

MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE

PRE-PROPOSAL CONFERENCE

FOR

OFFICE OF INSPECTOR GENERAL (OIG)

MEDICAID RECOVERY AUDIT CONTRACTOR

DHMH OPASS NO. 18-17611

WHEREUPON,

Pursuant to Notice, the above-entitled pre-proposal conference was held on Thursday, May 25, 2017, at 201 West Preston Street, Conference Room L-2, Baltimore, Maryland, 21201, commencing at 11:06 a.m., there being present the following parties:

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ON BEHALF OF THE DEPARTMENT OF  
HEALTH AND MENTAL HYGIENE :

QUEEN DAVIS, Contract Officer  
Office of Procurement and Support Services

LYNN PRICE, Contract Monitor  
Office of Inspector General

JANELLE ROBINSON, Director, MBE Program

WANDA DANNEY, Program Specialist

JOYCE GEE, Program Specialist

MEGAN LIMARZI, Inspector General

SUSAN STEINBERG, Assistant Inspector General  
Program Integrity Division

ALSO PRESENT:

AMANDA TATE, CVP  
KIRTHI ANANTHARAM, CVP  
LISA VRIEZEN, Health Integrity  
BOB BULLEN, Myers & Stauffer  
ROBERT CULLIFER, HMS  
TUESDAY WILLIAMS, Tuesday International  
CLARE HINES, Net America

REPORTED BY: DEBORAH B. GAUTHIER, Notary Public

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1                   P R O C E E D I N G S

2                   MS. DAVIS: So good morning everyone. I  
3 would like to welcome you all to the pre-proposal  
4 conference for the Recovery Audit Contractor  
5 solicitation for Medicaid. My name is Queen Davis. I  
6 am the Contract Officer for this project. I want to  
7 take this opportunity to go around the room. Everyone  
8 can introduce theirselves, and if you're an MBE, please  
9 state that when you're introducing yourself. And we  
10 will start on my left -- right. I'm sorry. This left  
11 (indicating). Sorry.

12                   (Laughter.)

13                   MS. LIMARZI: Good morning. My name is Megan  
14 Limarzi. I'm the Inspector General here in the  
15 Department.

16                   MS. PRICE: My name is Lynn Price. I'm the  
17 Contract Monitor for this RFP.

18                   MS. DAVIS: Again, Queen Davis, the Contract  
19 Officer.

20                   MS. ROBINSON: Janelle Robinson, Director of  
21 the MBE Program.

1 MS. STEINBERG: Susan Steinberg, the  
2 Assistant Inspector General for Program Integrity.

3 MS. DANNEY: Wanda Danney, Program  
4 Specialist.

5 MS. GEE: Joyce Gee, Program Specialist.

6 MR. ANANTHARAM: Kirthi Anantharam. I'm with  
7 CVP.

8 MS. TATE: I'm Amanda Tate and I'm with CVP.

9 MS. VRIEZEN: Lisa Vriezen with Health  
10 Integrity.

11 MR. BULLEN: Bob Bullen from Myers and  
12 Stauffer.

13 MR. CULLIFER: Robert Cullifer with HMS.

14 MS. WILLIAMS: Tuesday Williams with Tuesday  
15 International.

16 MS. DAVIS: All right. Thank you for that.  
17 I am going to give an overview of the procurement  
18 process so that you'll get an understanding of all  
19 that's required during this solicitation. If there are  
20 any questions that you don't have answered today, you  
21 have up until five business days prior to the due date

1 of the solicitation to submit questions for this RFP.  
2 And the reason why we give you five business days is to  
3 allow us sufficient time to answer your questions,  
4 especially for this opportunity, and we can get a  
5 response back to you timely so that you can still  
6 submit your proposal.

