

**New Mexico Human Services Department
Recovery Contract Services
RFP# 15-630-8000-3000**

Questions and Answers

April 17, 2015

Question #	RFP Section / Topic	Question	Answer
A1	Recovery Audit	What is New Mexico's requirement for a Medical Director for the Recovery Audit Contractor? Is this position required to be full-time? If full-time, would the state consider requesting an exemption to the full-time requirement, consistent with what other states with large managed care populations have requested, and been granted?	There is no such requirement. The Recovery Contractor can use a part-time or consultant physician.
A2	Recovery Audit	What look-back period will be authorized for the post-payment reviews under this contract?	The recovery look-back period is three years.
A3	Recovery Audit	What are the Information Technology requirements under this contract and do they include both State and provider access to the review process?	While we didn't specify the IT requirements, the Recovery Contractor must have appropriate IT capabilities to perform the tasks defined in the RFP and SOW, and to coordinate their work with our Fiscal Agent, Providers, MCOs, etc..
A4	Recovery Audit	Describe the recovery process for reviews of encounter claims. Will recoveries consist of capitation payments or provider payments? Do the MCOs have an allotted time to recover overpayments??	The RAC recovery process would be for both capitation payments and provider payments. MCOs have 12 months from the date of the claim to recover overpayments.
A5	Recovery Audit	Contingency pricing has been criticized as potentially creating impairment to judgment. As a recovery audit contractor in multiple states, we have acknowledged this potential and worked with states on a performance-based payment model that CMS has accepted. Our model meets the CMS objectives but also helps to mitigate potentially perverse incentives caused by straight contingency arrangements. Would the state be open to receiving proposals that consider a different model that is still funded entirely through a percentage of recoveries?	Yes, the State would be open to those ideas. They may be presented in the "Innovative Concepts" section of the Narrative Response, Part 2. See page 39 of the RFP for a description of the "New and Innovative Concepts" response section.
A6	General	Will the state consider extending the due date for proposals to allow potential bidders to provide a thorough and robust response	The State did consider extending the due date for proposals, but we decided to NOT extend the

		to the RFP, especially since responses to questions will not be published until April 17?	due date, which remains April 29, 2015.
A7	General	Can the state provide the most recent five year recovery amounts for each of the three services outlined within the RFP?	We will provide four years of recovery amounts: partial SFY12, full SFYs 13 and 14, and partial SFY15.
A8	General	As a CPA firm, we do not have audited financial statements. Will the state consider removing this requirement for CPA firms?	Please see Section 4 F. Preferences and Assurances 1. Financial Stability, Pages 41 & 42.
A9	Record and Financial Audit Number 19 in Appendix C Sample contract.	It is highly unusual for a Medicaid RAC to be required to obtain an A-133 audit. The draft contract language indicates that an A-133 audit would be required "as applicable." Will the state consider modifying this requirement such that it is not required or can the state describe the scenario in which they believe this requirement would apply?	Please see Section II. Conditions Governing The Procurement C. General Requirements 15 Contract Terms and Conditions.
B1	C. Proposal Format Page 24	The requirement of the "Letter of Transmittal" is also listed on pg. 42 of 71 under G. Required Forms. Will the Department please clarify where exactly we are to place the Letter of Transmittal?	Place the completed "Letter of Transmittal" form in Tab 1.
B2	D. Organizational References Page 41	What section of the response should the Offeror include this information?	Attach a Reference Statement to the end of the proposal with this information listed for each reference who will send the reference form (Appendix G). As noted on page 41 of the RFP, Business References forms are to be submitted by the referencing firm directly to the Procurement Manager.
B3	F. Preferences and Assurances Page 41	Will the Department please confirm that F. Preferences and Assurances should be Section "E" in its outline? The evaluation criteria listed on pg. 43-44 of 71, B, C & D match the outline; however, no reference to Section E or F is included. Are Offerors to include Preferences and Assurances after the required forms?	You are correct, there is no Section E. Yes, include Preferences and Assurances after the required forms.
B4	8. Disclosure of Proposal Contents Page 17	Please clarify "readily separable." If the pages can be marked confidential or proprietary and can easily be extracted from a 3 ring binder, is this acceptable? Are Offerors required to provide a redacted copy at the time of submission?	That would be acceptable. A redacted copy is not necessary.
B5	4. Assistance of Other State Contractors Page 5	The RFP references the requirement for the successful bidder to work collaboratively with other HSD contractors, including a Recovery Audit Contractor (RAC). As this procurement is also for Recovery Audit Contractor services, please confirm the RAC contractor(s) the successful bidder will need to coordinate with	The successful Offeror will be the Recovery Audit Contractor (RAC). There is not another RAC they need to coordinate with. They will coordinate with Managed Care Organizations, Fiscal Agent, and other contractors.

