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ADDENDUM

January 6, 2021

ADDENDUM # 1

RFP 21MISC6, Medical Claims Audit Services

DUE DATE: January 12, 2021, prior to and no later than 2:00 P.M. at

<https://secure.procurenow.com/portal/fcps>

This addendum is being issued to provide additions, corrections, clarifications and answers to certain questions raised referencing the original proposal packages and any resultant contracts for the above bid.

1. This Addendum includes the following attachment(s):
 - a. Questions/Answers (4 pages)
 - b. Pre-Proposal Meeting Attendance Roster (1 page)

Thank you for your interest in bidding with Frederick County Public Schools and we apologize for any inconvenience this may have caused.

Sincerely,

Kim Miskell

Kim Miskell, CSBO,
Assistant Purchasing Manager

KM/ab

cc: Donna Clabaugh, Senior Manager, Employee Benefits
Jennifer Ritchie, Trion Group, a Marsh & McLennan Agency LLC

21MISC6, MEDICAL CLAIMS AUDIT SERVICES

QUESTIONS/ANSWERS

Questions from Withum

I was inquiring about the total number of claims which will be included the audit. Per the Section II, #2 Background on page 24, the total of medical claims processed in FY 2020 was 267, 067. Per Section II, #3a on page 24, the audit is for a two year period July 1, 2018-June 30, 2020. This total excludes pharmacy claims. Per the pre-proposal call today, it was indicated that there were 18-19 high cost claims exceeding \$250,000

1. Will the total population of claims for the two year period from which we will pick a statistically valid sample be approximately 535,000 (267,067 medical claims in FY 2020 X2= 534,134)? It is our understanding this total does not include any pharmacy claims.
 - a. What is the required confidence level of this statistically valid sample?
 - i. Page 39 of the RFP indicates the following: “each audit must consist of a reasonable sample size for which CareFirst may limit the sample selection to a statistically valid sample size based on a 97% confidence level
2. As part of the RFP, are you requesting an “additional” audit of all the 18-19 high cost claims which could include pharmacy claims? Is this number of claims for one year or two years?

The audit will be for two years of claims. FY 20 claims processed were 267,067; claims for the two year period is approximately twice that amount.

Pharmacy claims are not included in the audit with the exception of the high-cost claims.

All high-cost claims (claims \$250K or larger) will be audited, to include the pharmacy claims for those members. These claims are in addition to the random sample from the two years of claims.

Confidence level is 97%.

Questions from Gordon LLC

1. Is there an incumbent that is currently working on the contract? Or is this a new contract opportunity?
There is no incumbent; this is a contract for audit services.
 - a. Is there an incoming transition plan available? N/A
 - b. Are there any training manuals, standard desktop procedures, processes outline, etc., available?
Care First will provide training for their data system in order for the awardee to gather claims data for the audit.
2. Can the claim auditor conduct the audit remotely or work from home? Please see the guidelines in the addendum from Care First; they do allow remote work due to the current pandemic limitations.
3. Will the claim auditors be required to use Carefirst computers? Or will there be remote desktop access available? Audits of CareFirst self-insured accounts are being conducted remotely. Therefore, it is not necessary to use a CareFirst computer. CareFirst will provide access through a virtual desktop infrastructure.
4. What system does Carefirst use for claim management? National Account Service Company (NASCO).
5. What type of training will be provided by Carefirst on their system? A CareFirst associate from its training team will assist auditors in the access testing and system navigation. The trainers are highly experienced and will use numerous written instruction tools.
6. Will someone be available to assist claim auditors on-site at the Carefirst office, if needed? The audit will be performed remotely. The auditors will have access to the trainer via Skype, telephone and screen sharing.
7. Is there a price ceiling for the contract award? None is stated in the RFP
8. Sample Size: Margin of Error? The confidence level is 97%. Each audit will consist of a reasonable sample size for which CareFirst may limit the sample selection to a statistically valid sample size based on a 97% confidence level. A typical sample size is 150-200.
9. What are the title and job description of key personnel required on the contract? This is not specified in the RFP; see page 29 for what the bidder is to submit for key personal biography and resume.
10. What is the location of the Carefirst office? City and State is fine When audits were conducted onsite, they were conducted in the CareFirst Baltimore, Maryland office.
11. Will the offeror need to supply any equipment, software, etc. (outside of computers and office supplies)? Care First does not state in their requirements included in the RFP that the bidders need to supply equipment or software.

Questions from Sagebrush Analytic Solutions

Our questions regarding the Request for Proposal (21MISC6, Medical Claims Audit Services) are as follows:

1. In addition to CareFirst's Policy, most BCBS Administrative Services contracts also include an Audit Rights section. In FCPS' agreement with CareFirst, is there an Audit Rights section? If so, can you share the language from that section? **We do have audit rights; language will be shared with the awardee.**
2. We understand that CVS transmits data to CareFirst for stop loss and also for the purpose of populating accumulators for out-of-pocket costs. Is the data sent from CVS to CareFirst detailed enough for the review of the high-cost claimants? Can you provide a layout of the data CareFirst receives from CVS? In the alternative, the data can be requested from CVS. **For this audit, the data from CVS will be supplied to the auditing team for the high-cost claimants.**
3. Based on 3c (Specific Audit Requirements) of the RFP, it appears that FCPS has performance guarantees in place with CareFirst. Can you please confirm and provide a copy? **Performance guarantees will be provided to the awardee for purposes of the audit.**
4. Can you please clarify if the high-cost claims audit is of individual claims that exceed \$250,000 or of participants whose total claims exceed \$250,000? **High-cost claim is a participant that has claims that exceed \$250K.**
5. The RFP states the audit period is July 1, 2018 through June 30, 2020. Are the high-cost claims determined for each year or for the total 2-year period? **The high-cost claims would be for the same audit period.**

