



**Amendment # 2 to IFB 20221110: IFB Questions and Answers**

**IFB # 20221110 / RFX #3160005306**

**Date: January 10, 2023**

**IFB Name: Payment Methodology Services**

This document contains all questions submitted by potential offerors by the IFB Questions Deadline of December 13, 2022. The document is split into two parts:

1. IFB-Specific Questions and Answers (Table, 38 Questions)
2. Appendix A: Revised- Bid Form (WORD Format)

Amendment 3 will be published the same day as Amendment 2 (January 10, 2023):

Amendment 3: IFB #20221110 / RFX 3160005306, Payment Methodology Services, Corrections and Clarifications

**Receipt of Amendment 2 Acknowledged:**

\_\_\_\_\_  
**(Signature)**

\_\_\_\_\_  
**(Printed)**

\_\_\_\_\_  
**(Title)**

\_\_\_\_\_  
**(Company)**

**Official Responses to Submitted Questions**

**RFP # 20221110**

**Payment Methodology Services**

<b>Question</b>	<b>RFP Section</b>	<b>RFP Page</b>	<b>Question</b>	<b>DOM Response</b>
1	General		Can Bidders provide additional relevant documentation or information in the form of a transmittal letter as part of our proposal response?	Yes. DOM will amend Section 3.5.6 to allow the IFB to have an Attachment C Addendum 1a: Additional Supporting Documentation, although additional information is not required. Refer to item #6 in Amendment #3 Section 3.5.6 for submission of Additional Information.
2	General		Can the bidder submit all the requested examples in an Appendix at the end of our rolled proposal document?	DOM will amend Section 3.5.6 to allow the IFB to have an Attachment C Addendum 3: Report and/or Training Examples. Refer to item #6 in Amendment #3 Section 3.5.6 for submission of Reports and/or Training Examples.
3	1.1	4	The IFB requires that the successful bidder be proficient in performing medical payment error risk assessments, using efficient methods for claims error detection including but not limited to using computer algorithms to identify payment anomalies, handling large volumes of data for analysis, understanding control systems and weaknesses, and overpayment recovery. These activities are not described in Section 2.0 Scope of Services. Can DOM provide additional specificity regarding the scope of services being sought as it relates to these fraud, waste, and abuse activities?	These activities are described in Section 1.1, #5 and in Section 2.2.6 Hour Pool.

Question	RFP Section	RFP Page	Question	DOM Response
4	1.3	5	Can the Bidder provide the names and email addresses of two individuals as part of a contingency plan, in the event that the primary individual is sick or experiences an unplanned emergency?	Only one (1) individual's email address will be allowed for SharePoint upload.
5	1.8.2	8	Given the length of our audited financial statements (more than 200 pages), can Bidders provide these documents as an unprotected link/URL within our proposal response instead of placing all 4 financial statements in the rolled file?	No links/URLs will be allowed. Refer to Item #6 in Amendment #3 to Section 3.5.6 for submission of Financial Statements.
6	1.8.3	8	What is the purpose of Attachment C: Addendum 2: Capability to Provide services? 'In order for a bid to be deemed Responsible ...' How will this Addendum 2 be evaluated in regards to a bidder meeting the minimum requirements or for a bid to be deemed Responsible?	This is a Minimum Requirement of the IFB which should reflect Bidders experience and capability to meet the requirements in Section 2, Scope of Services. This Addendum 2 will not be evaluated; however, Bidder information provided within Addendum 2 will be assessed to determine Bidder's "responsiveness" to this minimum requirement. Please refer to item #1 in IFB Amendment #3 amending language in Section 1.8.3.
7	1.8.3	8	'Examples of reports provided to other customers must be submitted to demonstrate the vendor's capabilities.' Reports produced for other customers could only be submitted if they are publicly available on the customer's website. These reports do not belong to the bidder and are considered confidential and may contain PHI. Would DOM consider revising this requirement as follows: Examples of publicly available reports provided to other customers may be submitted to demonstrate the vendor's capabilities?	No. DOM's expectation for the response to this requirement is summary level documentation of the bidder's rate setting experience. No confidential information or PHI should be submitted. Information identifying other customers may also be redacted in the submission if necessary.

