program requirements as stated in the state and federal Medicaid rules, policies and regulations, including provider billing manuals. The contractor will research and become familiar with all pertinent Medicaid state and federal policies, regulations, and statutes. The contractor will prepare and provide all materials and supporting documentation necessary to perform desk and on-site record audits, including requesting data from the DHSS Program Integrity Section and its fiscal agent, data extraction, data preparation, abstraction tool development, programming, if necessary (See 5.04), and preparation of all other items necessary for the desk and on-site record audits. Letters of notification, requests for records and other correspondence regarding the audit to individual providers will be produced by the contractor. Providers subject to audit will be given a minimum of 30 days to respond to records requests. An entrance conference will be conducted on the first day of an on-site audit and an exit conference will be performed if appropriate.

Preliminary Audit Report

The contractor, upon completion of the desk or on-site audit, will prepare and submit a preliminary audit report to the DHSS Program Integrity section for review prior to issuing the report to the provider. The DHSS PI section will consult with the appropriate divisions on any necessary policy clarifications.

Upon receipt of approval from the PI section, the contractor will submit the Preliminary detail report to the provider

with documentation of the findings including but not limited to those listed below. Providers will be given at least 30 days to review the preliminary audit and to submit additional documentation to address the findings.

The reviewers may find:

- lack of medical necessity
- billing errors
- duplicate billings
- unbundled billings
- up-coded billings
- split billings
- no documentation/billing not justified
- service billed was not the service rendered/service rendered not covered
- other

The review findings may indicate the need for:

- provider education
- recovery of inappropriate payments
- referral to the appropriate agency
- other actions or sanctions to be implemented by the Department.

The review may also find that no further action is indicated.

Inappropriate billings identified during the desk or on-site review process will be researched, recovery amounts calculated (both actual and extrapolated), and recommendations for recovery will be made by the contractor to the Department. Each monetary finding will be accompanied by an administrative code reference which supports the identification of the overpayment. Recovery amounts will be calculated based upon a statistically valid extrapolation method and shall be presented in the Audit Report unless the actual overpayment is greater. The current extrapolation methodology utilizes the lower bound of a one sided 90% confidence interval.

Please note: Overpayments may include amounts that are subject to extrapolation (part of the claims sampled for detailed testing) and amounts not subject extrapolation (amounts identified during analytical review which are in conflict with inpatient stays, services exceeding 24 hours in one day, etc.). Extrapolated and non extrapolated overpayment amounts will be identified separately in the audit report.

The contractor will review any additional documentation submitted by the provider in response to the Preliminary audit and make appropriate modifications to the final audit report prior to issuance. Final audit reports will be transmitted to the PI section who will then issue the report to the provider notifying them of their appeal rights.

During the desk or onsite review or research process, the contractor may observe and/or identify state system, procedural or policy issues. The contractor will include these observations in the Narrative Summary and may make recommendations regarding those issues.

During the desk or on-site audit, the contractor may have reason to believe that fraud has occurred or may identify potential fraud. The contractor will notify the Project Manager in writing and provide all relevant descriptions and materials. The contractor may be requested to cease to continue working on the audit at that time or may be requested to continue the audit in progress. Timely work requirements of section 1.02 will be adjusted to accommodate the requirements of this section.

Although assessment of quality of care is not the focus of this contract, the Department recognizes that it has a responsibility to take note of any discrepancies that might indicate a quality of care issue. Issues related to quality of care identified during the desk or onsite review process shall be immediately reported to the Project Manager of the DHSS Program Integrity Section in writing and included in the narrative report. The offeror will include in their proposal the policy and procedures to be followed when quality of care issues are identified during audits performed under this contract.

Final Audit Report

Within 10 working days after completion of the audit, the contractor will submit a written audit report, together with

two copies of the final audit report to the Project Manager. The final audit report will consist of:

Auditors Statement: the Auditors Statement will consist of a description of the type of audit, time period audited, scope of audit, a complete summary of the findings, recovery amounts identified, a statement that the audit was conducted in accordance with Government Auditing Standards 2007 Revision, and signature of contractor.