21MISC6, MEDICAL CLAIMS AUDIT SERVICES

QUESTIONS/ANSWERS

Questions from Claim Technologies Incorporated:

1. When was the last audit performed and by whom? **The last time this was bid was June/July 2009 and Gallagher Benefit Services Inc. was the successful contractor.**
2. On page 28 & 29 there appears to be a conflict regarding points for the cost proposal. Is it supposed to be 30 points or 40 points? **The chart on page 28 is correct. The cost proposal is 30 points of the rubric.**

Additional Question from Withum

We noted on page 31 of the RFP a request for a breakdown by task and staff discipline that would include work hours, salaries, overhead, profit, and all incidental costs. We don't typically disclose salaries of specific employees nor ranges or salaries at particular levels. Would it be acceptable to submit an estimate of hours by level with associated billing rates and extended costs? **The cost proposal shall be broken down by task and Staff discipline, associated billing rates and work hours. This shall constitute backup for the lump sum proposal, Proposal Form.**

Questions from Myers and Stauffer

1. Would the County consider extending the deadline to allow for ten business days between answers to questions and the submission date? **The deadline for receiving proposals will not be extended.**
2. Specific Terms and Conditions, Section II.3 states that the auditor must be able to work within CareFirst's external audit policy. Technical and Cost Proposal Requirements, Section A.2 states "results of the audit must be completed no later than 90 days from notice of award". With the tentative award date of March 10, 2021, the final report will be due no later than June 8, 2021. According to the CareFirst's procedures, they require the following:
 1. Provide a detailed audit scope letter at least 90 days prior to audit commencement. (Procedure 3.a.)
 2. Ninety days' notice of claims to be reviewed, documents to be submitted, and interviews to be conducted. (Procedure 3.d.)
 3. The list of claims to be reviewed and the document production request must be submitted 45 days in advance of the on-site visit or production of the claims files. (Procedure 3.e.)
 4. No less than 15 days is required for CareFirst to review the draft audit findings. (Procedure 9.c.)

Items 1 & 2 can be done concurrently, but only after the contract becomes effective. Items 3 & 4 are consecutive after items 1 & 2. This is a total of 150 days. Considering this, would FCPS revise the deadline of the final report to 270 days from notice of award? Nine months (270 days) would accommodate the minimum days required by CareFirst's policy, anticipated additional time taken by CareFirst, and time for our analyses to be performed.

A portion of the technical proposal is for the vendor to submit a tentative schedule with milestones and project completion. You may include your review of Care First's requirements in that time line as well. FCPS will work with the vendor and Care First in order to manage the project in a timely manner and to meet the needs of FCPS and the requirements of Care First.

Additional Questions received from Gordon

1. Benefits are paid under the proper benefit classification, diagnostic and procedure codes (page 30 under Project Scope). Will a medical review be required? **We are not focusing on a medical review or necessity; we are focusing on accurate claims payment. Internal policies of Care First may be reviewed to determine if the services and diagnosis are in line.**
2. Can you explain the difference between Financial Accuracy vs. Payment Accuracy? **Examples: were benefits paid correctly with regard to co-pay assessed, in and out of network accuracy, allowable charges applied correctly according to the coding on the claim, paid to the employee, paid to the provider**
3. Can you explain the difference between Process Accuracy vs. Turnaround Time? **Example: was the claim paid according to the outline benefits? Was the claim paid in a timely manner?**
4. How many plans are offered to FCPS employees and their dependents (example 1-HMO, 2-PPO, etc.)? Can you provide a plan overview/at a glance for employees? **We have only one medical plan that allows members to choose between in and out of network providers. Benefits are paid accordingly. Benefits at a glance and the plan summary document are on our website at: <https://www.fcps.org/benefits/health-plan>**

5. Is the proposal award based on the offeror's lowest price or price plus the proposal's value? **The award is based on the overall rubric score.**
6. The audit results must be completed no later than 90 days from notice of award (page 29 under Technical Proposal). Does the offeror only have 90 days to conduct the audits and provide a report? **Part of the proposal requires a schedule; there are requirements that the awardee must meet for Care First prior to being able to being their work. This should be considered by the vendor when creating the schedule. FCPS will work with the awardee and Care First to meet the timeline throughout the project.**
7. Is reviewing the provider's information needed during the audit (check if the provider is actively enrolled in the CareFirst system to receive payment, etc.) **This would be part of the accuracy for the claim—is the provider in or out of network, was the claim paid properly, sent to the provider or member as appropriate, etc.**

Questions from TMDG:

Statement of Work

1. Will this be a statistically valid sample and a focused audit of all \$250,000 and over? **Statistical sample of all claims for two years; plus, all claims over \$250K**
2. Will there be a separate Pharmacy feed? **Pharmacy feed will be provided for the high-cost claims, but is not part of the statically valid sample of all other claims.**

Specific Audit Requirements

1. Under g. and h. Is Frederick Co. expecting a focused audit for Duplicates and Coordination of Benefits? **No, it these types of claims are part of the sample, we are looking for data on the accuracy of those claims with regard to that claim as a duplicate and properly rejected or if there should have been coordination of benefits with either Medicare or another carrier, was that done per the plan.**

General Question

1. Are there currently any concerns or issues with Carefirst's administration/adjudication? **No, we do not receive a significant number of complaints from members or providers about accuracy or timely payment.**

**Frederick County Public Schools
Purchasing Department
PRE-BID MEETING ATTENDANCE ROSTER**

RFP 21MISC6, Medical Claims Audit Services

FCPS Attendees:

Kerrie Koopman

Donna Clabaugh

MEETING DATE/TIME: 12/22/2020 @ 2:00 P.M. via Skype 7907906

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