7 Okay. So DHMH is soliciting this for the  
8 Office of the Inspector General. The Inspector General  
9 has issued this RFP to contract for a Medicaid Recovery  
10 Contractor, and its mission is to reduce Medicaid  
11 Improper Payments through the efficient identification  
12 of Overpayments, Underpayments, and actions to prevent  
13 future Improper Payments, as described in the Scope of  
14 Work in Section 2 of the RFP beginning on page 9.

15 The Program, at a later time in this  
16 conference, will give you an overview of the  
17 programmatic specifications for this project, but right  
18 now we're going to talk about the procurement process.  
19 Let me assure you that minutes will be taken. We have  
20 a transcriber, and the minutes will be distributed to  
21 everyone who's sitting here at the pre-proposal

1 conference, and they will also be published eMaryland  
2 Marketplace, as well as our DHMH procurement website.

3 Subsequent to the pre-proposal conference,  
4 we've gotten written questions. Those questions will  
5 be addressed and responded to as well with the minutes.  
6 Normally, we try to have the minutes within ten days of  
7 the pre-proposal conference, and we certainly hope that  
8 that will be the case this time. Questions and  
9 answers, as well as the minutes, will be posted, as  
10 I've already said, on the DHMH website.

11 Please remember that in order for a  
12 Contractor to be awarded this Contract, you must be  
13 registered on eMaryland Marketplace. Registration is  
14 free, and please review Subsection 4.2 for details and  
15 the website for that process. And as I said earlier,  
16 questions should be submitted no later than five  
17 business days prior to the proposal due date. That is  
18 detailed in Subsection 4.3 of the RFP. And the  
19 Procurement Officer, who's Dana Dana Dembrow, who works  
20 in the Office of Procurement and Support Services,  
21 based on the availability of time to research and

1     administrate an answer, shall decide whether an answer  
2     can be given before the proposal due date, so just try  
3     to get any questions that you may have subsequent to  
4     this solicitation to us as soon as possible.

5             The Contract resulting from the solicitation  
6     will be three years beginning on or about November the  
7     1st. There are two one-year option renewal periods for  
8     this Contract. The procurement method is the  
9     competitive sealed proposal.

10            Section 1 lists minimum requirements;  
11     however, there are no minimum requirements for this  
12     solicitation. I encourage you to research and review  
13     the mandatory requirements, however, to make sure that  
14     you are meeting those requirements.

15            Section 3 lists Contractor Requirements.  
16     That's the General Requirements section. Please read  
17     this section carefully and thoroughly so that you are  
18     familiar with the State's standard Contract  
19     requirements in the event that you awarded this  
20     Contract. There is a five percent MBE goal established  
21     for this Contract. Please see Section 4.26. Be sure

1 to complete the MDOT-certified MBE Utilization and Fair  
2 Solicitation Affidavit. That's Attachment D-1, and  
3 this attachment must be provided in a separately-sealed  
4 envelope. If you do not complete this document and  
5 provide it to us, it is a fatal -- well, fatal error;  
6 you will not be considered any further. And I'm going  
7 to let Janelle Robinson, who's the MBE Director, talk  
8 further on this.

9 MS. ROBINSON: Good morning. The MDOT-  
10 certified MBE Utilization and Fair Solicitation  
11 Affidavit, which is Attachment D-1, must be fully and  
12 accurately completed and submitted along with bid or  
13 proposal. Failure to do so will result in your bid or  
14 proposal being deemed non-responsive. It's very  
15 important that it's filled out as accurately as  
16 possible. We understand that people make mistakes; you  
17 hit a five instead of a nine; you know, you spelled a  
18 name wrong; you put the wrong number. We understand  
19 that and those are correctable, but it's very important  
20 you're as accurate as possible; otherwise, it'll be  
21 deemed non-responsive. On the D-1 Form you must first



1     acknowledge and express your intention to meet the  
2     overall MBE goal. The MBE Participation Schedule  
3     should include the names of the Minority Business  
4     Enterprises that you intend to use to meet the required  
5     MBE goal of five percent, along with their Federal  
6     Employer Identification Number, their MDOT  
7     Certification Number -- I'm sorry -- excuse me -- MDOT  
8     MBE Certification Number, as well as their  
9     certification category. Only MDOT MBE certification is  
10    acceptable. MBE certification from another  
11    jurisdiction or entity will not be accepted.  
12    Additionally, the percentage of the total Contract  
13    value to be provided by the particular MBE should be  
14    entered, as well as the specific description of the  
15    work that the MBE is -- the work that is to be  
16    performed by that particular MBE.

