

Questions and Answers
Cost Study and Implementation of Revised Reimbursement Methodology for the
Preschool/School Supportive Health Services Program (SSHSP)
FAU # 1106141021

New York State Department of Health, Office of Health Insurance Programs
Division of Financial Planning and Policy

All questions received by the New York State Department of Health (Department) by August 2, 2011 are included herein. The Department is not responsible for any errors or misinterpretation of any questions received. The responses included herein are the official responses by the State to questions posted by potential bidders and are hereby incorporated into RFP No. 1106141021, Cost Study and Implementation of Revised Reimbursement Methodology for the Preschool/School Supportive Health Services Program (SSHSP), which was issued on July 26, 2011. In the event of a conflict between the RFP and these responses, the requirements or information contained in these responses will prevail.

GENERAL QUESTIONS

1. Can any section of the proposal be exempted from Freedom of Information requests to protect the confidentiality of financial data, trade secrets or other proprietary information? If yes, how should proposers designate such sections?

Response to #1.: Disclosure of information related to this procurement and the resulting contract shall be permitted consistent with the laws of the State of New York and specifically the Freedom of Information Law (FOIL) contained in Article 6 of the Public Officers Law. The State shall take reasonable steps to protect from public disclosure any of the records relating to this procurement that are exempt from disclosure. Information constituting trade secrets or critical infrastructure information for purposes of FOIL shall be clearly marked and identified as such by the bidder upon submission. Determinations as to whether the materials or information may be withheld from disclosure will be made in accordance with FOIL at the time a request for such information is received by the State.

ELIGIBLE BIDDERS

2. The first paragraph of this section states that,

“The selected vendor must have a minimum of three (3) years of successful experience using the Certified Public Expenditure (CPE) reimbursement methodology and demonstrate successful implementation of this model in School Supportive Health Services Programs in three (3) other states. Eligible bidders must have a proven methodology for conducting a Random Moment Time Study (RMTS) that is appropriate for SSHSP reporting...”

- 2.a. Please confirm that the language above is a pass/fail requirement i.e., eligible bidders must meet the minimum experience thresholds defined in the RFP for their proposals to be evaluated/scored.

Response to #2.a.: This is correct.

2.b. Also, our understanding of the cited requirements is that the vendor must have three years of experience in each of three different states, implementing a CPE methodology for direct health services covered under Medicaid and the vendor must have provided that service in a school based program. In addition, eligible bidders must have a proven RMTS methodology for the Medicaid cost settlement of direct care services provided by school based programs. Please confirm whether our understanding of this requirement is accurate, or otherwise clarify.

2.c. Will the Department consider cost reporting and cost settlement of non-SSHSP programs in its evaluation, or is the only relevant experience tied to SSHSP settings?

3. On page 7 section C.1, is the qualification for 3 years experience using the CPE reimbursement methodology limited to school based health services or would claiming for other qualifying public funds using a CPE reimbursement methodology also qualify?

Response to #2.b.,#2.c., and #3: Qualifying experience using the CPE methodology must be demonstrated in school based programs. Eligible bidders must have a proven RMTS methodology for the Medicaid cost settlement of direct care services provided by school based programs.

4. What does the Department mean by “successful experience using the CPE methodology and demonstrate successful implementation”?

4.a. Does this mean that the vendor must demonstrate that they have completed a Cost Settlement in each of these three other states?

4.b. “Demonstrate successful implementation of this model in School Supportive Health Services programs in three other states,” does this refer to cost report and settlement or RMTS or both in the three other states?

Response to #4.a. and #4.b.: A cost settlement must have been completed in at least three other states.

4.c. Will the Department consider successful implementation to include a project with a State that has an approved program but is currently in progress, just not at Settlement due to timing?

Response to #4.c.: Successful implementation includes completing the cost settlement.

5. Page 7 of 71. The RFP states “the selected vendor must have a minimum of three (3) years of successful experience using the Certified Public Expenditure (CPE) reimbursement methodology and demonstrate successful implementation of this model in School Supportive Health Services Programs in three (3) other states. Eligible bidders must have a proven methodology for conducting a Random Moment Time Study (RMTS) that is appropriate for SSHSP reporting and can be implemented by September 1, 2011?”

5.a. The minimum of three years of CPE experience, are you referring to the cost report and settlement aspects or to the RMTS aspects, or both?

Response to #5.a.: The minimum of three years of CPE experience refers to the cost report and settlement. Eligible bidders must also have a proven RMTS methodology for the Medicaid cost settlement of direct care services provided by school based programs.