Question	RFP Section	RFP Page	Question	DOM Response
8	2.2.1	13	The IFB requires that the Bidder describe in detail its ability to provide a report detailing the annual Centers for Medicare & Medicaid Services (CMS) inpatient prospective payment system (IPPS) proposed and final rules and that a financial impact analysis should also be presented in the report. Can DOM provide additional information regarding the financial impact analysis the Bidder should include in the report?	DOM's hospital payment methodology is based on APR-DRG; therefore, most changes in the IPPS rule will not have a financial impact on DOM. However, if there are changes to CMS methodologies that impact DOM methodologies and payments, those should be noted in the report even if a direct financial impact of the change cannot be calculated.
9	2.2.2	13	Please clarify if DOM will provide written documentation of the existing algorithms used to set fee schedule payments.	No. There are no existing algorithms used to set fee schedule payments. See the basis for outpatient and other fee schedules in Section 1.1.
10	2.2.4	16	Will existing code and algorithms for the QIPP reports be shared to ensure new reports match previously reported information in a seamless transition?	Yes. Existing code and algorithms for the QIPP reports will be shared with the successful bidder.
11	2.2.4	16	What quarter would the first QIPP reports be due to DOM?	October 2023
12	2.2.6 and Attachment C	16 and 67	The not-to-exceed 2,000 hour annual pool is described as using a "blended rate for each year of the contract". Please clarify how this blended rate should be input in Attachment C - Bid Form (i.e. hourly rate versus annual dollars) and if there is the ability to vary this blended rate by year or if it should be a blended rate over the three year contract period. If a total dollar amount is required, should this amount assume the full 2,000 hours in the pool are utilized by DOM in each year of the contract?	DOM is amending Attachment C - Bid Form to simplify the blended rate and annual costs. The bidder should enter the annual cost equal to the blended rate times 2,000 hours. Please refer to item #9 in IFB Amendment #3 amending the Bid Form.

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13	2.2.7	18	The IFB requires that the Project Manager position have at least a bachelor's degree issued by an accredited college or university. Would the state accept an individual for the Project Manager position who does not have a bachelor's degree issued by an accredited college or university but who has significant Medicaid program experience that substantially exceeds the minimum seven (7) years of required experience?	Yes. DOM will accept an experienced Project Manager with 10 years of Medicaid program experience in place of a bachelor's degree with a minimum 7 years experience managing and/or working with Medicaid. Please refer to item #3 In IFB Amendment #3 amending Section 2.2.7 (1)b.
14	2.2.7	18	The IFB requires that the Project Manager position work on DOM's project no less than 20 hours per week. Would MS consider a proposal that commits the Project Manager to day-to-day management and oversight of the Contract requirements and availability to DOM during regular business hours of DOM operation but does not mandate a minimum number of weekly hours? The number of weekly hours may vary depending on DOM project needs and requirements for a given week.	Yes. DOM will allow the Project Manager to commit to day-to-day management and oversee the contract requirements and remain available to DOM during regular business hours and not commit the Project Manager to 20 hours per week. Please refer to item #3 in IFB Amendment #3 amending Section 2.2.7 (1)b.
15	2.2.7	18	The IFB requires that the Assistant Project Manager position dedicate 40 hours per week to this contract. Would MS consider a proposal for a small team of subject matter experts with DOM-relevant experience that would provide the 40 hours of duties? This would enable coverage for absences and provide DOM with a broader range of expertise.	DOM does expect to benefit from multiple subject matter experts as a result of this contract but also expects to have individuals focused on the requirements in this IFB. Two Assistant Project Managers would be acceptable. Both Assistant Project Managers must have the same level of experience as stated in the IFB. Each Assistant Project Manager will commit on average to 20 hours per week. Please refer to item #4 in IFB Amendment #3 amending Section 2.2.7 (1)c.
16	2.2.8.1	20	The IFB requires the Bidder to be able to receive data and other information necessary to maintain all necessary systems, from DOM or its designee, on a daily basis. Can DOM clarify the data that will be transmitted on a daily basis?	No data is currently transmitted on a daily basis. The schedule for data transmission will be a schedule that allows the vendor to best meet the needs of DOM and will be decided during implementation. Please refer to item #5 in IFB Amendment #3 deleting the daily basis language in Section 2.2.8.1 item #1.