Narrative Summary:

The narrative summary will include an explanation of all findings and recommendations in a narrative format. This explanation will include a summary of the audit findings and recommendations, overpayments, observations and interactions with the providers' staff, an explanation of the audit process, sampling methodologies used, proceedings of the entrance conference, etc. This narrative summary may include tables/graphs presenting data and interpretation of results. The Narrative Summary will include specific observations or findings of actual or potential violations of criminal statutes. All findings identified in the Narrative Summary will include the citations supporting the findings.

Report Detail: The report detail will consist of schedules describing each claim reviewed and serve as an accounting of all financial details. This report will include the claim control number, date of service, procedure code, procedure modifier, claim type modifier, claim status, amount billed, allowed amount, Third Party Liability [TPL] amount, co-pay amount, recipient liability, payment amount, payment date, diagnosis, other claims data as necessary, a specific description of the overpayments/problems identified per claim, errors identified and all calculations, including recoverable amounts for each claim.

The final audit report informing the provider of the audit findings, related overpayments, program participation deficiencies and other related issues will be forwarded to the Project Manager in the DHSS Program Integrity section. The DHSS PI section will issue the final audit report to the provider and will include applicable appeal instructions.

Monthly Status Report:

Within five working days of the end of each month, the contractor will submit a monthly status report to the Project Manager of this contract explaining the status of all desk and on-site audits. This report will include the status of each audit and actions taken as well as other parameters defined by the DHSS Program Integrity section.

Annual Status Report:

Within two working weeks of the end of each audit cycle, the contractor will submit a status report to the Project Manager of this contract. The contractor will produce a report and accounting of all activities to be used in the DHSS Program Integrity section annual report and to evaluate the cost effectiveness of the desk and on-site audit process.

Record Keeping Requirements:

The contractor will maintain all supporting documentation and data used in the contractor's audit process for a period of not less than 7 years following completion of an audit.

The contractor, upon completion of the audit process, will provide the DHSS Project Manager an electronic file of all supporting documentation and data supporting the contractors audit process and findings.

Appeal Support:

The DHSS Program Integrity section will provide for the legal defense and manage the Department's defense in any appeal or legal proceeding. The contractor will support its audit conclusions, recovery determinations, and findings in any appeal or legal proceeding. That support includes, but may not be limited to, the preparation of all necessary materials and exhibits and providing testimony when appropriate.

5.03

Information Technology, Management, and Systems

The Contractor shall have adequate personnel and resources in place to meet the standards, requirements and procedures regarding receipt and use of the State's program information.

The Contractor will supply all hardware, communication and other equipment necessary to perform the duties associated with the RFP. The contractor is responsible for the abstraction and analysis tools to be used during the desk and on-site audit process. The abstraction and analysis tools to be used in the audit process will collect the information needed for the desk and on-site audits and the information collected and observed during the audit. Due to the various provider types, claim types and procedural coding, different and multiple formats for tools will be required.

The Contractor shall maintain a disaster recovery plan for restoring its application software, current master files and for hardware back-up if its production systems are disabled.

The Contractor shall ensure that the operation of all its systems is performed in accordance with Federal and State regulations and guidelines related to security and confidentiality and meet all privacy and security requirements of HIPAA regulations. All Protected Health Information (PHI) is required to be in accordance with HIPAA requirements.

The Contractor shall notify the DHSS Program Integrity section within twenty-four (24) hours of discovery of all incidents whereby PHI may have been released inappropriately.

The Contractor shall ensure that all electronic mail communications that contain PHI are encrypted in accordance with HIPAA requirements. The Contractor shall encrypt or provide a secure site for all data that is submitted to DHSS Program Integrity in electronic format.

The Contractor shall obtain and supply all hardware, software, communication and equipment necessary to perform the duties associated with the resulting contract and be responsible for any associated programming, equipment, installation of software, maintenance and troubleshooting at no cost to the State or its fiscal agent.

The Contractor shall establish appropriate restrictions and safeguards against unauthorized access to all non-public data entrusted to the Contractor staff. The Contractor shall restrict access to information on a "need to know" basis (e.g. users permitted inquiry privileges only shall not be permitted to modify information).