5.d. Will the Department consider any responses that do not meet these requirements, or is this an absolute and a bidder that does not meet this standard will not be considered?

Response to #5.d.: Proposals that are not responsive to the requirements in the RFP on page 7 at C.1. will not be considered.

5.e. If the requirement is not an absolute, can the Department shed light as to the relevant importance to the Department of this qualification standard?

Response to #5.e. See response to #5.d.

CONFLICT OF INTEREST

6. Page 13 of 71. The RFP states that a vendor must disclose “all business relationships with or ownership interest in entities, including but not limited to providers of New York State School Supportive Health Services Program/part B IDEA services.....”

6.a. Does this mean that a vendor can be selected if they also provide SSHSP services (directly or indirectly) to a school district and has a contract to be compensated for those services?

6.b. Will the Department allow a vendor to be selected that works with a school district, either directly or indirectly, in the claiming of direct services under the SSHSP program to be selected by the Department to also be involved in conducting the RMTS, setting the rates and settling the rates of the very same program?

Response to #6.a. and #6.b.: Potential conflicts of interest disclosed by bidders will be reviewed and evaluated by the Department to determine if a conflict of interest exists that would prohibit the Department from awarding the contract to the bidder. In cases where such relationship(s) exist, bidders must describe how the potential conflict of interest and/or disclosure of confidential information relating to this contract will be avoided.

PERFORMANCE REQUIREMENTS/DUE DATES

7. The RFP includes some conflicting information with regards to the timing of certain activities and deliverables. Specifically in the section on Performance Requirements on page 9, the RFP outlines that the RMTS process and initial cost study assessing the results on the implementation of a cost study must be complete by September 1, 2011; however, the anticipated start date of the contract is identified on page 1 of the RFP as September 22, 2011. Please clarify the timing of these deliverables.

Response to #7: The initial cost study results must be complete within three months of the contract start date. It is expected that the successful bidder will have a proven methodology for conducting the RMTS process in place at the time of contract award.

8. Under performance requirements on page nine; #6 and #9 have due dates of September 1, 2011 when the award is not until September 22, 2011. Are these dates correct?
9. Page 9 of 71. Requirement #6 has a due date of September 1, 2011, can you please provide a revised due date to this requirement?

Response to #8 and #9: The date for #6 on page 9 of the RFP is changed from September 1, 2011 to within three months of the contract start date. Regarding #9 on page 9 of the RFP, it is expected that the successful bidder will have a proven methodology for conducting the RMTS process in place at the time of contract award.

10. Page 8 of 71. Requirement #1 states that a cost reconciled and settled reimbursement model for review and approval by the Department within seven days from the date of contract start.
 - 9.a. Does this requirement refer to the methodology to be used for cost reporting and settling starting with September 1, 2011?

Response to #10.: Performance requirement #1 on page 8 of the RFP states: “Prepare and submit to the Department a draft implementation plan for conducting the cost study and implementing an annual cost reconciled and settled reimbursement model for review and approval by the Department within 7 days from the date of the contract start date.”

This means that bidders must outline both how they would conduct the cost study and how they would implement an annual cost reconciled and settled reimbursement model.

11. Page 11 of 71. The RFP states “The SSHSP services cost study results and transportation cost study results associated with this contract must be completed no later than September 30, 2011.”
 - a. Can the Department provide an updated due date to this statement?

Response to #11.a.: The transportation cost study design must be submitted to the Department within 14 days of the contract start date, as indicated in page 8, #4, of the RFP. The completed transportation cost study is due to the Department within three months of the contract start date.

12. Page 9 of the RFP indicates that cost reports must be reviewed and cost settlements must be calculated by September 30th on an annual basis. However, the RFP does not indicate when school districts are required to file cost reports with DOH each year. Please clarify the dates for the reporting period to be covered by the annual cost reports and the expected submission dates of the cost reports so that we have a comprehensive understanding of the timelines.
13. On page 9 item #15, it appears like the selected vendor is to conduct an audit of all providers by September 30, presumably of each year. Is this correct?

Response to #12 and #13: The reporting period to be covered by the annual cost reports is July 1 – June 30. Cost reports would be expected from school districts, counties and § 4201 schools by

September 30th of each year. The final cost settlement would be due on or before December 31st of the same year of the reporting period annually.

14. Page 9 of 71. Requirement #7 has a due date of September 1, 2011, can you please provide a revised due date to this requirement?

Response to #14: The revised due date for this deliverable is within three months of the contract start date.

14.a. For what time period will the newly calculated interim rates be applied? Starting with September 1, 2011?

Response to #14.a.: Application of new interim versus existing interim rates is TBD. Pending State Plan amendment (SPA) approval, the beginning date would be July 1, 2011.