	upon contract award?	
B6	<p>Scope of Work – Recovery Audit Contract Page 25</p> <p>This section is titled "Scope of Work - Recovery Audit Contract;" however, several items under this section appear to relate to the other scopes of work described in Section IV of the RFP (TPL and Revenue Enhancement). Will HSD clarify whether the scope of work in Section A and Performance Indicators in Section B on pages 25, 26, and 27 apply to all three scopes of work (TPL, RAC, and RE) or whether these are specific to the Recovery Audit Contractor scope?</p>	<p>This section does apply to all three Recovery Services components: RAC, TPL, and RE/ER.</p>
B7	<p>Scope of Work – Recovery Audit Contract, Item B.11 Page 26</p> <p>Can HSD offer a brief description of TPL, RAC, or RE activities currently performed by HSD or the MMIS Contractor?</p>	<p>HSD does not perform direct Recovery activities itself, with the exception of Program Integrity and Fraud and Abuse activities. Our MMIS contractor (and Fiscal Agent) does some Recovery work for HSD. The bulk of all Recovery Services will be done by the Recovery Services Contractor.</p>
B8	<p>Program Administration and Support, Item A.16 Page 31</p> <p>Can HSD provide a list or description of the other entities under contract referred to here?</p>	<p>"Other Medicaid contractors and entities" include, but are not limited to, our four Managed Care Organizations (MCOs), our Fiscal Agent (FA), other care contractors, and other state agencies, including, but not limited to, Department of Health, Aging and Long Term Services, Behavioral Health Services, etc.</p>
B9	<p>Section C. Cost Proposal, Page 40</p> <p>However, immediately following, the RFP lists four contract components (TPL, RA, Revenue Enhancement, and new/innovative opportunities). Please clarify whether the bidder should provide proposed charges for three or four contract components? And, if three, which three components are to be included?</p>	<p>The Offeror should provide proposed charges and cost calculations for the three main Recovery Services components (RAC, TPL, RE/ER). If the Offeror has additional ideas submitted under "New and Innovative Concepts" section, they should also provide proposed charges and cost calculations for those ideas.</p>
B10	<p>Section C. Cost Proposal, Page 40</p> <p>Please provide additional detail on the methodology for calculating actual cost savings and/or provide recent cost savings report to allow the bidder to propose appropriate fixed contingencies fees upon those cost savings.</p>	<p>We will not provide additional detail on cost calculating methodology. We will provide annual reports for recoveries in recent years (see A7).</p>
B11	<p>Program Administration and Support, A8, Page 30</p> <p>Due to confidentiality requirements in our contracts, we are not at liberty to disclose information or details about many of our clients. Will the State consider limiting the client list to include similar state government clients?</p>	<p>Yes, the submitted client list may be limited to other state government clients. We do need to know in general which clients you're doing business with in New Mexico.</p>

B12	B. Number of Copies, Page 23	<p>Please confirm that the number of copies the Offerer must submit if including proprietary and confidential information is 1 original and 5 copies of the full technical response. Is the Offeror to include a fully redacted copy in a separate "confidential" binder?</p> <p>Also, please clarify if the electronic copy of the Technical Proposal should have all pages with proprietary/confidential information marked as such or marked as confidential with all pages redacted?</p>	<p>Only submit 1 Original and 5 copies of your proposal.</p> <p>The electronic copy should have all pages with propriety/confidential information marked. You do not have to redact any pages unless asked by the Human Services at a later date.</p>
B13	Appendix C – Sample Contract, Item 4.A. Page 50	<p>Will the HSD modify the Termination provision to provide that the HSD may terminate the Agreement in whole or part, and additionally provide the Contractor may terminate the Agreement in whole or part, for convenience upon adequate notice to the HSD? There may be circumstances where, for a variety of reasons, the HSD or the Contractor finds it necessary to terminate a portion of the scope of services.</p> <p>The following suggestion language is designed to allow for that flexibility to best serve the parties interests:</p> <p>4. Termination A. Grounds. <i>The HSD may terminate this Agreement, in whole or part, for convenience or cause. The Contractor may terminate this Agreement, in whole or part, based upon the HSD's uncured, material breach of this Agreement, or for convenience upon one hundred twenty days prior written notice to the HSD.</i></p>	<p>Please see Section II. Conditions Governing The Procurement C. General Requirements 15 Contract Terms and Conditions.</p>
B14	Appendix C – Sample Contract, Item 7. Page 52	<p>Will the HSD modify the Assignment provision to provide an exception for assignments to an affiliate of the Contractor and consider the following suggested language?</p> <p>7. Assignment. <i>Except for an assignment to a corporate affiliate, the Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the HSD.</i></p>	<p>Please see Section II. Conditions Governing The Procurement C. General Requirements 15 Contract Terms and Conditions.</p>
B15	Appendix C – Sample Contract, Item 8. Page 52	<p>Will the HSD modify the Subcontracting provision to provide an exception allow Contractor to subcontract with its affiliates? This modification will allow the Contractor to best serve the HSD in the</p>	<p>Please see Section II. Conditions Governing The Procurement C. General Requirements 15 Contract Terms and Conditions.</p>

