



**New York State Department of Health  
Office of Health Insurance Programs  
Division of Systems**

**REQUEST FOR INFORMATION (RFI)**

**ADMINISTRATIVE SERVICES FOR MEDICAID FEE-FOR-SERVICE BENEFICIARIES**

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*Schedule of Events*

**RFI Release Date:  
Responses Due:**

**July 2, 2012  
July 13, 2012**

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**Contact:**

**deg12@health.state.ny.us**



#### A. Purpose of this Request for Information (RFI)

The New York State Department of Health (the Department) is in the process of information gathering and researching possible approaches to providing the administrative services required to support the remaining Medicaid Fee-For-Service (FFS) population upon the full transition to a managed care environment. Services to be provided include, but are not limited to, claims payment, provider enrollment/screening/recertification, prior approval of certain services, care coordination, call center services and other services currently performed through both the currently contracted fiscal agent, various subcontractors, and Department staff.

In addition to questions set forth in Section C Information Requested, this RFI provides prospective respondents an opportunity to submit information and recommend ideas for the design, development and implementation, including any associated risk mitigation strategies. Respondents are limited per the instructions for responding to this RFI as noted in Section D Instructions for Responding to this RFI. This RFI seeks input from respondents who meet minimum qualifications outlined in Section D. 1. Who May Respond and are willing to provide responses to all questions listed in Section C Information Requested. All input provided by prospective respondents will be used for informational purposes only. No awards will result from this request for information.

#### B. Background

This section presents an overview of the New York Medicaid Redesign (MRT) agenda and impacts of the Federal Affordable Care Act (ACA) on New York Medicaid, as well as the current status of the Medicaid (eMedNY) fiscal agent and services provided by the Department directly or through vendors for Medicaid FFS beneficiaries.

##### B.1 Department Overview and New York's Healthcare Reform Agenda

The Department is the Single State Agency responsible for administration of New York's Medicaid program. New York's Medicaid program is one of the largest insurance programs in the nation, currently providing health care coverage to approximately five (5) million beneficiaries. At the current time, approximately 3.5 million beneficiaries are enrolled in Managed Care plans and the remaining 1.5 million are enrolled as FFS beneficiaries.

Within the Department, the Office of Health Insurance Programs (OHIP) is directly responsible for administering public health insurance programs including Medicaid, Family Health Plus, Child Health Plus and the Elderly Pharmaceutical Insurance Coverage Program (EPIC), which provides prescription drug coverage to seniors who meet the program's income criteria.

The Medicaid program is undergoing radical change. In January 2011, Governor Cuomo created a blue-ribbon panel, the Medicaid Redesign Team (MRT) to reform New York's Medicaid program. In February



2011, the MRT published 79 transformational recommendations, including expansion of care management and managed care to virtually all Medicaid beneficiaries, integration of long term care and pharmacy benefits under managed care, and adoption of accountable care organizations, patient centered medical homes, and other care management models. Most of these changes were incorporated in the New York State budget passed in March 2011 and began a dramatic move away from FFS.

In addition to the changes brought about by the MRT, the Medicaid program is being dramatically impacted by Federal health reform. The creation of state-sponsored health insurance exchanges integrated with the Medicaid program, value-based purchasing models such as Accountable Care Organizations and Patient centered medical homes, and new provider screening and recertification requirements are examples of the significant impact of the Federal reforms on the Medicaid program over the next few years, and beyond.

#### B.2 History and Current Status of the Fiscal Agent and Services Provided for the FFS Beneficiaries

Earlier this year, New York Medicaid cancelled the procurement of a replacement Medicaid management information system (MMIS) in order to allow for time to reassess programmatic needs in light of the MRT and ACA reform initiatives. Because of the need to continue the current MMIS system (eMedNY), the Department has sought an extension to the existing contract that will over the course of the next two to three years, significantly narrow, if not eliminate the need for continuation of most services provided by the current fiscal agent. By 2016, after the transition to managed care is completed, there are estimated to be only 300,000 Medicaid beneficiaries at any given time in the fee for service environment. For this reason, the Department is interested in procuring a vendor (or vendors) to provide directly and or indirectly through subcontractors, the administrative functions necessary to support the provision of services for the significantly reduced FFS beneficiary population.