The Contractor shall provide for the physical safeguarding of its data processing facilities and the systems and information housed therein, as well as accountability control to record access attempts, including attempts of unauthorized access.

The Contractor shall ensure staff is trained regarding their regulatory obligations under the Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology Economic and Clinical Health (HITECH) Act, to properly utilize State and Contractor information and systems according to the State's policies and procedures and to maintain the confidentiality of system login credentials (user names and passwords).

The Contractor shall not have or obtain any proprietary interest in any data, data files, documents, papers, records and other information in any form created which was acquired in the course of its performance under the resulting Contract. All such data and information shall be and remain the property of the State.

5.04

Staff Qualifications

The contractor must retain persons with expertise and recent professional practice per the following minimum requirements:

- (1) The Audit Manager must have a minimum of five years of experience with Generally Accepted Accounting Principles and financial auditing standards with specific expertise in medical records auditing, investigative research, and state and federal health care criminal law. The experience requirements must be met through specific experience with United States principles and standards. The five years of experience must have occurred within the last seven years.
- (2) At least one of the proposed project team members must possess a minimum of three years experience in statistical sampling, extrapolation, data analysis, and data management.
- (3) All audit staff assigned to the project, including subcontractors, must have a minimum of one year of experience with Generally Accepted Accounting Principles and financial auditing standards with specific expertise in medical records review, investigative research, and state and federal health care criminal law. The experience requirements must be met through specific experience with United States principles and standards. The one year of experience must have occurred within the last five years.
- (4) At least one of the proposed project team members must be a medical professional. This requirement may be satisfied by a Registered Nurse, Advanced Nurse Practitioner, Physician Assistant or Physician with a minimum of three years experience in medical record auditing.
- (5) At least one of the proposed project team members must be a Certified Professional Coder with a minimum of one year coding experience.
- (6) If subcontractors are used, of the assigned staff, a minimum of 50%, including management positions employed by the contractor, must be direct employees of the prime contractor.

5.05

Contractor Responsibilities

The contractor's responsibilities include:

1. Meeting all of the requirements, specifications and qualifications identified in this RFP.
2. Maintain independence with respect to the Alaska Medicaid Providers subject to audit under this contract.
3. Requesting claims and payment information for the appropriate period and preparing the data for use in the audit.
4. Requesting provider enrollment, claims review and utilization history files.
5. Preparing all aspects of the sampling to be done prior to the reviews.
6. Maintaining the flexibility for on-going enhancements, updates and changes as needed during the contract period.
7. Assuming the costs of acquiring, developing and monitoring the necessary professional and administrative support resources and materials. This includes incidentals such as duplication costs.
8. Preparing and maintaining all materials and testify in appeals or other legal actions occurring as the result of the desk or on-site audits.

5.06

DHSS Program Integrity Responsibilities

The Program Integrity section will:

1. Maintain a Project Manager in the Program Integrity section as the primary contact person with the contractor for the term of this contract. This person will be available for problem resolution and quality assurance.
2. Provide copies of relevant Alaska Medicaid provider billing manuals, policy documents, and the Alaska Medicaid State Plan.
3. Provide access and facilitate the contractor's extraction of claims information in electronic and/or hard copy media as required for the contract.
4. Provide consultation concerning Alaska Medicaid policies, regulations, Medicaid State Plan, data retrieval processes and claims payment procedures.
5. Evaluate the contractor's performance of the contract requirements and overall contract effectiveness.

SECTION SIX PROPOSAL FORMAT AND CONTENT

6.01 Proposal Format and Content

The state discourages overly lengthy and costly proposals, however, in order for the state to evaluate proposals fairly and completely, offerors must follow the format set out in this RFP and provide all information requested.

6.02 Introduction

Proposals must include the complete name and address of offeror's firm and the name, mailing address, and telephone number of the person the state should contact regarding the proposal.