<p>B16</p>	<p>Appendix C – Sample Contract, Item 11. Page 52</p>	<p>performance of the contract services without placing additional administrative burden on the HSD.</p> <p>Suggested language: <i>The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the HSD except that Contractor is permitted to use its affiliates in connection with the performance of the services. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the Procuring Agency.</i></p> <p>Will the HSD please confirm that this provision is only applicable to unique deliverables produced for the HSD pursuant this Agreement? A Contractor will utilize their proprietary pre-existing technology and employ proprietary forms and processes that are used for multiple clients that are owned solely by the Contractor. As written, the prohibition on any claim of ownership seems overly broad. Suggested language has been provided, but Contractor would expect to collaborate with the HSD and agree upon mutually acceptable language upon award.</p> <p>Suggested language: <i>11. Product of Service – Copyright All materials developed by the Contractor under this Agreement shall become the property of the State of New Mexico and shall be delivered to the HSD no later than the termination date of this Agreement. No deliverables produced exclusively for the HSD by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor. Notwithstanding the foregoing, other than HSD the deliverables provided to HSD under this Agreement, Contractor shall retain sole ownership of its proprietary technology and all Contractor intellectual property, including but not limited to, forms, software, applications, algorithms, code, methodologies, designs, inventions, frameworks, processes, data schema, tools and general industry data and insights used or developed by the Contractor whether before, during or independent of its activities under this Agreement.</i></p>	<p>Please see Section II. Conditions Governing The Procurement C. General Requirements 15 Contract Terms and Conditions.</p>
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B17	C. Cost Proposal Page 40	Would the Department be willing to consider other pricing models (upon final approval as a part of contract negotiation) outside of contingency fee pricing for the New and Innovative Concepts?	Yes, the State is open to new ideas proposed under the "New and Innovative Concepts" section.
B18	16. Offeror Terms and Conditions Page 18	Where in the response should this language be included? : <i>Should an Offeror object to any of the Agency's terms and conditions, as contained in this Section or in Appendix B, the Offeror must propose specific, alternative language in writing and submit it with its proposal</i> <i>Offerors must provide a brief discussion of the purpose and impact, if any, of each proposed change followed by the specific proposed alternate wording. Offerors must submit with the proposal a complete set of any additional terms and conditions which they expect to have included in a contract negotiated with the Agency.</i>	Attach as an Addendum to the Proposal. And placed in Binder 1.
B19	8. Disclosure of Proposal Contents Page 17	if pages are marked "proprietary" or "confidential", does this meet the requirement for "readily separable" or should Offeror redact these pages in the electronic copy?	Yes, that is acceptable.
B20	Organizational Capacity and Experience – General Expectations Page 29 Third Party Liability (TPL) Recovery – General Requirements Page 35	Is the Offeror required to provide one sample work plan for implementation only and another sample work plan specific to Section B. Background Information, HSD Goals and Objectives?	Respond to those specific requirements (A11 and B19) with two specific work plans meeting the requested points in each requirement. A11 asks for "...outstanding issues that need to be addressed before contract implementation, with estimated timeframes and responsible parties." B19 mentions "...detailed description of the activities the Offeror proposes to conduct in order to meet the goals of this initiative." And "...: specific actions, timeframes and methodologies the Offeror will use to implement those activities; and an indication of estimated revenue or cost savings that may result from those activities."
B21	2. Performance Surety Bond, Page 42	What section of the response is this information to be included? ("A statement of concurrence must be submitted in the Offeror's proposal.")	Confirming statements should be added on an attachment at the end of the Proposal.

