**STATE OF MISSISSIPPI**

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**STATE AND SCHOOL EMPLOYEES HEALTH INSURANCE MANAGEMENT BOARD**

**REQUEST FOR PROPOSAL**

**FOR**

**MEDICAL CLAIMS AND PERFORMANCE AUDIT SERVICES**

**September 18, 2018**

Contact information for this request for proposal:

Medical Claims and Performance Audit Services RFP

c/o DFA - Office of Insurance

501 North West Street

Suite 901-B Woolfolk Building

Jackson, Mississippi 39201

[InsuranceRFP@dfa.ms.gov](mailto:InsuranceRFP@dfa.ms.gov)

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# INTRODUCTION

## Overview and Process

The State of Mississippi State and School Employees Health Insurance Management Board (Board) is seeking an auditor to provide medical claims and performance audit services to the Board relating to its management of the State and School Employees’ Life and Health Insurance Plan (Plan). The Department of Finance and Administration’s (DFA) Office of Insurance provides administrative support to the Board and is coordinating this Request for Proposal (RFP). The Board desires to contract with an auditor that specializes in providing medical claims and performance audit services to large, self-insured health plans, and has prior experience directly related to the services requested in this RFP. The Board seeks to enter into a firm fixed price contract. This contract will be for four (4) years with an option to renew for one (1) year at the Board’s discretion. The effective date of this contract will be January 1, 2019. This procurement and any resulting contract shall be governed by the applicable provisions of the *Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations*, a copy of which is available at 501 N. West Street, Suite 701E, Jackson, Mississippi 39201 for inspection, or downloadable at http://www.dfa.ms.gov/dfa-offices/personal-service-contract-review/pscrb-rules-regulations/.

A copy of this RFP, including any subsequent amendments, along with a copy of all questions from vendors and responses to those questions, will be posted on DFA’s website under the heading “Bid and RFP Notices” at <http://www.dfa.ms.gov/bid-rfp-notices/>. Before the award of any contract, the vendor will be required to document to the Board that it has the necessary capabilities to provide the services specified in this RFP. The vendor may also be required to provide additional client references, as well as related project experience detail in order to satisfy the Board that the vendor is qualified. The Board may make reasonable investigations, as it deems necessary and proper, to determine the ability of the vendor to perform the work, and the vendor shall be required to furnish to the Board all information that may be requested for this purpose. The Board reserves the right to reject any proposal if the vendor fails to provide the requested information and/or fails to satisfy the Board that the proposer is properly qualified to carry out the obligations of the contract and to complete the work described in this RFP.

The Plan’s health insurance component is a self-insured, non-ERISA health insurance plan, currently providing health insurance coverage to approximately 192,000 participants. Eligible participants in the Plan include active, retired, and COBRA employees (and their enrolled dependents) of the State’s agencies, universities, community/junior colleges, school districts, and public library systems. Plan participants are located primarily within the state of Mississippi, although a small number of participants reside in other states. Additional information describing the Plan can be found in the *2018 Plan Document* located in Appendix B and the *Fiscal Year 2018 Actuarial Report* in Appendix C.

The Board’s current medical claims and performance audit services contract with Claims Technologies, Inc. is scheduled to expire on December 31, 2018, necessitating the need for this RFP. Currently, the medical and pharmacy claims and performance audit services are combined into one scope of services and provided by one contractor, along with subcontractors, under one contract. For this procurement, the scope of services has been divided into separate procurements and separate contracts will be awarded. However, the same auditor may be awarded both contracts.

The Board also currently contracts with the following vendors to assist in managing the Plan:

**ActiveHealth Management, Inc.** Medical Management/Population Health

**Blue Cross & Blue Shield of Mississippi** Third Party Medical Claims Administrator

**Cavanaugh** **Macdonald** **Consulting**, **LLC** OPEB Actuary

**Prime Therapeutics, LLC**  Pharmacy Benefit Manager

**The Segal Company Southeast Inc.** Consultant

**d/b/a Segal Consulting**

**International Business Machines** Decision Support Services

**(f/k/a Truven Health Analytics, LLC)**

**Wm. Lynn Townsend, FSA, MAAA** Consulting Actuary

## Purpose and Goals

The purpose of this solicitation is to select and contract with a firm to provide medical claims and performance audit services to assist the Board in its management of the Plan. The Board seeks to enter into a four-year indefinite quantity contract effective January 1, 2019. The selected firm will assist the Board by providing such services as requested by the Board for which the auditor has the technical capability to render. These services will include, but not be limited to, conducting claims and performance audits of the Plan’s medical claims. A more detailed listing of services is contained under **Section 3 Scope of Services** of this RFP.