Initially, the Department envisions that services provided by an Administrative Services Organization (ASO) would include, but not necessarily be limited to, the following: provider screening, enrollment and recertification; provider servicing and education; beneficiary and provider call center, grievance and appeals processes for beneficiaries (fair hearings) and providers; claims adjudication and payment; prior approval of certain services (Dental, Orthodontic, DME, supplies, private duty nursing, high tech radiology procedures, out of state inpatient and nursing home services); program integrity and fraud prevention activities (in coordination with the Office of the Medicaid Inspector General) and pharmacy benefit management. Later phases of the contract may include other programs such as the EPIC program and could be expanded to include claims payment for non-Medicaid medical services (ex. Indian Health Services, Cystic Fibrosis services), and health claim payments currently outside of the scope of the Department (e.g., NYSHIP).

#### C. Information Requested



Please provide responses to all questions presented in this section. Respondents are encouraged to provide any additional observations, strategies, and recommendations, including approaches to risk management, to support New York Medicaid's efforts to implement an administrative services arrangement to support the FFS beneficiaries and other services as noted in this document. All respondents are required to provide responses in sufficient scope and detail using the template provided in Attachment A Respondent Information Template.

All responses are non-binding and will be used for informational purposes only. Information provided becomes the property of New York State, for use at the Department's discretion. The Department is not responsible for any costs associated with the development and /or submission of any responses to this RFI.

#### C.1 Corporate Qualifications

1. What previous experience or qualifications should be required for bidders including prime contractors or subcontractors?
2. What innovations, technologies, products, should the Department seek?
3. What strengths, capabilities and qualifications should the Department seek in an administrative services organization?

#### C.2 General Information

1. Describe your organization and ASO services it provides.
2. Identify and describe your primary concerns in responding to a procurement for administrative services for the New York Medicaid FFS beneficiaries.
3. From your work on similar size projects, identify and describe the greatest challenge and risk points.
4. Identify and describe provisions the Department could include in an RFP that would maximize participation and competition.
5. Identify and describe what RFP provisions would discourage competition.
6. How long should the term of a resulting contract be to make it economically viable for your company to participate?
7. Identify and describe if the contract would be more or less economically viable if all services were integrated into a single contract with a single ASO?



8. Identify and describe a recommended approach to contract pricing including a payment schedule and specific contract performance milestones tied to payments.
9. Identify and describe the challenges unique to a contractor supporting the New York Medicaid program.

### C.3 Technology

1. Identify the technology platform or platforms that the Department should be seeking.
2. Identify and describe what steps the Department should consider to ensure that the ASO is current with state of the art health care technologies.
3. Identify and describe the approach to supporting service –oriented architecture.
4. Please describe the degree of Department involvement that will be required to support system development activities during an implementation phase.

### C.4 Change Management

1. Identify and describe what change management processes and approaches should be considered by the Department in an ASO procurement.
2. Identify and describe what standard deliverables should be considered by the Department when determining requirements for ongoing change management.
3. Identify and describe where these change management processes and approaches have been employed to support the successful implementation and ongoing operation of an ASO arrangement.

### C.5 Implementation Management

1. Based on your experience, how long a time frame should be allowed for the implementation phase? Identify and describe minimum periods needed for major activities.
2. Based on your experience, identify and describe what types/levels of communication /education should be made available to the provider community to ensure a successful implementation.



3. Based on your experience, identify and describe what types/levels of communication /education should be made available to the beneficiaries to ensure a successful implementation.