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17	2.2.8.1	20	The IFB requires the Bidder to ensure that only authorized personnel can process transactions or access recipient information and provide administrative support through a browser based administrative terminal that conforms to DOM security protocols. These activities appear to concern transactions in and access to a Medicaid Management Information System (MMIS). Can DOM clarify the activities the successful bidder should conduct as it relates to this item?	Bidder must be able to properly secure the data and internal systems the Bidder uses to store the data to allow access to DOM data for only staff performing work related to this contract. 'Processing transactions' is meant to define the calculations needed to create financial impacts or simulations based on the data. Please refer to item #5 in IFB Amendment #3 deleting the administrative support language in Section 2.2.8.1 item #7.
18	2.2.8.1	20	The IFB requires that the Bidder have the capacity (hardware, software, and personnel) sufficient to access and generate all data and reports needed for this program and maintain a sufficient number of qualified MIS and technical staff to continue operation of the Bidder's system, provide prompt, on-going system support and accurate data access to DOM. These activities appear to concern the operations of a Medicaid Management Information System (MMIS). Can DOM clarify the activities the successful bidder should conduct as it relates to this item?	The activities in 2.2.8.1 #8 does not concern the operations of an MMIS. These activities relate to the data storage and data analysis needed to support the rate setting activities defined in this IFB and access for DOM staff or other vendors, such as DOM's contracted actuary, to any dataset needed for further analysis or review.
19	2.2.8.1: #1	20	The Bidder shall be able to receive data and other information necessary to maintain all necessary systems, from DOM or its designee, on a daily basis.' What 'systems' is the bidder maintaining and what data would be sent on a daily basis?	See the response to Question #16. The 'systems' refers to the internal systems the Bidder uses to store and analyze the data received from DOM related to activities defined in this IFB.
20	2.2.8.1: #7	20	The Bidder shall ensure that only authorized personnel can process transactions or access recipient information.' The bidder is not processing transactions, the bidder is only storing data. Please clarify.	See the response to Question # 17.
21	2.2.8.1: #7	20	The Bidder shall provide administrative support through a browser based administrative terminal that conforms to DOM security protocols.' Please clarify the meaning of this statement.	See the response to Question # 17.

Question	RFP Section	RFP Page	Question	DOM Response
22	2.2.8.1: #8	20	The Bidder shall maintain a sufficient number of qualified MIS and technical staff to continue operation of the Bidder's system, provide prompt, on-going system support and accurate data access to DOM.' The bidder is not running a system. The bidder is simply storing data. What data access is needed for DOM? Please clarify.	See the response to Question # 18.
23	2.3.1	22	Implementation Phase - as this IFB is asking for consulting services, please explain what processes will need to be transitioned to the successful Bidder?	At a minimum, the successful bidder must establish an interface to receive DOM data for use in their analysis, secure storage capacity for the data, hardware or software needed to perform the activities defined in this IFB, a staffing plan and a work plan related to the deliverables required in the IFB.
24	2.3.3	23	Turnover Phase - please clarify the items described in the Turnover Phase. The bidder is not running a system. The bidder would not have system changes, case files, etc.	At a minimum, the Turnover Phase is meant to successfully set up DOM and any new vendor performing the same services for a smooth transition. Knowledge transfer to DOM and the vendor as well as transfer of any data or deliverables ( "Medicaid data, documents and case files") back to DOM or our designated agent will be necessary in the Turnover Phase.
25	3.4.3	26	If exceptions are not permitted, will the bidder who is awarded the contract have the opportunity to negotiate mutually agreeable terms and conditions?	No
26	3.5.3	28	Please confirm that if the winning bidder and the State are not able to reach agreement on mutually agreeable terms and conditions, the bidder may walk away without any further obligation to the State.	Please refer to response to Question #25.  Pursuant to the requirements of the Bid Form, Bidders should not expect to negotiate terms and conditions. Bidders should independently assess its ability to provide the required services within the IFB pursuant to the terms and conditions contained in the IFB and potentially resultant contract.

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27	3.5.6	29	One combined PDF file should be uploaded in SharePoint with the file name: BIDDER'S NAME_Payment Methodology Services. Are there any restrictions on the file size that can be submitted to the MS DOM SharePoint portal?	There is not a file size limitation in SharePoint.
28	3.5.6	29	Each page of the bid and all attachments shall be numbered and identified with the name of the Bidder in the header. Failure to submit a bid on the bid form provided may be considered just cause for rejection of the bid. Modifications or additions to any portion of the procurement document may be cause for rejection of the bid. We will be submitting some pre-existing documents (e.g., audited financial statements, sample reports, etc.) that do not allow us to alter the headers with the Bidder name or alter the footer to add page #s. Because these are long and complex documents, may we leave them unaltered?	Financial statements and other pre-existing documents do not have to be numbered as part of the bid. Please refer to item #6 in IFB Amendment #3 amending language in Section 3.5.6 regarding submission criteria.
29	4.0	34	Are bidders permitted to submit exceptions to the IFB terms and conditions?	See the response to Question #25.
30	4.0	34	If exceptions are permitted, is there a specific format in which they should be submitted?	See the response to Question #25.
31	4.2.1	36	Are bidders permitted to submit exceptions to the Liquidated Damage amounts?	No. Exceptions cannot be made to liquidated damages. Please see response to Question #25.
32	4.2.1	36	Please confirm that if the winning bidder and the State are not able to reach agreement on mutually agreeable liquidated damage amounts, the bidder may walk away without any further obligation to the State.	Please see response to Question 31.  Pursuant to the requirements of the Bid Form, Bidders should not expect to negotiate terms and conditions. Bidders should independently assess its ability to provide the required services within the IFB pursuant to the terms and conditions contained in the IFB and potentially resultant contract.