Proposals must confirm that the offeror will comply with all provisions in this RFP; and, if applicable, provide notice that the firm qualifies as an Alaskan bidder. Proposals must be signed by a company officer empowered to bind the company. An offeror's failure to include these items in the proposals may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

6.03 Understanding of the Project

Offerors must provide comprehensive narrative statements that illustrate their understanding of the requirements of the project and the project schedule.

6.04 Methodology Used for the Project

Offerors must provide comprehensive narrative statements that set out the methodology they intend to employ and illustrate how the methodology will serve to accomplish the work and meet the state's project schedule.

6.05 Management Plan for the Project

Offerors must provide comprehensive narrative statements that set out the management plan they intend to follow and illustrate how the plan will serve to accomplish the work and meet the state's project schedule.

6.06 Experience and Qualifications

Offerors must provide an organizational chart specific to the personnel assigned to accomplish the work called for in this RFP; illustrate the lines of authority; designate the individual responsible and accountable for the completion of each component and deliverable of the RFP.

Offerors must provide a narrative description of the organization of the project team and a personnel roster that identifies each person who will actually work on the contract and provide the following information about each person listed:

- a. title,
- b. resume,
- c. location(s) where work will be performed,

Offerors must provide reference names and phone numbers for similar projects the offeror's firm has completed.

Offerors must provide evidence within their proposal that they meet the minimum requirements specified in Section 2.08 Minimum Qualifications along with any certifications and credentials referenced in the resume or their proposal may be found non-responsive and may be rejected.

6.07 Cost Proposal

Please complete the Cost Proposal template in Section Eight (Attachments) of this RFP.

The completed cost proposal, along with any reference to pricing, is to be **excluded** from the body of the offeror's proposal. Instead, it should accompany the proposal in a separate, sealed envelope. Failure to comply with this requirement will result in a proposal rejected as non-responsive.

6.08 Evaluation Criteria

All proposals will be reviewed to determine if they are responsive. They will then be evaluated using the criterion that is set out in Section SEVEN.

An evaluation may not be based on discrimination due to the race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation of the offeror.

A proposal shall be evaluated to determine whether the offeror responds to the provisions, including goals and financial incentives, established in the request for proposals in order to eliminate and prevent discrimination in state contracting because of race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, or disability.

SECTION SEVEN

EVALUATION CRITERIA AND CONTRACTOR SELECTION

**THE TOTAL NUMBER OF POINTS USED
TO SCORE THIS PROPOSAL IS 1000**

7.01 Understanding of the Project (5 Percent)

Proposals will be evaluated against the questions set out below:

- [a] How well has the offeror demonstrated a thorough understanding of the purpose and scope of the project?
- [b] How well has the offeror identified pertinent issues and potential problems related to the project?
- [c] To what degree has the offeror demonstrated an understanding of the deliverables the state expects it to provide?
- [d] Has the offeror demonstrated an understanding of the state's time schedule and can meet it?

7.02 Methodology Used for the Project (5 Percent)

Proposals will be evaluated against the questions set out below:

- [a] How comprehensive is the methodology and does it depict a logical approach to fulfilling the requirements of the RFP?
- [b] How well does the methodology match and achieve the objectives set out in the RFP?
- [c] Does the methodology interface with the time schedule in the RFP?

7.03 Management Plan for the Project (10 Percent)

Proposals will be evaluated against the questions set out below:

- [a] How well does the management plan support all of the project requirements and logically lead to the deliverables required in the RFP?
- [b] How well is accountability completely and clearly defined?
- [c] Is the organization of the project team clear?
- [d] How well does the management plan illustrate the lines of authority and communication?
- [e] To what extent does the offeror already have the hardware, software, equipment, and licenses necessary to perform the contract?
- [f] Does it appear that the offeror can meet the schedule set out in the RFP?
- [g] Has the offeror gone beyond the minimum tasks necessary to meet the objectives of the RFP?

- [h] To what degree is the proposal practical and feasible?
- [i] To what extent has the offeror identified potential problems?

