

New York State Department of Health  
 HCRA Compliance Audits RFP #1201300444  
 Questions and Answers – Set 2 of 2

Question Number	Question	Answer
1.	Would you be amenable to an in person pre-bid meeting where potential bidders could ask program personnel questions directly?	No.
2.	Would you provide us with the number of hours billed, the number of years covered by the audit and the surcharge amount audited for each of the audits performed on the prior contract? This would allow us to more accurately scope the required effort expended in the past. Also, it would be important to know which audits were provider vs. insurer and what number were conducted in state vs. out of state.	The prior contract is billed by a fee per audit, not hours. Approximately 80 insurer and 35 provider audits were conducted, each ranging from 3 to 6 years of data.
3.	To expand on #2 above, does the State anticipate that the number of multiple year audits will be less or more during this period? We are asking this to clarify whether we should anticipate that KPMG, under the previous contract, caught up on backlogs or whether the State anticipates multiple year audits on a going forward basis.	The State may go back 6 years for audits. We anticipate conducting audits ranging from 1 to 6 years of data.
4.	How many public hearings occurred over the last contract?	None.
5.	Does testimony hourly rate also encompass travel time to the venue or can travel time be billed related to the testimony? Also, are we to assume that testimony rates also cover preparation time for said testimony or is testimony prep time billed hourly as well?	Testimony hourly rates encompass travel and preparation time. Neither is an allowable billing expense.
6.	It is not clear whether the State is asking the auditor to develop desk audit protocols for the State's use or if the auditor will be responsible for all desk audits, can you clarify? It would seem that if the auditor were responsible for the desk audits that there would be a separate price for desk audits vs. field audits in the cost proposal. Furthermore, the desk audits described in 2F also asks for separate costs for each item yet the pricing sheet does not require individual line item details, is this an oversight? If desk audits for all providers and payors are required, it would be helpful to know what the average time was allotted for each	Section C.2.f. "Desk Audit Protocols" has been deleted in its entirety, per Amendment #1 posted on the DOH website.

New York State Department of Health  
 HCRA Compliance Audits RFP #1201300444  
 Questions and Answers – Set 2 of 2

Question Number	Question	Answer
	bullet point in 2f.i and 2f.ii was. Also, if desk audits are envisioned, there is not a specified format for reporting data in the appendices, do you require a report for desk audits?	
7.	What would the State consider "similar audit experience" since the only auditor to have performed HCRA audits is the current contract holder? Would audits of large insurance companies count? Compliance audits?	The State will evaluate audits of similar nature when reviewing bids.
8.	The RFP requires that the State have access to our electronic workpapers. Would it be acceptable to provide the State with a laptop that contains our electronic audit software to read files that they request in lieu of creating paper files?	Yes.
9.	Would the contractor have direct access to the secure website where Public Pool Reports are uploaded?	Yes.
10.	Obviously there is a big difference between auditing a hospital/hospital system and auditing payor records for admissions to NY hospitals. Is a range of fees per audit acceptable?	No.
11.	Can we assume that all work can be performed offsite (except for testimony) not necessarily in Albany?	Work can be performed offsite, however when meetings are needed in-person, the contractor needs to be in Albany or at the auditee.
12.	Generally, what amount of time does a typical bi-weekly status meetings take?	Currently bi-weekly meeting are scheduled for an hour and a half.
13.	Can we assume that travel time can be billed in addition to travel expense for out-of -state audits?	No.
14.	C.2.e.viii seems to suggest that non-compliant providers or payors can be billed, in addition to the standard audit rate, for delays that they cause, is this correct?	Yes, with DOH and the auditee's approval.
15.	Can C.2.e.xii be accomplished by providing access to our electronic workpapers (see 8 above)?	Yes.
16.	On page 12 of the RFP there appears to be two incongruous paragraphs, the first suggests that the contractor may be required to perform compliance tasks not necessarily included	An example of a task the current contractor does gratuitously is providing training sessions throughout the State to the HCRA community with DOH permission.

New York State Department of Health  
 HCRA Compliance Audits RFP #1201300444  
 Questions and Answers – Set 2 of 2

Question Number	Question	Answer
	<p>in the scope, while the third says that any such work would be gratuitous. In this instance, can you provide us with examples requested of the current contractor that they provided for free? We are concerned that there may be scope creep that would not be envisioned in our bid.</p>	
17.	<p>Are letters of endorsement absolutely required? Some clients may not return requests on a timely basis to be included in our response.</p>	<p>Per Section D.2.c.iii, “Letters of endorsement for relevant work experience required by this proposal should also be provided.”</p>
18.	<p>Can we safely assume that the auditor chosen can perform the audits in self-designated time frames that do not coincide with typical audit busy seasons (January thru April)?</p>	<p>No.</p>
19.	<p>On page 25 of the RFP, the State indicates that it desires to make a 50% payment when the preliminary results document is completed which is practically at the end of the audit. Would the State consider progress billing which would result in a lower rate for the State and better cash flow for the awardee? Also, if desk audits are included (which we are not sure of at this point) when are they subject to payment?</p>	<p>No, the billing processes outlined in the RFP will not be changed. Section C.2.f. “Desk Audit Protocols” has been deleted in its entirety, per RFP Amendment #1 posted on the DOH website.</p>
20.	<p>For most state audit contracts we are supplied with a letter from the state agency which we are performing work for that we are a designated agent of that state and are entitled to governmental rates for lodging, will you be providing same? Also, are we as contractors required to use OGS Travel Services when traveling out of state?</p>	<p>Yes, DOH may supply the Contractor with a letter stating they are performing work as a designated agent of the State.</p> <p>No, contractors are not required to use OGS Travel Services when travelling out of state.</p>
21.	<p>Has the State raised issues with any of the deliverables of the current vendor which resulted in payment delays?</p>	<p>This information is not relevant to this procurement.</p>
22.	<p>Are any changes to policy, regulation statute or judicial interpretation of HCRA guidance being currently contemplated or within the next year? If so, can you explain the nature of the issues and how they may affect the requirements of the new contractor?</p>	<p>No.</p>

New York State Department of Health  
 HCRA Compliance Audits RFP #1201300444  
 Questions and Answers – Set 2 of 2

Question Number	Question	Answer
23.	Is the current contractor using M/WBE contractors to provide services?	No.
24.	Audit protocols call for a statistically valid sample at a 99% confidence level. Considering that sample size is driven on the average number of records, would the state or its current contractor provide us with the average sample size?	Sample size ranges in size depending on the size of the entity.
25.	Considering that the State of New York has awarded KPMG this contract since 2001 without interruption, is there any reason for an outside contractor to believe that this contract will be awarded to them since no one can come close to demonstrating over 10 years of direct experience in auditing HCRA transactions besides the incumbent?	Experience in auditing HCRA transactions is only one piece of the evaluation. It is possible for any eligible bidder to be awarded the contract.
26.	We have made a FOIL request but as of today still have not received a response related to access to review prior bid documents. Would the State consider extending the response date to allow us ample time to receive our FOIL request?	No.