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33	4.2.1	36	Liquidated Damages: Liquidated damages up to \$5,000.00 per occurrence, per calendar until sufficiently... It appears there is a word missing after calendar.	Liquidated damages up to \$5,000.00 per occurrence, per calendar " <b>day</b> " until sufficiently provided and accepted by DOM. Please refer to item #7 in IFB Amendment #3 amending language in Section 4.2.1.																		
34	4.3.17.1 #8	46	Promptly transfer all information necessary for the reimbursement of any outstanding claims;' The bidder is not processing claims under this IFB. Please clarify.	This contractor responsibility is for the submission of any claim to payment in relation to the contract resulting from this IFB for services rendered in the event of termination of the contract. Please refer to item #8 in IFB Amendment #3 amending language in Section 4.3.17.1 (8).																		
35	Attachment C	67	Please provide the hours and invoiced amounts for the current vendor for each component included in Attachment C for the past three calendar years; CY 2020, CY 2021, and January through October 2022.	<p>See the state fiscal year totals for payment methodology work performed by the current vendor. The work is not currently broken down between projects in the same manner as under this procurement, so a total number of hours for all projects is being provided.</p> <table border="1" data-bbox="1320 951 1927 1149"> <thead> <tr> <th></th> <th>SFY 2020</th> <th>SFY 2021</th> </tr> </thead> <tbody> <tr> <td>Invoice Amounts</td> <td>\$1,423,980.00</td> <td>\$1,309,483.50</td> </tr> <tr> <td>Total Hours</td> <td>3,480</td> <td>2,497.50</td> </tr> </tbody> </table> <table border="1" data-bbox="1320 1187 1927 1369"> <thead> <tr> <th></th> <th>SFY 2022</th> <th>SFY 2023 – November 2022</th> </tr> </thead> <tbody> <tr> <td>Invoice Amounts</td> <td>\$1,276,236.00</td> <td>\$596,640.00</td> </tr> <tr> <td>Total Hours</td> <td>1,457.50</td> <td>629.50</td> </tr> </tbody> </table>		SFY 2020	SFY 2021	Invoice Amounts	\$1,423,980.00	\$1,309,483.50	Total Hours	3,480	2,497.50		SFY 2022	SFY 2023 – November 2022	Invoice Amounts	\$1,276,236.00	\$596,640.00	Total Hours	1,457.50	629.50
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36	Attachment C	67	On the Bid Form, what is the purpose of breaking down the Total Annual Amount into the five component pieces - annual inpatient rate setting, annual outpatient fee setting, etc? Will these individual amounts be used in addition to the Total Amount for evaluating the bids, and if so, how will they be used?	Only the total price will be used to evaluate the bids. The price for each of the components will be used as a not to exceed amount for each component during the life of the contract.
37	Attachment C	67	'When providing the separate annual amount for the Hour Pool component, should bidders assume DOM will use all 2,000 hours of the Hour Pool each year in order to price this component? If not, will DOM guarantee a minimum number of hours that bidders should use to price this component?	<p>Bidders should use all 2,000 hours to price the Hour Pool Component; however, it should be noted that there is no guarantee DOM will use the full 2,000 hours during each contract year.</p> <p>Bidders should allot associated cost for 2,000 hours per contract year for "Hour Pool." Any unused hours from any year of the contract may be utilized at DOM's discretion for subsequent contract years. Please refer to item #9 in IFB Amendment #3 amending the Bid Form and item #2 amending language in 2.2.6.</p>
38	Attachment C	67	Does the Bidder certification of Statement 5 (above the Bid Form table) mean that the Bidder may not expect to negotiate any term in the entire IFB? Or is the statement specific only to the components and deliverables in the Scope of Services?	The Bidder should not expect to negotiate any term in the entire IFB. See also response to Question #25.