14.b. Will these rates be retroactive if they are calculated after the 9/1/2011 due date that is going to be revised?

Response to #14.b. Yes, pending SPA approval.

15. Page 9 of 71. Requirement #9 states that the goal is to have an RMTS in place by September 1, 2011. Can you please provide a revised due date for this requirement?

16. The RFP states that the RMTS can be implemented by September 1, 2011, does the Department have a revised timeline given the RFP anticipated start date of September 22, 2011?

Response to #15 and #16: Regarding #9 on page 9 of the RFP, it is expected that the successful bidder will have a proven methodology for conducting the RMTS process in place at the time of contract award.

17. On page 11, it states the cost study results must be completed by September 30, 2011 but on page 9, it indicates the contractor will have 30 days from the contract start date to complete the cost study, given the expected start date of the contract is September 22, 2011, please clarify the due date for this deliverable.

Response to #17: The due date for completion of the cost study is within three months of contract award. The plan for implementation of the cost study is due within seven days of contract award. The transportation cost study design, which must be submitted to the Centers for Medicare and Medicaid Services (CMS) for approval, is due within 14 days of contract award.

PERFORMANCE REQUIREMENTS

18. Section D Proposal Requirements, Item E, third bullet:

This section calls for the "implementation of a revised reimbursement methodology".

Question: Can this revised methodology be proposed on an accelerated schedule proposed by the contractor to accelerate additional SSHSP revenue?

Response to #18: Yes, subject to Department approval.

19. When conducting the cost analysis to determine whether the current reimbursement rates reflect actual costs, will the vendor be responsible for determining only a statewide comparison or will the vendor be required to assess regional variations due to salary and wage differences?

Response to #19: Page 8 of the RFP states: "Bidders must explain how they would conduct a cost study of all school districts, § 4201 schools, and counties (including the City of New York), and, using the encounter-based fee-for-service reimbursement methodology developed under State Plan Amendment #09-61..."

20. The RFP states that the selected vendor will be responsible for determining service rates for public school districts, 4201state supported schools, as well as for services provided by county providers. Is the state requesting a single rate, or does it require the vendor to develop individual rates for each service provider? If individual rates are requested, will the state be establishing a priority among the three providers noted within the RFP?

Response to #20: Costs are to be established for each service provider. The State does not plan to establish a priority among the three provider types noted within the RFP.

21. Page 4 of 71, SPA #09-61 is retroactive to September 1, 2009.

21.a. Can you please confirm that the RFP is requesting that the first Cost Report for the time period 9/1/2009 through 8/31/2010 is not for settlement purposes, but just for study purposes.

21.b. Can you please confirm that the RFP is requesting a Cost Report for will be performed on the time period 9/1/2010 through 8/31/2011.

Response to #21.a. and #21.b: Page 9 of the RFP, #5, indicates that vendors are responsible for development and conduct of a statistically valid cost study to determine whether current SSHSP reimbursement rates provide appropriate compensation for medical services furnished under the SSHSP and for special transportation costs. This includes determination of the specific study time frames using dates of service under the current SSHSP State Plan amendment (#09-61), which became effective 9/1/2009.

21.c. Will these two separate cost reports be used for any settlement purposes or just for study and assessment purposes?

Response to #21.c.: The cost study results will be used to determine whether current SSHSP reimbursement rates provide appropriate compensation for medical services furnished under the SSHSP and for special transportation costs.

21.d. What is the Department goal of these reports, and will the results be used in CMS negotiations?

Response to #21.d.: See response to 21.c. Results of the cost study will be used in the implementation of a cost-settled reimbursement model, pending approval of the relevant State Plan amendment by CMS.

22. Page 9 of 71. Requirement #5 states that within 30 days a statistically valid cost study will be developed and conducted to determine current SSHSP reimbursement rates as appropriate.

22.a. Is it accurate to state that the purpose of this cost study is to ensure that existing rates do not exceed costs to deliver the identified services?

22.b. Is the time period in question 2009-2010 and 2010-2011?

22.c. What will the Department use this information for?

22.d. Will the Department use this information in CMS negotiations?

Response to #22.a. - d.: As stated in the response to #21.c., the cost study results will be used to determine whether current SSHSP reimbursement rates provide appropriate compensation for medical services furnished under the SSHSP and for special transportation costs.

22.e. How will the vendor be compensated for this effort? Is this work separately priced from the requested contingency fee approach?

Response to #22.e.: This work is not priced separately and is included in the requested contingency fee approach.

