

Request for Proposal for Medical and Prescription Insurance Audit Services

DHR20004-Med_Audit

Responses to Bidder Questions (Q&A)

March 20, 2020

	Reference	Requirement or Question in RFP	Question	Response
1	Pg 34, 2.02 and Pg 84, Sec 21	Insurance Coverage – Comprehensive General Liability - \$1,000,000 per person / \$3,000,000 per occurrence, and/or Professional Liability - \$1,000,000 per person / \$3,000,000 per occurrence, and/or Misc E&O - \$1,000,000 per person / \$3,000,000 per occurrence.	The listed limits are not standard (for audit services) as per occurrence. Proposed Alternatives: <ul style="list-style-type: none"> • Comprehensive - \$2,000,000 each occurrence / \$4,000,000 Annual Aggregate • Misc E&O - \$2,000,000 each claim / \$2,000,000 Annual Aggregate • Umbrella - \$4,000,000 each occurrence / \$4,000,000 Annual Aggregate • Adding required coverage or replacing, as applicable: Cyber liability - \$2,000,000 	The State’s required limits for Comprehensive Liability and Misc E&O are covered by the proposed types of the three coverages and the proposed limits combined – Comprehensive, Misc E&O, and Umbrella. Professional Liability coverage is required for professionals such as CPAs or any other licensed professional performing audit services.
2	P 44, Q 6.22	Describe your methodology for evaluating that DRGs are grouped correctly.	Does SEBC want the vendor to evaluate whether the TPA (Highmark or Aetna) is using a DRG grouper that has had its accuracy tested and the TPA is applying the grouper in a consistent and appropriate way, or does SEBC want the vendor to determine if the claims from providers are coded appropriately for the DRG?	The SEBC is interested in understanding bidders’ capabilities to evaluate both types of capabilities described in this bidder’s question.
3	P 45, Q 6.35	Do you have experience with reviewing the accuracy and appropriateness of value-based	What are the value-based payment methodologies currently used by Highmark and Aetna on behalf of the state employee	The value-based payment methodologies currently used by Highmark and Aetna on behalf of the State Group Health Plan are

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		<p>payments that are paid by the medical TPA to high performing providers, and/or <i>performance guarantees related to such payments within plan sponsors' contracts</i>? If so:</p>	<p>group, other than the surgery bundled payment program? For example, are there quality incentives or financial risk provisions in the contracts Highmark or Aetna have with the Centers of Excellence? Can the SEBC provide any additional detail by what is meant by the phrase "<i>performance guarantees related to such (VBC) payments within plan sponsors' contracts.</i>" Does this mean performance guarantees that plan sponsors require contracted providers to meet or guarantees that the TPA is required to meet?</p>	<p>briefly outlined in the materials presented to the SEBC at the August 26, 2019 and September 23, 2019 meetings.</p> <p>Highmark: https://dhr.delaware.gov/benefits/sebc/documents/2019/0826-highmark.pdf</p> <p>Aetna: https://dhr.delaware.gov/benefits/sebc/documents/2019/0923-aetna-value-continuum.pdf</p> <p>The phrase "<i>performance guarantees related to such (VBC) payments within plan sponsors' contracts</i>" is intended to describe the performance guarantees that TPAs require contracted providers to meet in order to qualify for additional reimbursement or payment, such as achievement of quality metrics.</p>
4	Page 61	Entire Appendix G, Financial Ratings	This form appears to apply to Carriers, and not healthcare claim audit vendors. While the questions 1 – 6 do appear to apply, they are redundant with others in the RFP.	Please copy-paste your responses to the redundant questions and then explain why the other questions don't apply to you. Or, alternatively, provide an explanation for the entire form.
5	P 43, Q 6.13	State the stratified selection methodology and minimum sample size to be surveyed for measurement of overall administrative performance to achieve the required 95%	During the RFP process in 2016, the State removed this question from the RFP, indicating it was not interested in a random sample audit. Is that still the State's intent,	Question 6.13 is referencing the target claims selection used to validate the electronic query results, as well as the claims sample selected for the onsite claim review process, for the medical contract compliance review services. These are