7.04 Experience and Qualifications (30 Percent)

Proposals will be evaluated against the questions set out below:

Questions regarding the personnel:

- [a] Do the individuals assigned to the project have experience on similar projects?
- [b] Are resumes complete and do they demonstrate backgrounds that would be desirable for individuals engaged in the work the project requires?
- [c] How extensive is the applicable education and experience of the personnel designated to work on the project?

Questions regarding the firm:

- [d] How well has the firm demonstrated experience in completing similar projects on time and within budget?
- [e] How successful is the general history of the firm regarding timely and successful completion of projects?
- [f] If a subcontractor will perform work on the contract, how well do they measure up to the evaluation used for the offeror?

7.05 Contract Cost (40 Percent)

Overall, **40%** of the total evaluation points will be assigned to cost. The cost amount used for evaluation may be affected by one or more of the preferences referenced under Section 2.13.

Converting Cost to Points

The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined through the method set out in Section 2.15.

7.06 Alaska Offeror Preference (10 Percent)

If an offeror qualifies for the Alaska Bidder Preference, the offeror will receive an Alaska Offeror Preference. The preference will be 10 percent of the total available points. This amount will be added to the overall evaluation score of each Alaskan offeror.

SECTION EIGHT ATTACHMENTS

8.01 Attachments

Included in this RFP document

1. Offeror's Checklist
2. Cost Proposal Form
3. Proposal Evaluation Form
4. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions

Attached Separately

5. Standard Agreement Form
 - a. Appendix A
 - b. Appendix B1 or B2
 - c. Appendix C
 - d. Appendix D
6. Appendix E - HIPAA Business Associate Agreement
7. Notice of Intent to Award

OFFEROR'S CHECKLIST

IMPORTANT NOTE TO OFFERORS: This checklist is provided to assist offerors and the Procurement Officer in addressing and/or locating specific requirements identified in the RFP for the offeror's proposal. **Offerors are to complete and return this form.** Completion of this form does not guarantee a declaration of responsiveness.

Offeror: _____

1. Per section 2.12, evidence that the offeror holds a valid Alaska business license.

Evidence is provided on page # ____.

2. Per section 1.04, the budget does not exceed **\$6,360,000.00** and **\$11,357.00 per audit** will be considered non-responsive.

Evidence is provided on page # ____.

3. Per section 1.16, provide a statement regarding Offeror's Certification.

Evidence is provided on page # ____.

4. Per section 1.17, provide a Conflict of Interest statement.

Evidence is provided on page # ____.

5. Per section 2.08, evidence that the offeror meets the minimum prior experience requirements.

- a. The Audit Manager must have a minimum of five years of experience with generally accepted accounting principles and financial auditing standards with specific expertise in medical records auditing, investigative research, and state and federal health care criminal law. The experience requirements must be met through specific experience with United States principles and standards. The five years of experience must have occurred within the last seven years.

Evidence is provided on page # ____.

- b. At least one of the proposed project team members must possess a minimum of three years experience in statistical sampling, extrapolation, data analysis, and data management.

Evidence is provided on page # ____.

- c. All audit staff assigned to the project, including subcontractors, must have a minimum of one year of experience with generally accepted accounting principles and financial auditing standards with specific expertise in medical records review, investigative research, and state and federal health care criminal law. The experience requirements must be met through specific experience with United States principles and standards. The one year of experience must have occurred within the last five years.

Evidence is provided on page # _____.

- d. At least one of the proposed project team members must be a medical professional. This requirement may be satisfied by a Registered Nurse, Advanced Nurse Practitioner, Physician Assistant or Physician with a minimum of three years experience in medical record auditing.

Evidence is provided on page # _____.

- e. At least one of the proposed project team members must be a Certified Professional Coder with a minimum of one year coding experience.

Evidence is provided on page # _____.

- f. If subcontractors are used, of the assigned staff, a minimum of 50%, including management positions employed by the contractor, must be direct employees of the prime contractor.

Evidence is provided on page # _____.

- 6. Per section 1.16, proposal has been **signed** by an individual authorized to bind the offeror to the provisions of the RFP.

Evidence is provided on page # _____.

- 7. Per section 1.24, offeror has signed and returned the *Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions* form.