#### C.6 Service Transition

1. Describe the challenges of merging new claims business into existing operations. Discuss any lessons learned from your assumption of a new book of business.
2. Describe the challenges associated with transitioning providers and individuals from one payment system to another from a vendor perspective.
3. New York will be potentially migrating from one outsourced claims payment provider to another. Discuss approaches to ensuring a successful hand-off between providers. Highlight potential integration points, risks, data issues, and key project dependencies. Outline any potential issues you foresee during the migration period.

#### D. Instructions for Responding to this RFI

##### D.1 Who May Respond

This RFI seeks input from all of the following interested parties:

1. Licensed health insurers;
2. Organizations that have experience performing administrative services for state Medicaid programs, licensed health insurers or self-funded employers;
3. Organizations willing to provide responses to all questions listed in Section C Information Requested.

##### D.2. Reply Structure

Respondents are required to use the template provided in Attachment A. Respondent Information Template to structure their response. All replies to this RFI must use Microsoft Word. Respondents are encourage to provide additional information beyond the required questions, however the Attachment A and additional information are not to exceed ten pages.

The Department reserves the right to request a vendor roundtable to clarify RFI responses.



Responses are respectfully requested by 5:00 PM ET on **July 13, 2012**.

Responses must be emailed to: [deg12@health.state.ny.us](mailto:deg12@health.state.ny.us)

#### E. RESULTS

THIS IS NOT A SOLICITATION FOR PROPOSALS. Information gathered from responses to this RFI may be used by the New York State Department of Health at an unspecified future time to develop a request for proposals from potential vendors to provide the administrative services required to support the remaining Medicaid Fee-For-Service (FFS) population upon the full transition to a managed care environment. The New York State Department of Health is under no obligation to use any information or material submitted in response to this RFI. This RFI is issued solely for informational purposes and does not constitute a procurement or solicitation.



**Attachment A: Respondent Information Template**

<b>Respondent Name and Address:</b>	
<b>Respondent Representative Contact Information:</b>	
<b>Corporate Qualifications</b>	
1. What previous experience or qualifications should be required for bidders including prime contractors or subcontractors?	
2. What innovations, technologies and products should the Department seek?	
3. What strengths, capabilities and qualifications should the Department seek in an administrative services organization?	
<b>General Information</b>	
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2. Identify and describe your primary concerns in responding to a procurement for administrative services for the New York Medicaid FFS beneficiaries.	
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4. Identify and describe provisions the Department could include in an RFP that would maximize participation and competition.	
5. Identify and describe what RFP provisions would discourage competition?	
6. How long should the term of a resulting contract be to make it economically viable for your company to participate?	
7. Identify and describe if the contract would be more or less economically viable if all services were integrated into a single contract with a single ASO?	
8. Identify and describe a recommended approach to contract pricing including a payment schedule and specific contract performance milestones tied to payments.	
9. Identify and describe the challenges unique to a contractor supporting the New York Medicaid program.	
<b>Technology</b>	
1. Identify the technology platform or platforms the Department should be seeking.	
2. Identify and describe what steps the Department should consider to ensure that the ASO is current with state of the art health care technologies.	
3. Identify and describe the approach to supporting service-oriented architecture.	
4. Please describe the degree of Department involvement that will be required to support system development activities during an implementation phase.	



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1. Identify and describe what change management processes and approaches should be considered by the Department in an ASO procurement.
2. Identify and describe what standard deliverables should be considered by the Department when determining requirements for ongoing change management.
3. Identify and describe where these change management processes and approaches have been employed to support the successful implementation and ongoing operation of an ASO arrangement.
<b>Implementation Management</b>
1. Based on your experience, how long a time frame should be allowed for the implementation phase? Identify and describe minimum periods needed for major activities.
2. Based on your experience, identify and describe what types/levels of communication /education should be made available to the provider community to ensure a successful implementation.
3. Based on your experience, identify and describe what types/levels of communication /education should be made available to the beneficiaries to ensure a successful implementation.
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<b>Additional Observations, Strategies and Recommendations</b>