23. Page 9 of 71. Requirement #11 states the need to “ensure a 90% completion rate of RMTS for participating districts”.

23.a. Is the 90% requirement a Department preference, or is this 90% requirement a result of conversations with CMS?

Response to #23.a.: The 90% requirement is a Department preference.

23.b. Does this 90% rate apply to each individual participating entity, or is the statewide 90% a requirement?

Response to #23.b.: The 90% rate applies to each individual participating entity.

24. Page 9 of 71. Requirement #11 states “coding of time study responses and compilation of the responses in the format required by CMS.”

24.a. Does this imply that the Department has already had conversations with CMS on the RMTS approach and CMS has provided a format?

24.b. If so, can the Department please provide the format that it anticipates having to supply to CMS?

24.c. If so, can the Department please provide the format that it anticipates having to supply to CMS?

Response to #24.a. –c.: The Department has not had conversations with CMS on the RMTS approach.

24.d. Or, does this reference the eventually approved RMTS model that will be submitted by the Department to CMS with the selected vendor?

Response to #24.d.: This references the State Plan amendment that will be submitted to CMS by the Department.

25. Page 9 of 71. Requirement #12 states “review and validate cost reports....on an annual basis by September 30”.

25.a. Does this timeline refer to the future CPE approach?

Response to #25.a.: Yes.

25.b. If so, and the first year of the new CPE approach is September 1, 2011, does the requirement mean that the review and validation for the 2011-2012 period must be completed by September 30, 2012? Or September 30, 2013?

25.c. If the new CPE program is in place for the 2011-2012 period, when must the audited cost report be completed? September 30, 2012 or September 30, 2013?

26. Page 9 of 71. Requirements #14 and #15, of what year is the September 30th due date apply for the first year of the newly implemented CPE program?

Response to #25.b. and #25.c.: The review and validation for the 2011-2012 period must be completed on or before December 31st of the same year of the reporting period.

27. Page 9 of 71. Requirement #13 states “conduct an annual audited cost report....by September 30”.

26.a. Does the audited cost report have to be completed by a CPA?

Response to #26.a.: No.

28. Page 10 of 71. Requirement #18. Does the Department have a preferred report design or model for all electronic submissions?

Response to #28: No.

29. Page 10 of 71. Requirement #26. The RFP states “Payment for the additional services rendered, if any, will be based on a percentage of increased federal revenue for each annual contract period for a MAC program.” If the MAC program is implemented, will the vendor fee be based on a percentage of every dollar reimbursed above \$0, or will the Department implement a baseline figure that the Department will keep before the vendor fee is calculated?

29.a. If a baseline, what is the baseline?

Response to #29: The Department anticipates implementing a baseline figure if a decision is made to proceed with a MAC program; however, the baseline figure has not been determined.

TIMELINE QUESTIONS

30. a. Can the Department provide any additional estimated timelines for receiving CMS approval of submitted plans?

30.b. Can the Department provide any additional insights regarding the possible approval of a CPE approach by CMS and the likelihood of getting CMS cooperation and approval of a submitted CPE approach?

Response to #30.a. and #30.b.: The Department cannot predict when CMS will approve submitted plans.

30.c. Has the Department had any conversations with CMS regarding moving to a CPE methodology?

Response to #30.c.: No.

30.d. Has the Department taken the necessary steps to allow a transition to CPE to occur for the September 1, 2011 time period with CMS (such as public notice requirements)

Response to #30.d.: The Department submitted a public notice, which appeared in the March 30, 2011 State Register at <http://www.dos.state.ny.us/info/register/2011/mar30/pdfs/miscellaneous.pdf>

Effective October 1, 2011, the Department of Health will update rates paid for Medicaid coverage for preschool and school supportive health services (SSHS). SSHS are provided to Medicaid-eligible students with disabilities in school districts, counties, and State supported § 4201 schools. Payment will be based on a certified public expenditure reimbursement methodology, based on a statistically valid cost study for all school supportive health services and transportation. SSHS are authorized under § 1903(c) of the Social Security Act and include: physical therapy, occupational therapy, speech therapy, psychological evaluations, psychological counseling, skilled nursing services, medical evaluations, medical specialist evaluations, audiological evaluations, and special transportation services

PERFORMANCE REQUIREMENTS/TRAINING

31. Items 20 and 21 on page 10 require the vendor to conduct various training of school district staff. Does DOH have specific requirements for the medium for these trainings, the frequency of trainings, or any other specific requirements for these trainings beyond those listed on page 10?
32. Page 10 of 71. Requirement #20 and #21.
- a. Does the Department allow for web-based trainings, Webinar and conference call sessions and face-to-face sessions?
 - b. The RFP does not stipulate which approach is a preference or which approach is acceptable, can the Department please provide guidance?