Evidence is provided on page # _____.

COST PROPOSAL

INSTRUCTIONS:

The purpose of the cost formula is to provide a mechanism for offerors to submit costs in a manner that DHSS can evaluate and score, then use to establish billing rates for the resultant contract. Please enter your costs in the spaces provided below.

NOTE: the following equation contains an estimated quantity and does not represent any minimum or maximum purchases by the State. They are estimates and will be used for evaluation of cost proposals and establishment of the resulting contract. The price per audit will be the payment basis in the resulting contract.

The per audit rate must include all costs associated with the performance under the resulting contract, including, but not limited to, administrative overhead, supplies, long distance charges, salary, transportation, lodging and per diem costs sufficient to pay for the completion of this project, etc.,

DIRECTIONS:

1. Enter the price per audit to perform the services described in this RFP and multiply by 80, estimated number of audits, per year to arrive at the annual cost.

Cost per audit _____ X 80 = \$ _____
(Annual Cost)

2. Multiply the Annual Cost by 7, the total number of years the contract is expected to run, to arrive at the Grand Total.

_____ X 7 = _____

Proposals priced at more than \$6,360,000.00 (\$11,357 per audit) for the first two year AND 5 optional annual renewals will be considered non-responsive.

Extension of prices: In case of error in the extension of prices in the proposal, the per audit price will govern.

Two Year Total Cost	\$ _____
Optional Renewal 1 Total Cost	\$ _____
Optional Renewal 2 Total Cost	\$ _____
Optional Renewal 3 Total Cost	\$ _____
Optional Renewal 4 Total Cost	\$ _____
Optional Renewal 5 Total Cost	\$ _____

TOTAL CONTRACT COST \$ _____

This page must be completed and submitted with all offers and received by the State at the time and date set for receipt of proposals.

PROPOSAL EVALUATION FORM

All proposals will be reviewed for responsiveness and then evaluated using the criteria set out herein.

Person or Firm Name _____

Name of Proposal Evaluation (PEC) Member _____

Date of Review _____

RFP Number _____

EVALUATION CRITERIA AND SCORING

THE TOTAL NUMBER OF POINTS USED TO SCORE THIS PROPOSAL IS 1000

7.01 Understanding of the Project—5 Percent

Maximum Point Value for this Section - 50 Points

1000 Points x 5 Percent = 50 Points

Proposals will be evaluated against the questions set out below.

[a] How well has the offeror demonstrated a thorough understanding of the purpose and scope of the project?

EVALUATOR'S NOTES _____

[b] How well has the offeror identified pertinent issues and potential problems related to the project?

EVALUATOR'S NOTES _____

[c] To what degree has the offeror demonstrated an understanding of the deliverables the state expects it to provide?

EVALUATOR'S NOTES _____

[d] Has the offeror demonstrated an understanding of the state's time schedule and can meet it?

EVALUATOR'S NOTES _____

EVALUATOR'S POINT TOTAL FOR 7.01 _____

7.02 Methodology Used for the Project—5 Percent

Maximum Point Value for this Section - 50 Points

1000 Points x 5 Percent = 50 Points

Proposals will be evaluated against the questions set out below.

- [a] How comprehensive is the methodology and does it depict a logical approach to fulfilling the requirements of the RFP?

EVALUATOR'S NOTES _____

- [b] How well does the methodology match and achieve the objectives set out in the RFP?

EVALUATOR'S NOTES _____

- [c] Does the methodology interface with the time schedule in the proposal?

EVALUATOR'S NOTES _____

EVALUATOR'S POINT TOTAL FOR 7.02 _____

7.03 Management Plan for the Project—10 Percent

Maximum Point Value for this Section - 100 Points
1000 Points x 10 Percent = 100 Points

Proposals will be evaluated against the questions set out below.

- [a] How well does the management plan support all of the project requirements and logically lead to the deliverables required in the RFP?

EVALUATOR'S NOTES _____

- [b] How well is accountability completely and clearly defined?

EVALUATOR'S NOTES _____

- [c] Is the organization of the project team clear?