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		confidence, and whether confidence is projected for incidence and/or financial accuracy.	or should we assume you would like a random sample audit?	described in I.C. Scope of Services on pages 8-9.
6	P 44, Q 6.15	Confirm the statistically valid claims sample to be reviewed for the administrative components outlined in the Section I.C., <i>Scope of Services</i> . Provide an explanation if a stated task(s) is not proposed.	During the RFP process in 2016, the State removed this question from the RFP, indicating it was not interested in a random sample audit. Is that still the State's intent, or should we assume you would like a random sample audit?	Question 6.15 is referencing the target claims selection used to validate the electronic query results, as well as the claims sample selected for the onsite claim review process, for the medical contract compliance review services. These are described in I.C. Scope of Services on pages 8-9.
7	Section I, p. 4	The State will enter into <u>only one</u> contract. (The complete term is: One vendor may bid on both services with one contractor being the primary contract holder and the other being a subcontractor. The State will enter into <u>only one</u> contract.)	Will the State please clarify if it will enter into two contracts should it award the Medical Contract Compliance Review Services scope of work to one vendor and award the Prescription Drug Contract Compliance Review Services scope of work to a different vendor?	As stated in the same section, vendors may bid on either audit service or both. All the vendors that submitted an Intent to Bid indicated they would bid on both audits; some without a subcontractor for one type of audit, some doing both types of audit. Therefore, we would enter into one contract with the awarded vendor.
8	Section II, p. 21	The State reserves the right to negotiate both financial and non-financial performance guarantees.	Will the State please provide a detailed description of any financial and non-financial performance guarantees that are not included in the RFP?	Typically, the State does not add additional types of performance guarantees after a contract is awarded. The PGs in the RFP were in the last RFP.
9	Section II.C.1.vi, p. 24	Please submit one (1) complete hard copy of your proposal. Complete means that it includes all information you may deem proprietary and confidential. In other words, the information	Will the State please clarify if the hard copy submission is to include all proposal content (including content considered proprietary and confidential) or is to include only content considered proprietary and confidential?	The hard copy proposal must include any information you deem confidential and proprietary and not be redacted.

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		deemed proprietary and confidential must not be redacted because then we cannot read it.		
10	Section V.1.a, p. 50	Threats - The SANS Institute and the FBI have released a document describing the Top 20 Internet Security Threats. The document is available at www.sans.org/top20.htm for your review. The contractor confirms that any systems or software provided by the contractor are free of the vulnerabilities listed in that document. (A response that security threats are always changing is not acceptable.) Simply reply that you meet the conditions in the policy and do not explain how.	The URL included in the RFP does not direct to the information required to fulfill this requirement. Will the State please provide the correct URL for bidders to use to access the Top 20 Internet Security Threats information?	Our apologies. https://www.sans.org/media/critical-security-controls/Poster_CIS-Security-Controls_2018.pdf
11	Appendix J, Delaware Data Usage Terms and Conditions Agreement, Section DU2	Only duly authorized PROVIDER staff will have access to the State of Delaware data and may be required to obtain security clearance from the State.	<ol style="list-style-type: none"> 1. What type of security clearances will the State require? 2. How, when and from whom does the PROVIDER obtain such clearances? 3. Will the PROVIDER'S internal security checks (e.g., background checks) suffice as a substitute for such security clearance requirements? 	As the requirement says, the State may require a security clearance. If requested, the parameters are for a nationwide jurisdiction for the last seven years. Any company or entity that provides this service would be considered by the Department of Technology and Information. The provider's internal background checks are acceptable as a security clearance if they meet the criteria of a nationwide jurisdiction covering the last seven years.
12	Appendix K, Professional Services	Contractor shall be responsible for ensuring that all services, products and deliverables furnished	What are the "standards of the DHR" and to what do they relate?	The two phrases relating to the "standards of DHR" are in error and will be deleted.

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	Agreement, Section 3.1	pursuant to this Agreement comply with the requirements of the RFP and the standards of the DHR. Contractor shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to the State caused by Contractor's failure to ensure compliance with RFP requirements and DHR standards.		
13			If the contract audit is for two fiscal year periods, are members out-of-pocket accumulations performed on a calendar year?	Members' out-of-pocket accumulations are calculated on a fiscal year basis, beginning with the start of the plan year on July 1 and ending on June 30 of the following calendar year.
14			For the pharmacy portion of the audit: Are there any step therapy programs to review? If so, how many?	Yes, there are step therapy programs in place today. For the Commercial population, ESI's Advantage Plus Step Therapy List (with grandfathering on select drugs) applies. For the EGWP population, step therapy is in place for select musculoskeletal/rheumatological agents.
15			Other than evaluating client references, what other roles and responsibilities does Willis Towers Watson hold for this RFP? Will they also have access to the bid responses and/or a part in evaluating the bid responses?	As stated on page 7 of the RFP questionnaire, Willis Towers Watson is not eligible to bid on this RFP. Willis Towers Watson supports the State Employee Benefits Committee for healthcare consulting and actuarial services. As such the Willis Towers Watson consultants assigned to the State of Delaware to

