

**Pre-Bid Conference Questions and Answers
Medicaid Hospital Claims Audit Contractor
MDH/OPASS 19-18604**

May 30, 2018

Question 1: Section 2.3.4.C.4 page 13 states that the contractor shall not review claims previously reviewed or subjected to audit. Does the Department have a Medicaid RAC against which this contractor will have to compete? Do the data abstract reviews performed by the MD Health Services Cost Review Commission apply?

Response: The Department does not have a Medicaid RAC contract in which the Contractor will have to compete. The reviews required this contract are separate and no conflict nor interfere with HSCRC.

Question 2: Section 2.2.1 page 9. Are hospital services carved out of MD Medicaid Managed Care? If not, will the contractor be able to review hospital payments made by managed care organizations, and does the state have the ability to collect identified overpayments?

Response: Managed Care hospital reviews are not included in this audit.

Question 3: Section 2.2.1 page 10. Could you provide prospective bidders the payment dollars and number of claims paid by provider type and further broken down between inpatient and outpatient services?

Response: When this information becomes available, it will be shared with the prospective bidders.

Question 4: Sections 2.2.1 page 10; 2.3.4.A page 12; 3.4.2.2 page 30; and 3.4.2.3 page 30. Is the Department willing to consider fee structures other than a contingency/ percentage of recoveries?

Response: The Department is not considering other fee structures for this contract.

Question 5: Section 2.3.4.B.1 page 12. If fraud is suspected and the case is referred to the MFCU, how will the contractor get paid? What will constitute the recovery against which the contingency percentage will be applied?

Response: Contractors are paid when a case is resolved, and the state recovers the money. The Contractor should cease work on audit as soon as fraud is detected and refer to the Department.

Question 6: Section 2.3.4.A page 12. If the Department directs the contractor to audit a provider not previously identified by the contractor and there are no overpayments, will the Department compensate the contractor through an alternate fee structure?

Response: The providers to be audited will be a joint decision by the Department and Contractor. The only caveat is the Department requires the Contractor to audit every hospital at least once during the course of the contract. There are no other fee structures.

Question 7: Section 2.3.5.B.5 page 15. The contractor will not be compensated for voluntary/self-reported overpayments. However, will the contractor be compensated if they initiated the review and requested that the provider perform a self-audit?

Response: The Contractor may not request the provider to perform a self-audit.

Question 8: Section 3.5 page 30. It is highly unusual for an audit contract to require a SOC 2 Type II type of report. These engagements are typically reserved for contracts where an IT system is a significant part of the engagement. Will the state consider modifying this requirement such that it is not required?

Response: The Department is not considering modifying the SOC II requirement. Contractors and subcontractors will be handling sensitive confidential healthcare data in the form of medical information, analyzing Medicaid claims and payments, and are required to adhere to this section.

Question 9: Recently you advertised and awarded a contract concerning the validation of coding the Cost Containment Review Commission, and that scope of work is validating hospital claim coding and data analysis associated with that, figuring out what the most valued targets would be, and then going and doing that validation review. What is the interplay between that work and this work? Could potentially both companies be going after the same hospital, because they know that there's a high-risk issue or it could be a secondary diagnosis that would we potentially be conflicting with the other vendor?

Response: The Hospital Services Cost Review Commission (HSCRC) contract that you are referring to verifies that the charges hospitals use to bill are correct. The HSCRC contract does not require the Contractor to look at claims and does conflict with any work being conducted by this RFP.

Question 10: In the process of auditing for overpayment, if there should be any underpayments, how do we handle?

Response: **Correction** – Underpayments are included in the auditing process. Contractors will collect fees on underpayments that are corrected. If a Contractor identifies an underpayment outside of the 12-month billing time limitation, it should be identified, and the provider made aware. Auditors are incentivized to pursue only those claims they can prove are inaccurate. In addition, Contractors must return any recoveries that are reversed after a provider appeal.

Question11: How did the department reimburse observation claims prior to Jan 1, 2017?

Response: Prior to January 1, 2017, claims were paid under fee-for service. There were no limitations for observation stay.

Question12: The "Contract Type" indicates that scope of work is an "Indefinite Quantity with Fixed Price", however, the Proposed Payment Rate is to be entered as a % (contingency fee). Please confirm whether this is contingency only pricing or if other fee structures are allowed (fixed fee or per audit).

Response: The rate is contingency based with a fixed price as approved in the selected Contractor's Financial Proposal. There are no other fee structures.

Question 13:Section 2.3.4. A minimum number of audits by provider type is listed in the schedule. Will the Department confirm that there are no maximum constraints? Does the department expect this scope of work to align with RAC initiatives, allowing the awarded contractor the ability to continuously review new claims for the same provider under approved audit scenarios? For example, readmissions are being targeted for all inpatient claims. Each month, all paid claims will run against the readmissions overpayment target to identify new claims that are potentially improperly paid. Those targeted claims will be selected and reviewed regardless of the provider.

Response: Yes, the Department can confirm that there are no maximum constraints and will allow for continuous review of claims.

Question 14:Section 2.3.4. The Schedule of Complex Audits define what dates of service can be reviewed each contract year. Will the reviews be limited to only those dates of service, or can the lookback period be extended to any date of service each contract year as long as it does not fall under one of the exclusions defined by the department in section C. Excluded Improper Payments?

Response: The Schedule of Complex Audits is devised to ensure that older claims get reviewed first. As long as the older claims are reviewed, the Department may permit other years to be audited.

Question15: Section 2.3.2 -item g. "compiling and updating a database of Provider-approved addresses and points of contact". Should this be collected for providers who are being audited or all providers? Is the Contractor expected to reach out to all providers to update addresses and contacts?

Response: Yes, the Contractor is responsible for compiling and updating hospital provider information to ensure the most current information is up to date. The Department will work with the Maryland Hospital Association and Contractor to facilitate the compilation of information.

Question16: Section 2.3.12.A. Can you please clarify "scanning function to add information to the record". We understand that providers will upload scanned documents. Can you please elaborate on what other capability is requested here?

Response: The scanning functions should allow the provider the ability to upload/add documentation as needed, and to receive a receipt for information submitted.

Question 17:Section 2.3.12.B. "Contractor will build and maintain a Hospital Audit Claims Database." Can this be a web-based system that the Department can access over the web securely that meets the HIPAA/HITECH requirements?

Response: Yes, as long as the web-based systems meets the requirements of HIPAA/HITECH.

Question 18: Section 3.2.3.1.9 states "Data encryption should be applied to State data in transit over networks and, where possible, State data at rest within the system, as well as to State data when archived for backup purposes". Can you please elaborate on "where possible" means?

Response: The Department expects the Contractor to ensure the security of all data, including while storing the data, and when sending data in various formats to the provider and Department.

Question 19: Can we get a file layout that includes the field definitions (format and field lengths) for all the files that the Department would be providing the Contractor?

Response: This information will be provided once it has been compiled.

***** Additional Outstanding Questions and Answers will follow.**