EVALUATOR'S NOTES _____

- [d] How well does the management plan illustrate the lines of authority and communication?

EVALUATOR'S NOTES _____

[e] To what extent does the offeror already have the hardware, software, equipment, and licenses necessary to perform the contract?

EVALUATOR'S NOTES _____

[f] Does it appear that offeror can meet the schedule set out in the RFP?

EVALUATOR'S NOTES _____

[g] Has the contractor gone beyond the minimum tasks necessary to meet the objectives of the RFP?

EVALUATOR'S NOTES _____

[h] To what degree is the proposal practical and feasible?

EVALUATOR'S NOTES _____

[i] To what extent has the offeror identified potential problems?

EVALUATOR'S NOTES _____

EVALUATOR'S POINT TOTAL FOR 7.03 _____

7.04 Experience and Qualifications—30 Percent

Maximum Point Value for this Section - 30 Points

1000 Points x 30 Percent = 300 Points

Proposals will be evaluated against the questions set out below.

Questions regarding the personnel.

[a] Do the individuals assigned to the project have experience on similar projects?

EVALUATOR'S NOTES _____

[b] Are resumes complete and do they demonstrate backgrounds that would be desirable for individuals engaged in the work the RFP requires?

EVALUATOR'S NOTES _____

[c] How extensive is the applicable education and experience of the personnel designated to work on the project?

EVALUATOR'S NOTES _____

Questions regarding the firm.

[d] Has the firm demonstrated experience in completing similar projects on time and within budget?

EVALUATOR'S NOTES _____

[e] How successful is the general history of the firm regarding timely and successful completion of projects?

EVALUATOR'S NOTES _____

[f] If a subcontractor will perform work on the project, how well do they measure up to the evaluation used for the offeror?

EVALUATOR'S NOTES _____

EVALUATOR'S POINT TOTAL FOR 7.04 _____

7.05 Contract Cost — 40 Percent

Maximum Point Value for this Section - 400 Points
1000 Points x 40 Percent = 400 Points

Overall, 40 percent of the total evaluation points will be assigned to cost. The cost amount used for evaluation may be affected by one or more of the preferences referenced under Section 2.13.

Converting Cost to Points

The lowest cost proposal will receive the maximum number of points allocated to cost. The point allocations for cost on the other proposals will be determined through the method set out in Section 2.15.

EVALUATOR'S POINT TOTAL FOR 7.05 _____

7.06 Alaska Offeror Preference — 10 Percent

Alaska bidders receive a 10 percent overall evaluation point preference.

Point Value for Alaska bidders in this section -- 100 Points

1000 Points x 10 Percent = 100 Points

If an offeror qualifies for the Alaska Bidder Preference, the offeror will receive an Alaska Offeror Preference. The preference will be 10 percent of the total available points. This amount will be added to the overall evaluation score of each Alaskan offeror.

EVALUATOR'S POINT TOTAL FOR 7.06 (either 0 or 100)

EVALUATOR'S COMBINED POINT TOTAL FOR ALL SECTIONS

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participant's responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

(BEFORE COMPLETING CERTIFICATION, READ THE INSTRUCTIONS ON THE FOLLOWING PAGE WHICH ARE AN INTEGRAL PART OF THE CERTIFICATION)

(1) The prospective recipient of Federal assistance funds certifies, by submission of this bid, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective recipient of Federal assistance funds is unable to certify to any of the Statements in this certification, such prospective participant shall attach an explanation to this Proposal.

Name and Title of Authorized Representative

Signature

Date

Instructions for Certification

1. By signing and submitting this Proposal, the prospective recipient of Federal assistance funds is providing the certification as set out below.
2. The certification in this class is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Department of Labor (DOL) may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to whom this Proposal is submitted if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "Proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this Proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective recipient of Federal assistance funds agrees by submitting this Proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the DOL.
6. The prospective recipient of Federal assistance funds further agrees by submitting this Proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may but is not required to check the List of Parties Excluded from Procurement or Non-procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the DOL may pursue available remedies, including suspension and/or debarment.