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				support Request for Proposals for administration and services related to the State Group Health Insurance Plan will have access to all bid responses and will provide support in evaluating each bid response.																				
16	<p>Section I, Para A, page 6 and Para C, page 7</p> <p>App A, Page 52, #3</p> <p>App K, Page 76, para 2</p>	<p>Page 6 - The State has previously contracted with an independent organization to obtain contract compliance review services for the medical and prescription drug plans, and paid the following fees for audits of 24 months of claim data conducted during each of the plan years noted:</p> <table border="1" data-bbox="373 753 768 1073"> <thead> <tr> <th></th> <th>FY17</th> <th>FY19 and FY20</th> <th>Total Fees</th> </tr> </thead> <tbody> <tr> <td>Express Scripts</td> <td>\$113,000</td> <td>\$116,390</td> <td>\$229,390</td> </tr> <tr> <td>Highmark Delaware</td> <td>\$41,800</td> <td>\$43,054</td> <td>\$84,854</td> </tr> <tr> <td>Aetna</td> <td>\$41,000</td> <td>\$42,230</td> <td>\$83,230</td> </tr> <tr> <td>Total</td> <td>\$195,800</td> <td>\$201,674</td> <td>\$397,474</td> </tr> </tbody> </table> <p>Page 7 - The selected organization(s) is required to provide the following services:</p> <p>Medical Contract Compliance Review Services</p>		FY17	FY19 and FY20	Total Fees	Express Scripts	\$113,000	\$116,390	\$229,390	Highmark Delaware	\$41,800	\$43,054	\$84,854	Aetna	\$41,000	\$42,230	\$83,230	Total	\$195,800	\$201,674	\$397,474	<p>Page 6 indicates that the State is already contracted for FY19 and FY20.</p> <p>The scope of work indicates the State is requiring reviews for FY19 and FY20.</p> <p>The contract indicated initial term from _____ through June 30, 2023.</p>	<p>Your statement is not correct. Page 6 is only providing Total Paid Claims and the Average (Number) of Members, along with the fees <u>paid in</u> FY19 and FY20 for an audit of claims data processed and paid during a previous plan year.</p> <p>Correct.</p> <p>The fiscal years in the table at the bottom of Page 6 were the fiscal years that the <u>fees were paid</u> to the auditor for their services, not the years of data that was audited. The State's fiscal year runs from July 1 to June 30, with the year associated with June 30 as the fiscal year for the given period. For example, we are currently in <u>FY20</u> (i.e., July 1, 2019 through June 30, <u>2020</u>).</p> <p>The scope of work for this contract is for audits of the FY19 and FY20 medical (Page 7) and prescription (Page 9) claims. (EGWP would be for calendar years 2018 and 2019.)</p>
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		<p>The Contractor shall provide contract compliance review services for two one-year periods:</p> <ol style="list-style-type: none"> 1) July 1, 2018 – June 30, 2019 (FY19) 2) July 1, 2019 – June 30, 2020 (FY20) <p>The State may require the Contractor to provide contract compliance review services for a third, one-year period (July 1, 2020 – June 30, 2021 [FY21]) during the initial contract term.</p>	<p>Would you please clarify the exact contract period requested for the audit services identified in this RFP?</p>	<p>The contract with the vendor for audit services is effective October 1, 2020 (or later) through June 30, 2023 (the “initial contract term”), with the first year running from the contract effective date through June 30, 2021, and with two optional one-year periods. After the contract effective date, the contractor would audit FY19 and FY20 claims, probably beginning the work in late calendar year 2020.</p> <p>“The State may require the Contractor to provide contract compliance review services for claims processed during a third, one-year period (July 1, 2020 – June 30, 2021 [FY21]) during the initial contract term.” Therefore, in late calendar year 2021 when the FY21 data is ready for audit, the State may engage the contractor for this scope of work. If not, it would be because the SEBC has decided not to audit the data, not because a different vendor would be awarded the business.</p>

Addendum:

The performance guarantee for future contract development was inadvertently not included on Appendix H (see Page 21 for the reference). Please copy and paste this on the bottom of the page and respond. Thank you.

Performance Guarantee	Standard/Performance Measure	% of Fees at Risk
<p>Future Contract Development (It will be based on ongoing feedback provided by the SBO. If unsatisfactory, penalty payments, if any, will be made by December 31, 2020.)</p>	<p>The State will incorporate all of the minimum requirements in the RFP and any variance identified in the bid response accepted by the State for performance commitments in the first draft of the contract. The vendor cannot propose changes that are not included in the terms of the RFP or their bid offering necessitating an excessive number of drafts.</p>	<p><i>Vendor to propose</i></p>