17             In summary, we'll break down the specific MBE  
18    status of the particular subcontractors, and this  
19    should be equal to or exceed the MBE goal established  
20    for this solicitation. Within ten working days of  
21    receiving notice that your firm is the apparent

1     awardee, you must submit your Outreach Efforts  
2     Compliance Statement, which is Attachment D-2, and your  
3     Subcontractor Project Participation Certification,  
4     which is Attachment D-3.

5             You may request a waiver of the MBE goal and  
6     within ten working days of receiving notice that your  
7     firm is the apparent awardee, you must submit all  
8     required waiver documentation in accordance with COMAR  
9     21.11.03.10. Please carefully review the liquidated  
10    damages provisions in the solicitation regarding  
11    compliance with the MBE rules and regulations.  
12    Additionally, MBE Prime Contractors may count 50  
13    percent toward the established subcontracting goal.  
14    Does anyone have any questions?

15            MS. VRIEZEN: Quick one. Ms. Davis said that  
16    the Form D-1 must be in a separate envelope.

17            MS. ROBINSON: Yes, ma'am.

18            MS. DAVIS: Yes.

19            MS. VRIEZEN: Okay. Do all of the  
20    attachments go in that envelope or just D-1?

21            MS. DAVIS: Well, D-1 is the only thing that

1     you are submitting with your solicitation -- I mean,  
2     your offer.

3             MS. VRIEZEN:   Okay.

4             MS. DAVIS:   That's the only thing that you  
5     should be submitting --

6             MS. ROBINSON:   D-2 only comes in --

7             MS. DAVIS:   After you are awarded --

8             MS. VRIEZEN:   If you've been awarded --

9             MS. ROBINSON:   Yes.

10            MS. VRIEZEN:   Thank you.

11            MS. ROBINSON:   Any other questions?

12            (No response.)

13            MS. ROBINSON:   Great.

14            MS. DAVIS:   No more questions?   Thank you,  
15     Janelle.   So I'm going to talk to you about your  
16     submission.   Offerors are required to submit your  
17     proposals in two parts.   Volume I is your Technical  
18     Proposal.   It should be in a separately-sealed  
19     envelope.   Volume II is your Financial Proposal.   That  
20     should also be submitted in a separately-sealed  
21     envelope.   Each envelope shall bear the RFP title and

1 number, name and address of the Offeror, closing date  
2 and time for the receipt of proposals. Pages of both  
3 volumes shall be consecutively numbered.

4 The general format for this proposal is  
5 clearly stated under Section 5, Proposal Format.  
6 A brief transmittal letter prepared on the Offeror's  
7 letterhead and signed by someone who is authorized to  
8 commit the Offeror to the services and requirements of  
9 the RFP is requested. Be sure to include your FEIN or  
10 Social Security Number, acknowledgement of addenda, if  
11 applicable, and please include your e-mail address.

12 Subsection 5.4 lists all of the documents and  
13 information required to be submitted with Volume I,  
14 which is your Technical Proposal. Please give special  
15 attention to Subsection 5.4.2, which lists additional  
16 required technical submissions. Proposal submission  
17 requirements listed in Section 5.4 lists all of the  
18 submissions. Please make sure you carefully and  
19 thoroughly read that section. The following number of  
20 Technical Proposals are required: one unbound original  
21 and five copies; one electronic version in CD format in

1     -- in CD -- on a CD -- I'm sorry -- in Microsoft Word  
2     format and a second electronic version in searchable  
3     PDF format for Public Information Act requests. This  
4     copy shall be redacted so that confidential and/or  
5     proprietary information has been removed.