## Instructions to Proposers

**Proposals must be received in the DFA’s Office of Insurance in Jackson, Mississippi by 2:00 p.m. CDT Tuesday, October 23, 2018. Any proposal received after the deadline will not be considered. Proposals submitted by fax or by electronic mail will not be accepted.**

1. Proposals must be submitted in writing to the following address:

**Medical Claims and Performance Audit Services RFP**

**c/o DFA - Office of Insurance**

**501 North West Street**

**Suite 901-B Woolfolk Building**

**Jackson, Mississippi 39201**

To prevent opening by unauthorized individuals, all copies of the proposal, including any and all attachments, must be sealed in one or more packages, and the package(s) **must be marked, “Proposals – Do Not Open**.”

1. Submit one (1) clearly marked bound printed original proposal, including all attachments. The proposal should include and be tabbed as follows:

Tab 1 - Introduction/Signed Proposal Cover Letter

Tab 2 - **Section 2** - Minimum Vendor Requirements Confirmation

Tab 3 - **Section 3** - Scope of Services Confirmation

Tab 4 - **Section 4** - Narrative Questionnaire with Responses

Tab 5 - **Section 5** - References

Tab 6 - **Section 6** - Service Plan

Tab 7 - **Section 7** - Fee Schedule

Tab 8 - **Section 8** - Signed Statutory Requirement disclosure statement

Tab 9 - **Section 9** - Signed Statement of Compliance

Tab 10 - Signed Acknowledgement of RFP Amendments (if any)

Tab 11 - Resumes for Key Staff

Tab 12 - Any additional information

1. Number each page of the proposal. Multiple page attachments and samples should be numbered internally within each document, and not necessarily numbered in the overall page number sequence of the entire proposal. The intent of this requirement is that the proposer submit all information in a manner so that it is clearly referenced and easily located.
2. In addition to the printed proposal, provide one electronic copy of the complete proposal including all attachments in a searchable Microsoft Office® format, preferably in Word® or Portable Document Format (PDF®) on flash drive or compact disc.
3. In addition to the electronic copy of the complete proposal, provide one electronic “blind” copy of your proposal with **all** vendor identifying information removed and/or redacted. Vendor identifying information includes but may not be limited to your firm’s name, logo, slogan, color scheme, as well as the names/identities of any of your staff. This requirement is necessary to help ensure the anonymity of the proposers from the evaluation team that will review the aforementioned sections of your proposal. The “blind” copy should be provided in a searchable Microsoft Office® format, preferably in Word®. **It is mandatory that your “blind” copy submission not contain any vendor-identifying information. Proposals containing vendor-identifying information may be returned or not considered.**

6. The Board understands that the proposer may consider some of the information provided in the proposal to be confidential and/or proprietary. If any portion of the proposal is considered confidential or proprietary, the auditor shall also include an additional electronic copy in PDF of the complete proposal, including all appendices and exhibits, with all trade secrets or confidential commercial or financial information redacted. If the proposal does not contain any information to be redacted, please state such in your Introduction/Signed Proposal Cover Letter. **Failure to submit a redacted copy of your proposal or include a statement that no information will be redacted may cause your proposal to be considered incomplete and it may be rejected from consideration.**

