



*Delaware Health  
And Social Services*

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**DIVISION OF MANAGEMENT SERVICES**

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PROCUREMENT

DATE: February 25, 2011

HSS -11-048

Recovery Audit Contractor

for

Division of Medicaid and Medical Assistance

Date Due: March 21, 2011

By 11:00 am Local Time

ADDENDUM # 3 – Questions and Answers

**PLEASE NOTE:**

THE ATTACHED SHEETS HEREBY BECOME A PART OF THE ABOVE MENTIONED  
RFP.

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Bruce Krug  
Procurement Administrator

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Division of Medicaid and Medical Assistance

1. Are Managed Care Premium Review and Encounter Data included in the scope of work?

**No.**

2. On page 3, it states “The Department and Division reserves the right to terminate any contractual agreement with fifteen (15) days notice in the event that the State determines that State or Federal funds are no longer available to continue the contract.” Would the State consider extending the timeframe to (30) days notice?

**The 15 day notice is standard in the event of loss of funding. If a bidder has a concern with any part of the RFP such concern should be addressed in the cover letter accompanying the proposal.**

3. After the contract has terminated, will the State consider a 90-day recovery run out period?

**The State will consider a 90 day recovery run out period.**

4. On page 7, required components of the analysis, audit and recovery process - Could the State please provide a description of the example audit template to be included?

**The bidder needs to develop and submit a template for review.**

5. On page 13, I. Provider Appeals - Would the State clarify who is responsible for 2nd level appeals (Medicaid Director or Medical Director)?

**The Medical Director of the RAC will be responsible for 2<sup>nd</sup> level appeals.**

6. On page 13, I. Provider Appeals #2 – Would the State clarify expectations of the contractor if the provider asks for an administrative hearing?

**The contractor must provide data, all documents pertaining to the hearing, as well as live witness testimony, at no cost, for an investigation, appeal, or court proceedings emanating from a review of a Medicaid provider by the contractor.**

7. Does the State expect the contractor to report a minimum number of referrals to the Fraud Unit?

**No. The State expects the contractor to report any suspected fraud, waste or abuse to DMMA.**

8. On page 18, D. Confidential Information – Should other confidential items, not considered as financial information, resumes, or organizational charts, be submitted on a separate CD?

**An allowance for confidential CD's is made to provide bidders an opportunity to provide information of a confidential nature not directly related to the core proposal. Proposals become the property of the State of Delaware and as such the general public has access to proposals through the Freedom of Information Act (FOIA). Information identified as confidential at the time of submission may be withheld from release provided the DHSS Procurement Administrator and / or the Delaware Attorney General's office concur the information is of a confidential nature. The core proposal should make reference to any files residing on the CD's labeled confidential. Note: The full contents of all proposals are held in confidence until a contract resulting from the RFP is fully executed.**

9. On page 20, A. Number of Copies - Should we submit two originals and six copies of the cost proposal on CDs separate from the technical proposal?

**Yes.**

10. On page 40, #10 – Could the State please provide clarification on this statement?

**This is a requirement of the Federal Government.**

11. The front page of the RFP has 2 dates that proposals are due – March 4, 2011 at 11:00 a.m., and March 21, 2011 at 11:00 a.m. Please confirm the proposal due date.

**The correct Due Date is March 21, 2011 at 11:00 A.M. local time**

12. Will the Department provide the contractor a list of audits currently in process by OII-SURS and MFCU prior to the project start date? Can the State provide a list of audits currently in process to prospective bidders?

**The State will provide a list of audits currently in process by the Surveillance and Utilization Review Unit and by the Medicaid Integrity Contractors.**

13. Are hospital audits DRG, per diem, cost account or all of these?

**See Inpatient Hospital Provider Specific Policy located at DMAP website.**

<http://www.dmap.state.de.us/downloads/manuals/Inpatient.Hospital.Provider.Specific.pdf>

14. Is the vendor auditing all pharmacy claims for all members, including FFS and Managed Care plan members?

**Yes.**

15. How many claims are there for each type of audit?

**The parameters of the audit will determine the number of claims for each type of audit.**

16. Is the vendor able to extrapolate for the entire look back period of 3 years?

**Yes, but only if the methodology supports extrapolation.**

17. What is the current process for appeals if a provider does exercise their appeal rights?

**See RFP, page 13, I. Provider Appeals. For information regarding DMMA appeals process, see General Policy Manual, Appendix A, Appeals Procedures.**

<http://www.dmap.state.de.us/downloads/manuals/General.Policy.Manual.pdf>

18. Is there a minimum threshold for recovery amounts in order to become eligible to request an appeal?

**No.**

19. If a case is referred to SURS or to MFCU will the contractor receive a recovery fee for services identified by the audit, and by additional recovery that is a result of the both RAC audit and SURS/MCFU action?

**Yes.**

20. Collections appear to involve contacting the doctors, informing them of the overpayment amount and explaining to them how to make payments to DMMA. What involvement does the vendor have after turning over the debt to the DMMA for providers who refused to pay?

**No involvement except in cases which a provider appeals.**

21. Can the State supply the required report format and the data elements that will be supplied to the vendor?

**Once a contractor is selected, the State will supply this information.**

22. If the provider refuses to pay, can the vendor pursue collections?

**No.**

23. Under what circumstance can the State or DMMA forgive debt and if it does, will the vendor be paid?

**The vendor will only be paid for overpayments collected.**

24. Does the current MMIS edit and deny claims based on CMS National Correct Coding Initiative (NCCI) edits, similar to Medicare? If yes, is the compliant with State Medicaid Director Letter #10-017?

**DMMA is in the process of instituting the NCCI edits.**

25. Does the current MMIS edit and deny claims based on commercial claims edit software such as McKesson ClaimCheck?

**DMMA is in the process of instituting McKesson ClaimCheck.**

26. Are waiver program services defined at a procedure code level?

**Yes.**