6             Under separate cover from the Technical  
7     Proposal and clearly identified in the format  
8     identified in Section 5.2, Proposals, the Offeror shall  
9     submit an original unbound copy and five copies and an  
10    electronic version in Microsoft Word or Microsoft Excel  
11    of the Financial Proposal. The Financial Proposal  
12    shall contain all price information in the format  
13    specified in Attachment B. The Offeror should complete  
14    the Financial Proposal form that is provided under  
15    separate cover, which is in Excel, only as provided in  
16    the Financial Proposal instructions and the Financial  
17    Proposal form itself. The number of copies again for  
18    the Financial and Technical is one unbound original,  
19    five copies, and one electronic version in Microsoft  
20    Word of the Financial Proposal and the Technical  
21    Proposal. Your proposals will be evaluated by a

1 committee organized for the purpose and will be based  
2 on the criteria set forth in the RFP under Section 6,  
3 Evaluation Criteria and Selection Procedure (sic) on  
4 page 58 of the RFP. The technical criteria, listed in  
5 descending order of importance, can be found in  
6 Subsection 6.2 on page 58, and the financial criteria  
7 listed in Subsection 5.3 (sic) can be found on page 59.

8 As noted in Subsection 6.5, under Selection  
9 Procedures, on page 59, the Contract will be awarded to  
10 the responsible Offeror that submitted the proposal  
11 determined to be the most advantageous to the State,  
12 considering technical evaluation factors and price  
13 factors, as set forth in this RFP. Unsuccessful  
14 Offerors have the right to ask for a debriefing.

15 In making this most advantageous proposal  
16 determination for award, technical and financial  
17 factors will receive equal weight. Within five day of  
18 being notified of its recommendation for award, the  
19 Offeror must complete and submit the Contract  
20 Affidavit, as set forth in Attachment C. There is a --  
21 if there is a question of who your Resident Agent is,

1 please contact the State's Corporate Charter Division,  
2 and I'm going to give you the phone number. It's 410-  
3 767-1330. Their office is located at 301 West Preston  
4 Street, directly across from here in the courtyard.

5 Now, it is very important that you get your  
6 proposals to us by the due date and time and location  
7 listed on -- in the RFP, and that's on the Summary --  
8 Information Summary Sheet at the beginning of the  
9 proposal. Your proposals are due no later than  
10 Thursday, June 22nd, 2017 at two p.m. local time. The  
11 address for receipt of the proposals is listed in this  
12 Key Information Summary Sheet; that's page iii. No  
13 proposals will be accepted after the specified due date  
14 and time. If you come up to our office, there is an  
15 Entech (phonetic) person. If he -- if he stamps the  
16 time-stamp and it's 2:01, your proposal will not be  
17 accepted. Nothing is accepted after two p.m.

18 There are three acceptable means of  
19 delivering the proposal, and they are the U.S. Postal  
20 Service -- make sure that if you are sending it through  
21 USPS that you send it timely so that it can reach us

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1 prior to the due date. It does not matter when it was  
2 stamped at the Post Office or when it was stamped at  
3 our mailroom. If it is not in our office at two p.m.  
4 on June the 22nd, it will not be accepted. You can  
5 have your proposal hand-delivered by a commercial  
6 courier. Have your commercial ask for a time-stamped  
7 receipt, and he will be given that. And you can hand-  
8 deliver your offer yourself, and, also, I would suggest  
9 you ask for a receipt time-stamped.