Response to #31 and #32: The Department does not have specific requirements for the medium or frequency of trainings. Bidders are expected to propose effective strategies for training, which may include web-based trainings, Webinar and conference call sessions and face-to-face sessions.

PERFORMANCE REQUIREMENTS/ADDITIONAL WORK

33. Item 26 on page 10 indicates DOH may procure MAC services in addition to the cost settlement services outlined within the RFP. Should prospective vendors include these services within our technical approach or will this statement of work be requested and negotiated after contract award and executed at the discretion of DOH? Please clarify if this statement of work should be included as part of this response and if so, does this statement of work count against the page limits?

Response to #33: This statement of work will be requested and negotiated after contract award and executed at the discretion of the Department.

34. Item 27 on page 11 requires the vendor to provide an hourly rate for “additional services as needed...” Some of the potentially requested items included as additional services, for example “revenue optimization and cost avoidance” might be more appropriate to be reimbursed under performance based approaches. Can the vendor include performance based pricing in addition to the hourly rate and allow DOH to determine the most appropriate means of reimbursement based on the specific initiative?

Response to #34: No. Please provide an hourly rate for additional services the Department may require.

35. Attachment 1, Bid Form.

35.a. The Bid form only has one line for a per hour rate to be provided. Does the Department want one hourly rate for additional services as requested, or does the Department want a rate card of different rates for different qualifications of employees assigned to additional services work?

Response to #35.a.: Please provide one hourly rate for additional services that may be requested by the Department.

DATA

36. Does each school district have an approved Indirect Cost Rate? If so, please provide a description of what costs are include in the calculation.

Response to #36: The State Education Department (SED) calculates the indirect cost rate for public schools using data reported annually to State Aid (ST-3 form) using a methodology approved by the U.S. Department of Education. Indirect costs are costs of activities that benefit more than one program or objective and, therefore, cannot be readily assigned to only one specific program or objective. They are generally classified under functional categories such as general maintenance and operation expenses, general office and administration expenses, general overhead expenses, and other allowable general expenses.

37. Does the Department of Education maintain annual financial reports for each school district? If so, in what format?

Response to #37: SED collects financial data from every school district; however, it may not be at the level of detail required to determine costs for specific Medicaid reimbursable services.

38. How is the Medicaid Eligibility Factor/Medicaid Penetration Rate determined for each school district?

Response to #38: SSHSP claims are date specific and child specific and filed by the student's CIN#; eligibility is determined on a child-by-child basis, not on a school district or county basis. The Department provides a list of Medicaid-eligible children to the State Education Department's (SED's) contractor, Central New York Regional Information Center (CNYRIC), and the school districts and counties provide CNYRIC with a list of all of new Special Education students on a monthly basis. CNYRIC compares the two lists each month and provides a list of all of the matched students, unmatched students, near matches and multiple matches to the school districts and counties.

39. Is encounter data available? In what format? How is [it] collected?

Response to #39: If the meaning of encounter data is a record of the therapy session, such records are kept by the school districts, counties and § 4201 schools in a variety of formats depending on the software system used by the district. If this question refers to Medicaid claims, as the RFP states on page 7, "The State Education Department's (SED's) contractor, the Central New York Regional Information Center (CNYRIC) has developed a software application which is used to convert claims submitted by the school districts and counties to a HIPAA-compliant format. New York City claims are returned to NYC in a HIPAA-compliant format for direct submission to the Medicaid program's fiscal intermediary, Computer Sciences Corporation (CSC), for payment. For the rest of the State, CNYRIC both formats and submits the claims to CSC. The eMedNY system is used to process Medicaid claims. The Department's Office of

Health Insurance Programs (OHIP) manages the eMedNY system and data from eMedNY are available through OHIP for program and fiscal management purposes.”

40. On page 10 item #19, how would the selected vendor ensure sufficient available resources if it is found that the provider does not have sufficient financial resources?

Response to #40: Potential vendors are expected to develop solutions should this occur.

41. Given that the SPA #09-61 was approved retroactive to September 1, 2009, is there any expectation of the vendor to recover reimbursement from the effective date of the approved SPA?

Response to #41: A revised reimbursement methodology will be applied to SSHSP services with dates of service on or after July 1, 2011, pending CMS approval of the relevant State Plan amendment.

42. Page 6 of 71. The RFP states “the Department has established prices, which were approved by the New York State Division of Budget for each of the covered SSHSP services. Under SPA #09-61, rates for all services except for special transportation services were benchmarked at 75% of the 2010 Medicare rates for the mid-Hudson region.”