B22	3. Pay Equity Reporting, Page 42	What section of the response is this information to be included? (<i>"Offeror concurs with the Pay Equity Reporting as defined in Section II.C.30. Offeror would come under the definition of out-of-state Contractor if Offeror should be successful."</i>)	Confirming statements should be added on an attachment at the end of the Proposal.
B23	Appendix F. Letter of Transmittal Form Page 66	Is this the correct form to use or will an amended form 2015 date be released?	This is the correct form. Use this form but change the year date (2015).
B24	Reference Questionnaire Page 68	Please confirm that forms must be received on April 30 th , 2015, no later than 1 day after the Proposal Due Date.	Yes, Reference Forms must be received by April 30, 2015.
B25	Appendix C – Sample Contract Section 19, Records and Financial Audit Page 55	<p>The nature and scope of this contract does not appear consistent with the A-133 audit requirements referenced in this section. A-133 audits are intended to affirm appropriate administration of a federal or state funded programs (such as Medicaid), which is beyond the scope of the requested services. Typically, for contingent recovery contracts, the applicable portions of an A-133 audit are solely those relating to internal controls. Thus, will HSD approve the substitution of an SSAE-16 (SOC-1) audit in lieu of the A-133 audit currently included in this section? Recommend language is as follows:</p> <p>A. The Contractor shall maintain detailed time and expenditure records that indicate the date, time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of five (5) years from the date of final payment under this Agreement. The records shall be subject to inspection by the HSD, the Department of Finance and Administration and the State Auditor. The HSD shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the HSD to recover excessive or illegal payments.</p> <p>B. Contract for an independent SSAE-16 (SOC-1) audit at the Contractor's expense. The Contractor will provide HSD either an original or electronic copy of the audit report when it is final and available for review and distribution.</p>	<p>Please see Section II. Conditions Governing The Procurement C. General Requirements 15 Contract Terms and Conditions.</p>

Attached: Recovery Reports for SFYs 12 (partial), 13, 14 and 15 (partial).

New Mexico Recovery Reports - FY12 & FY13

FY12	CI Billing (FFS)	Subro/Casualty/Mass Torts	Estates	CBA	RAC	
JULY						
AUG						
SEPT						
QTR1						
OCT						
NOV	\$10,304.88					
DEC	\$1,444,689.30					
QTR2	\$1,454,994.18	\$0.00	\$0.00	\$0.00	\$0.00	\$1,454,994.18
JAN	\$663,354.17					
FEB	\$135,386.71	\$4,423.09				
MAR	\$220,349.85	\$32,842.89				
QTR3	\$1,019,090.73	\$37,265.98	\$0.00	\$0.00	\$0.00	\$1,056,356.71
APR	\$442,475.21	\$61,644.33				
MAY	\$246,296.67	\$211,333.55				
JUNE	\$606,106.57	\$32,001.47				
QTR4	\$1,294,878.45	\$304,979.35	\$0.00	\$0.00	\$0.00	\$1,599,857.80
FY Total:	\$3,768,963.36	\$342,245.33	\$0.00	\$0.00	\$0.00	\$4,111,208.69

FY13	CI Billing (FFS)	Subro/Casualty/Mass Torts	Estates	CBA	RAC	
JULY	\$698,201.79	\$17,738.80				
AUG	\$268,204.21	\$51,549.39				
SEPT	\$115,964.43	\$7,396.79			\$1,535,985.92	
QTR1	\$1,082,370.43	\$76,684.98	\$0.00	\$0.00	\$1,535,985.92	\$2,695,041.33
OCT	\$276,502.29	\$84,733.36		\$186.65		
NOV	\$340,792.67	\$81,428.57			\$135,815.70	
DEC	\$376,223.56	\$45,170.66	\$46,647.24			
QTR2	\$993,518.52	\$211,332.59	\$46,647.24	\$186.65	\$135,815.70	\$1,387,500.70
JAN	\$545,474.41	\$41,406.21		\$47,099.02	\$22,344.98	
FEB	\$300,611.88	\$14,617.04				
MAR	\$177,971.62	\$58,628.18			\$109,249.85	
QTR3	\$1,024,057.91	\$114,651.43	\$0.00	\$47,099.02	\$131,594.83	\$1,317,403.19
APR	\$180,953.60	\$52,572.06		\$29,011.02		
MAY	\$184,468.93	\$38,014.81				
JUNE	\$263,618.76	\$33,941.72				
QTR4	\$629,041.29	\$124,528.59	\$0.00	\$29,011.02	\$0.00	\$782,580.90
FY Total:	\$3,728,988.15	\$527,197.59	\$46,647.24	\$76,296.69	\$1,803,396.45	\$6,182,526.12