10 Oh, and let me mention that, as you came in  
11 for the pre-proposal, there is security downstairs and  
12 they will hold you there with ID and call us upstairs  
13 to come down and get you, if necessary, if you don't  
14 have the proper ID. If they call us at 2:01, we're not  
15 coming, so I just want to let you know and I want to  
16 stress that two o'clock is the deadline. If they call  
17 us at 2:01 and you had a problem with parking or you  
18 couldn't find your ID or whatever the case may be,  
19 we're not coming and we're not going to accept it.  
20 Okay? So if there are no questions for me, I'm going  
21 to turn it over to Lynn Price, who is the Contract



1 Monitor for this so she can give you an overview of the  
2 services.

3 MS. PRICE: Good morning again, and my name  
4 is Lynn Price and I will be the Contract Monitor for  
5 this RFP. This Contract is required under the  
6 Affordable Care Act, and it is directed by statute and  
7 federal regulations which were promulgated at 42 CFR,  
8 Federal Regulations, 455. This is a Medicaid Audit  
9 Contract, but will be monitored and maintained in the  
10 Office of the Inspector General. So that basically  
11 means that all the recoveries and provider regulations,  
12 they're going to be under the Medicaid rules, but we  
13 are monitoring in -- with the Contract itself.

14 Recoveries will go back to Medicaid and  
15 actually be paid through the Medicaid program. OIG has  
16 been -- in the interim from the last Contract, OIG has  
17 been conducting its own hospital claims audit with  
18 using clinical staff. Our staff will not be assisting  
19 with this RAC, and they ended up -- the last period was  
20 2010. The new Contractor will start with 2011 --  
21 calendar year 2011. The Contract not only requires the

1 Contractor to audit hospital providers both in and out  
2 of state, the clinics, DME, DMS, and other provider  
3 types that were listed in the RFP.

4 As you may have read, Maryland does not use  
5 extrapolation. The requirements and responsibilities  
6 outlined in the Contract are very detailed. The  
7 Contractor must identify providers to review improper  
8 claim payment, notify providers of the improper  
9 findings, and then assist the Department in the  
10 recovery and appeal. The number and types of providers  
11 that can be audited or reviewed is extensive, which  
12 means that several audits can be conducted at the same  
13 time, simultaneously.

14 There will be a lot of data collection and  
15 heavy reporting requirements to the Department. The  
16 RFP is very detailed regarding the responsibilities of  
17 the Contractor. A secured data system will be very  
18 important for case tracking, for managing the cases,  
19 and tracking the audit findings. A claims database is  
20 needed for separate files for each provider. The case  
21 information must be shared not only with the

1 Department, but with the providers themselves. And, as  
2 I said, it's very detailed, so -- and as you can see in  
3 the RFP, there's a lot of information that's going to  
4 be needed from the successful Contractor. And that's  
5 all that I have. Any questions?

6 MS. DAVIS: Really, we are that good?

7 VOICE: Oh, there will be questions.

8 (Laughter.)

9 MR. BULLEN: Is there or has there been a RAC  
10 Contractor in the past?

11 MS. PRICE: Yes, there has been.

12 MR. BULLEN: Is there one currently?

13 MS. PRICE: No, there is not.

14 MR. BULLEN: Can you speak to why the number  
15 of audits is so low in the first Contract year versus  
16 in the subsequent years?

17 MS. PRICE: Well, I think we were just more  
18 or less trying to get the Contractor kind of up to  
19 speed on getting -- because the Contracts were so  
20 backlogged from 2010, we're trying to make sure that  
21 everything gets up to speed with the current year, and

1     there's just a lot of -- you can actually audit what  
2     you want, but in the first year we're just trying to  
3     get a feel for what audits are going to be done and how  
4     that's going to work, but you can audit, you know, with  
5     our permission, what you want.

6             MR. BULLEN: Included in the scope are the  
7     MCOs?

8             MS. PRICE: Yes.

9             MR. BULLEN: It would be the provider claims  
10    on MCO site?

11            MS. PRICE: Yes.

12            MR. BULLEN: Can you speak to, I guess, what  
13    rights you have within the State to recover claims that  
14    were paid by the MCO to the providers? Is there any  
15    restrictions in place?