42.a. Can you please either provide or direct us to a listing of those rates?

Response to #42.a.: Current SSHSP rates are available at this link:

http://www.oms.nysed.gov/medicaid/billing_claiming_guidance/CPT_Code_Handout_5_April2011.pdf

42.b. Can you please provide either the rate or direct us to where we can find the trended special transportation rate?

Response to #42.b.: The trended special transportation rates are available at this link:

http://www.oms.nysed.gov/medicaid/billing_claiming_guidance/2010_SSHSP_transportation_rates_1010.pdf

43. Page 7 of 71. The provided table gives a sense of the number of claims for 2006, 2007 and 2008 (all on the old SPA).

43.a. Can the Department provide the number of claims submitted under the new SPA, by eligible service area, for the period starting September 1, 2009 under the new SPA?

43.b. Can the Department provide the volume of services being billed under the current plan, effective September 1, 2009?

Response to 43.a.: Claiming under the current SPA (#09-61) resumed as of April 22, 2011, therefore limited data are available at this time. Approximately 1,800 claims were submitted in the June 2011 cycle.

43.c. How many of the eligible entities are submitting claims under the new SPA that was approved starting September 1, 2009?

Response to 43.c.: Approximately 8 entities submitted claims in the June cycle.

43.d. Can the Department provide a list of the submitting entities and the volume of their current submissions?

Response to #43.d.: This information will not be provided.

43.e. Does the Department have cost data that they can share with the vendor, or will the vendor need to access the necessary financial data directly from the selected districts?

Response to #42.e: The Department will share cost data with the selected vendor.

43.f. How long does an eligible entity have to submit an encounter service for reimbursement? 12 months from date of service, 18 months from date of service? Or some other time period?

Response to #43.f.: Eligible entities currently have up to 22 months to submit an encounter service for reimbursement.

PROPOSAL REQUIREMENTS/FORMATting

44. In the third paragraph of this section (page 13), the requirements for the formatting of the response are outlined. Do the spacing and font requirements apply to any charts and exhibits included within the response?

Response to #44: Charts and exhibits are not subject to the spacing and font requirements included on page 13 of the RFP.

45. Under Section D.1.c. (page 14) bidders are asked to provide details regarding their organizational background and experience. Can detailed qualifications illustrating the bidder's experience in performing this scope of work be included as part of an appendix, as long as those qualifications are adequately summarized within the page limit for that section? Would the formatting requirements apply or could appendices be single spaced, for example?

Response to #45: No. Bidders must adhere to the specified formatting requirements and eight-page limit.

46. Similarly, under Section D.1.d. (page 15), bidders are asked to provide details regarding staffing background and experience. Can detailed staff resumes be included as part of an appendix, as long as those qualifications are adequately summarized within the page limit for that section? Would the formatting requirements apply or could appendices be single spaced, for example?

Response to #46: Yes. As long as the requirements under D.1.d. are met, it is permissible to include detailed staff resumes as part of an appendix. Such attachments may be single spaced.

PAYMENT

47. Section A Introduction, last paragraph:

"The State will retain the first \$100 million anticipated increased federal reimbursement for each annual contract period"

Question: Is the fixed base for this incremental calculation State Fiscal Year 2010?

or

Question: What is the fixed baseline in dollars?

47.a. Is there a baseline figure, then the Department will keep the next \$100m and then the vendor fee is applied to every dollar above the baseline and the Department \$100m?

Response to #47 and #47.a: The incremental calculation is based on SSHSP revenue in the 2011-12 school year; the State will retain the initial \$100 million annually.

48. Page 12 of 71. "The State will retain the first \$100 million in anticipated increased federal reimbursement for each annual contract period. Payment for the services rendered will be based on a percentage of increased federal revenue as delineated in the resultant contract for each annual contract period above the initial amount to be retained by the State."

Please clarify when the vendor fee will trigger. Is it on every dollar above \$100m?

Response to #48: Yes.

48.b. Given that the Department is requesting a contingency fee arrangement with the vendor, can the Department please provide its internal estimates of the total SSHSP reimbursement that it anticipates under a new CPE approach?

Response to #48.b.: This information will not be provided.

48.c. Given that the new CPE approach is not approved, does the Department anticipate basing its \$100m in collected revenue, and the subsequent vendor contingency fee, off of just the federal share of the reimbursement, or off of the state and federal share?

Response to #48.c.: Vendor payments are predicated on CMS approval of a new reimbursement methodology.