New Mexico Recovery Reports - FY14 & FY15

FY14	CI Billing	Subro	Estates	CBA	RAC	CI Disallowance	
JULY	\$209,146.06	\$50,359.27	\$1,603.31				
AUG	\$456,421.15	\$19,847.12	\$6,793.64	\$79,648.92			
SEPT	\$502,371.43	\$27,625.73	\$0.00	\$43,318.20			
QTR1	\$1,167,938.64	\$97,832.12	\$8,396.95	\$122,967.12	\$0.00	\$0.00	\$1,397,134.83
OCT	\$248,103.66	\$140,545.43	\$2,832.32	\$74,950.68	\$124,757.74		
NOV	\$177,798.60	\$70,441.71	\$1,443.00	\$6,176.92	\$20,298.20		
DEC	\$172,767.45	\$54,973.06	\$0.00	\$26,542.10		\$113,291.81	
QTR2	\$598,669.71	\$265,960.20	\$4,275.32	\$107,669.70	\$145,055.94	\$113,291.81	\$1,234,922.68
JAN	\$169,113.61	\$33,404.02	\$4,326.49	\$146,725.13		\$143.95	
FEB	\$178,467.89	\$16,556.39		\$13,754.57	\$45,251.79	\$73,145.56	
MAR	\$348,906.83	\$22,099.28		\$20,256.21	\$378.36	\$678.76	
QTR3	\$696,488.33	\$72,059.69	\$4,326.49	\$180,735.91	\$45,630.15	\$73,968.27	\$1,073,208.84
APR	\$145,911.56	\$15,428.42	\$818.72	\$15,115.67		\$12,653.37	
MAY	\$145,196.36	\$130,062.02		\$86,173.91	\$27,119.48	\$2,023.43	
JUNE	\$266,151.13	\$27,420.08		\$4,183.37	\$822,847.94	\$4,577.48	
QTR4	\$557,259.05	\$172,910.52	\$818.72	\$105,472.95	\$849,967.42	\$19,254.28	\$1,705,682.94
FY Total:	\$3,020,355.73	\$608,762.53	\$17,817.48	\$516,845.68	\$1,040,653.51	\$206,514.36	\$5,410,949.29

FY15	CI Billing	Subro	Estates	CBA	RAC	CI Disallowance	CBA LTC	
JULY	\$148,357.05	\$107,079.76	\$977.70	\$61,488.20	\$151,558.41	\$6,758.09		
AUG	\$327,606.21	\$27,555.51	\$25,000.00	\$19,455.88	\$45,787.73	\$793.75	\$6,346.00	
SEPT	\$116,118.72	\$69,556.68	\$67,127.00	\$21,417.57	\$67,991.83	\$26,936.24	\$32,373.20	
QTR1	\$592,081.98	\$204,191.95	\$93,104.70	\$102,361.65	\$265,337.97	\$34,488.08	\$38,719.20	\$1,330,285.53
OCT	\$171,634.09	\$124,350.58	\$38,545.81	\$910.45			\$26,081.86	
NOV	\$83,711.47	\$29,484.53	\$3,303.38	\$5,921.29			\$3,120.34	
DEC	\$126,259.67	\$42,425.14	\$999.67	\$12,362.52		\$21,643.36	\$59,775.04	
QTR2	\$381,605.23	\$196,260.25	\$42,848.86	\$19,194.26	\$0.00	\$21,643.36	\$88,977.24	\$750,529.20
JAN	\$95,880.48	\$24,744.27		\$3,048.55		\$23,407.09	\$46,264.13	
FEB	\$90,253.87	\$14,431.05	\$11,383.62	\$4,045.84	\$51,740.29	\$3,531.31	\$152,864.95	
MAR	\$85,410.76	\$176,133.72		\$31,559.17		\$12,798.01	\$89,604.98	
QTR3	\$271,545.11	\$215,309.04	\$11,383.62	\$38,653.56	\$51,740.29	\$39,736.41	\$288,734.06	\$917,102.09
APR								
MAY								
JUNE								
QTR4								\$0.00
Total	\$1,245,232.32	\$615,761.24	\$147,337.18	\$160,209.47	\$317,078.26	\$95,867.85	\$416,430.50	\$2,997,916.82