16            MS. STEINBERG: No restrictions in place, as  
17    long as the fee for service is claimed, we can -- we  
18    can recover it.

19            MM. BULLEN: So if it's a fee-for-service  
20    claim and that the MCO paid it as a fee-for-service  
21    claim to the provider?

1 MS. STEINBERG: Yes.

2 MR. BULLEN: Okay.

3 MS. VRIEZEN: That is because they are  
4 enrolled with you or because --

5 MS. STEINBERG: Because it's indirectly  
6 Medicaid money. We pay the MCO a capitated rate. The  
7 rate is indirectly set by how many services they  
8 provide, and therefore it's all Medicaid money.

9 MS. VRIEZEN: Okay.

10 MS. DAVIS: Can I just --

11 MR. BULLEN: Sure.

12 MS. DAVIS: -- interject right here that when  
13 you ask a question, prior to asking the question, state  
14 your name and the company so that the transcriber can  
15 catch all that.

16 MR. BULLEN: Understand.

17 MS. DAVIS: Thank you. I'm sorry. Go ahead,  
18 sir.

19 MR. BULLEN: Oh, Bob Bullen, Myers and  
20 Stauffer. Does the Contract between the State and the  
21 MCO speak to the ability to collect those claims from

1 the provider?

2 MS. STEINBERG: It is being amended to  
3 (indiscernible) --

4 MR. BULLEN: Okay. Have you recovered any in  
5 the past?

6 MS. STEINBERG: Yes. Well, through our civil  
7 false claims we have.

8 MS. DAVIS: Take your time. As I said, we  
9 received a -- two rounds of questions so far. We  
10 intend on answering those questions and posting them  
11 with the minutes. And we'll give you guys a few more  
12 minutes to take it all in and see if there are any  
13 other questions.

14 MS. STEINBERG: I think I can just also add,  
15 in addition to the MCO claims are all the fee-for-  
16 service claims. As you know, we have a carve-out for  
17 Behavioral Health for the last couple years. Long-term  
18 care is carved out, and anyone who's under the waivers,  
19 you know, we pay for also their hospitalization, so  
20 there's a huge fee-for-service bucket.

21 MR. ANANTHARAM: Kirthi Anantharam from CVP.

1 When you mention "waivers," are those 1115 waivers?

2 MS. STEINBERG: Yeah, the community waivers  
3 -- long-term community waivers, we do that in addition  
4 to Behavioral Health that's carved out. Dental is --  
5 for children is a separate fee for service product  
6 under the Medicaid line.

7 MR. ANANTHARAM: Thank you.

8 MS. DAVIS: No more questions?

9 (No response.)

10 MS. DAVIS: If there are no more questions, I  
11 -- prior to adjourning this meeting, I will encourage  
12 you to read the proposal thoroughly, and if you do have  
13 any questions in the future, get them to the e-mail  
14 address for questions as quickly as possible. And  
15 there is a deadline, again, five days prior to -- five  
16 business days prior to the due date, and that's to  
17 allow time to sufficiently respond to your questions.  
18 And if there are no further questions, this meeting is  
19 adjourned. Thank you all.

20 (Whereupon, at 11:30 a.m., the pre-proposal  
21 conference was concluded.)

CERTIFICATE OF NOTARY

I, Deborah B. Gauthier, Notary Public, before whom the foregoing testimony was taken, do hereby certify that the witness was duly sworn by me; that said testimony is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to this action, nor financially or otherwise interested in the outcome of the action; and that the testimony was reduced to typewriting by me or under my direction.

This certification is expressly withdrawn upon the disassembly or photocopying of the foregoing transcript, including exhibits, unless disassembly or photocopying is done under the auspices of Hunt Reporting Company, and the signature and original seal is attached thereto.

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DEBORAH B. GAUTHIER  
Notary Public in and for the  
State of Maryland

My Commission Expires:

October 17, 2019

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