49. Contractor's Payment Page 12: Are any of the costs for the development of the State Plan upon approval by CMS paid by fee for service or are they paid by contingency of increased FFP?

Response to #49: This work is not priced separately and is included in the requested contingency fee approach.

50. The \$100 million FFP threshold for payment is categorized as “anticipated **increased** federal reimbursement...” is \$100 million the base or some other historic figure with the additional \$100 million? If a specific base year is to be one of the variables in determining the anticipated increased in federal reimbursement, will changes in provider and licensing requirements be a variable?

Response to #50: The \$100 million is not based on a specific prior year. As noted in the RFP, the SSHSP reimbursement methodology has shifted from a monthly claiming methodology to an encounter-based methodology as a result of a settlement agreement with the federal government. Provider qualifications for the SSHSP are detailed in a document that can be found at http://www.oms.nysed.gov/medicaid/billing_claiming_guidance/prov_doc_requirements_aug2011.pdf

51. Page 5 of 71. The RFP states that “Payment to the vendor will be remitted only upon receipt of funds from CMS.” This statement assumes that a result of the cost settlement process will be additional revenue for the schools.

51.a. How will this payment trigger be altered if the result of the cost settlement results in a payback of funds to CMS? (For instance, a rate is selected that is in fact less than actual cost, and a payback must occur.)

Response to #51.a.: The payment trigger remains the same. As stated in the RFP, “The State will retain the first \$100 million in anticipated increased federal reimbursement for each annual contract period. Payment for the services rendered will be based on a percentage of increased federal revenue as delineated in the resultant contract for each annual contract period above the initial amount to be retained by the State.” Payment to the vendor will be based on annual cost settlement results for all participating school districts, counties and § 4201 schools.

52. Page 5 of 71, The RFP states, “Payment to the vendor for all costs associated with the development of necessary State Plan amendments or other communication, development and implementation of the cost study, and implementation of a revised reimbursement methodology using Certified Public Expenditures (CPE) in school districts, § 4201 schools and counties in the state is conditional, and is based upon receiving approval from CMS. The Department will not reimburse the vendor for any expenses if CMS does not accept the proposed plan. Payment to the vendor will be remitted only upon receipt of funds from CMS”

52.a. Will the Department pay the selected vendor for the work performed associated with the initial cost report, even if the subsequent State Plan amendment or implementation of ongoing cost study or implementation of revised methodology using CPE is not approved by CMS?

Response to #52.a.: The RFP provides for payment on a contingency basis and pending CMS approval of the proposed State Plan amendment.

53. Section C, Detail Specifications, Item 3, Implementation and Administration, Paragraph 11: "Contractor payment will be made based upon an annual invoice....."

Question: Since the State Agency has traditionally been reimbursed quarterly, can the contractor submit interim invoices on a quarterly basis, which could be reconciled on an annual basis? (This will reduce the contractors "cost of money" or borrowing costs)

Response to #53: Contractor payment will be made on an annual basis, as stated in the RFP.

54. a. How do Attachments 7 and 8 (pages 35 – 38) differ?

55. Since the RFP does not contemplate the contractor being paid in the first year of the contract, how should the contractor prepare Attachment 8?

Response to #54.a. and #55: Form A is the State Consultant Services form, which is the contractor's planned employment. This must be completed prior to contract execution by the awarded vendor. Form B, the Contractor's Annual Employment Report, must be completed annually for the period April 1 through March 31 and is completed after the contract is in place. Attachment 8 does not have to be completed at this time; it is required after the contract is in place.

56. What should the vendor assume related to MAC and other additional services in the preparation of this form as both are considered optional services?

Response to #56.: The vendor should prepare Form A based on requirements in the RFP excluding both MAC and other additional services, as these will be negotiated separately with the successful vendor. See also response to #54.a. and 55.

CONTRACT - M/WBE

57. Page 23 of 71. The RFP states "Bidders who are not currently a New York State certified M/WBE must define the portion of all consumable products and personnel required for this proposal that will be sourced from a M/WBE. The amount must be stated in total dollars and as a percent of the total cost necessary to fulfill the RFP requirement." Given that the RFP requires a contingency fee based Cost Proposal, and the exact dollar amount cannot be known until the cost settlement is completed and money reimbursed by federal CMS, how can a vendor state in total dollars the amount that will be sourced to a M/WBE?

58. Bidders Proposed M/WBE Utilization Plan.

a. The required plan requests the dollar amount of the contract. What does the Department want the vendors to enter into this section, as the dollar amount is a contingency fee that will be determined on an annual basis?

Response to #57 and 58: Bidders should only include a projected percentage at this time.

59. Page 23 of 71. The RFP states "The goal for usage of M/WBE's is at least 10% of monies used for contract activities (Minority- owned – 10%; Women-owned – 10%). In order to assure a good-faith effort to attain this goal, the DOH requires that bidders complete the M/WBE Utilization Plan (Attachment 5) and submit this Plan with their bid documents." For clarification, is the requirement 10% total or 20% total that must be sourced to an M/WBE?

Response to #59: 10% to Minority-owned business and 10% to Women-owned businesses.

60. Page 23 of 71. Does the Department expect the M/WBEs to also be performing work on a contingency fee basis or is there a requirement that the M/WBE must be paid as work is performed?

Response to #60.: There is no requirement related to how a M/WBE is paid. It is expected that the established goals will be met on an annual basis based upon contractor billings to the State.

CONTRACT TERM

61. The RFP identifies a 5-year contract, Section D, Proposal Requirements, Item 3, Implementation and Administration, paragraph 13, Contract Period: "The contract resulting from this RFP is expected to be for a period of five years....."

Question: Can the contract be extended at the end of the five years for one, two, or three additional years at the State's option, should a replacement RFP not be readily available?

62. State of New York Sample Agreement.

- a. The Agreement mentions renewal periods, but there is no reference in the RFP to possible renewal periods. Does the Department have possible renewals at its discretion beyond the five year contract term for this engagement? If so, how many renewal options are there for the Department to select?

63. Page 11 of 71. The RFP states that the contract term is five years. Given the nature of the cost reporting process, and that a cost report cannot be collected until after a time period has been completed, how will the last year of the contract be conducted?

63.a. For instance, if the last year of the contract is September 1, 2015 through August 31, 2016, will the vendor be responsible for conducting the cost report and settlement process for this last year, even though all of those activities will occur past the contract termination date (with the exception of the RMTS)?

63.b. Will the vendor only be compensated for work that is completed during the life of the contract, or will the vendor be responsible for completing work for all dates of the contract, even if they occur outside of the contract period?

Response to #61, #62 and #63 a. and #63.b.: The anticipated contract term is changed from five years to five and one half years to allow sufficient time for the vendor to conduct the cost settlement process for the last year of the contract. There is no plan for an extension or renewal.

OTHER

64. Although not mentioned in the RFP, State Law may require changes.

Question: Will the contractor participate in and be required to demonstrate expertise in the New York State Law amendment / change process?

Response to #64: The contractor may be required to participate in activities directly related to implementation of the cost study and/or new reimbursement methodology for SSHSP.

65. Has the Department had any conversations with CMS regarding the implementation of a RMTS, and have any conversations occurred as of yet with CMS?

Response to #65: The Department has not had conversations with CMS regarding implementation of a RMTS.

66. Will the Department require the school districts, 4201 schools and counties to participate in the RMTS and cost reporting and settlement programs?

67. What requirements do the claiming units have to participate in the time study and cost reporting?

Response to #66 and #67: The Department does not require school districts, § 4201 schools or counties to participate in the SSHSP.

68. Page 8 of 71. Requirement #3 states “..and assist the Department with the preparation of any subsequent State Plan amendments to be submitted to CMS regarding the SSHSP.” Does the Department have anticipated items that will require a SPA during the term of the contract, in addition to what is outlined in the RFP?

Response to #68: Not at this time.

REVIEW PROCESS

69. Page 16 of 71. The RFP states “the review team will evaluate both the respondent’s technical and cost proposals in the process of selecting a contractor.”

69.a. Can the Department provide any guidance, formal or informal, regarding the Department’s weighing of the technical proposal versus the cost proposal?

Response to #69.a.: This information will not be provided.

69.b. Will the Department be conducting oral interviews of qualified vendors?

Response to #69.b.: The Department does not anticipate conducting oral interviews of qualified vendors.

69.c. Will the Department be requesting demonstrations of vendor software to be deployed as part of this engagement?

Response to #69.c.: The Department does not anticipate requesting demonstrations of vendor software; however, the Department reserves the right to request clarification of proposals as necessary.

69.d. Will the Department be conducting reference checks on provided qualifications of the submitted responses?

Response to #69.d.: The Department may conduct reference checks at its discretion. Page 14 of the RFP states: “The projects referenced in the descriptions above should be specifically identified and the name of the customer shown, including the name, address and telephone number of the responsible official of the customer, company or agency who may be contacted by the State.”

70. Will the due date for proposal submissions be extended?

Response to #70: Yes. The new due date for proposal submissions is 3:00 P.M. Eastern Time September 7, 2011 and the new anticipated contract start date is October 3, 2011.