1. Note that submitted proposals, including accompanying attachments, are subject to the “Mississippi Public Records Act of 1983,” codified as Miss. Code Ann. §§ 25-61-1 *et seq.*, (1972, as amended) and exceptions found in Miss. Code Ann. § 79-23-1 (1972, as amended). The Board understands that the proposer may consider some of the information provided in the proposal to be trade secrets and/or proprietary. If any portion of the proposal is considered confidential or proprietary, the Board requests that each page of the printed proposal that the proposer considers confidential be conspicuously marked by being printed on a different color paper than non-confidential pages and be marked in the upper right hand corner of each page with the word “CONFIDENTIAL.” Confidential information may be identified by alternate font color and/or type on electronic copies of the proposal. Failure to clearly identify trade secrets or confidential commercial or financial information may result in that information being immediately released subject to a public records request. Failure to secure a protective order through the chancery courts in the State of Mississippi may result in all information, even if previously identified as “confidential”, being released in response to a public records request.
2. In accordance with *Mississippi Public Procurement Review Board Office of Personal Service Contract Review Rules and Regulations Item 1-301*, “Any party seeking a protective order on a procurement contract awarded by state agencies shall give notice to and provide the reasons for the protective order to the party requesting the information in accordance with the Mississippi Rules of Civil Procedure. The notice and reasons for the protective order must also be posted on the Mississippi Procurement Portal for a minimum of seven (7) days before filing the petition seeking the protective order in a chancery court. Any party seeking a protective order in violation of this subsection may be barred by a state agency from submitting bids, proposals or qualifications for state procurements for a period not to exceed five (5) years.” Any records requested through a public records request shall be released no later than twenty-one (21) days from the date the third parties are given notice by the public body unless the third parties have followed the notification requirements and also filed in chancery court a petition seeking a protective order on or before the expiration of the twenty-one day time period.
3. Please respond to ***Section 3 – Scope of Services*** by restating each service listed and confirm your intention to provide the service as described by stating, “*Confirmed*”. If your firm can provide the service, but not exactly as described, state, “*Confirmed, but with exceptions*”, and state the specific exceptions. If your firm intends to provide a listed service through a subcontractor, state, “*Confirmed, service will be provided through subcontractor*”, and name the subcontractor. If your firm is currently unable to provide a listed service, respond by stating, “*Unable to provide this service*”. Any additional details regarding these services should be provided in your responses to the questionnaire, or as additional information included as an appendix to your proposal.
4. In preparing your written response to any RFP question or request for information, you are required to repeat each question, including the number, or requirement followed by your response. Please provide complete answers and explain all issues in a concise, direct manner. If you cannot provide a direct response for some reason (e.g., your firm does not collect or furnish certain information), please indicate the reason rather than providing general information that fails to answer the question. “Will discuss” and “will consider” are not appropriate answers.
5. All information requested is considered important. If you have additional information you would like to provide, include it as Tab 12 of your proposal. It is the proposer’s sole responsibility to submit information relative to the evaluation of its proposal and the Board is under no obligation to solicit such information if it is not included with the proposal. The Board will use the information contained in your proposal in determining whether you will be selected for contract negotiations. The Board will consider the proposal an integral part of the contract and will expect you to honor all representations made in your proposal.
6. If the Board determines that the proposer has altered any language in the original RFP, the Board may, at its sole discretion, disqualify the proposer from further consideration. The RFP issued by the Board is the official version and will supersede any conflicting RFP language subsequently submitted in proposals.
7. All documentation submitted in response to this RFP and any subsequent requests for information pertaining to this RFP shall become the property of the Board and will not be returned to the proposer.
8. Failure to provide all requested information and in the required format may result in disqualification of the proposal. The Board has no obligation to locate or acknowledge any information in the proposal that is not presented under the appropriate outline according to these instructions and in the proper location.

## Important Dates

***NOTE: The Board reserves the right to adjust this schedule, as it deems necessary.***

|  |  |
| --- | --- |
| **September 18, 2018** | RFP Released |
| **October 5, 2018 by 2:00 PM CDT** | Intent to Propose/Questions due at DFA-Office of Insurance |
| **October 9, 2018** | Board Responses to Questions to be posted |
| **October 23, 2018 by 2:00 PM CDT** | Proposals Due at DFA-Office of Insurance |
| **November 9, 2018** | Finalists Selected |
| **Week of November 12, 2018** | Presentations by Finalists\* |
| **November 28, 2018** | Board Awards Contract |
| **January 1, 2019** | Service Effective Date |

\*The Board anticipates proposers selected as finalists will make presentations in Jackson, Mississippi. The Board will not incur any expense for such presentation. **Due to the constraints of the RFP timeline and the relative importance of presentations in the evaluation process, interested vendors are encouraged to be prepared to accommodate this schedule.**

## Intent to Propose and Questions

All potential proposers are requested to submit their Intent to Propose no later than 2:00 PM CDT on October 5, 2018. Notice may be submitted via email to [InsuranceRFP@dfa.ms.gov](mailto:InsuranceRFP@dfa.ms.gov). The Intent to Propose should indicate your firm’s primary contact, direct telephone number, and e-mail address. The submission of an Intent to Propose does not obligate your firm to submit a proposal. Likewise, potential proposers are encouraged, but not required, to submit an Intent to Propose.

## Questions and Acknowledgment of Responses

Questions from potential proposers must be submitted in writing via email to [InsuranceRFP@dfa.ms.gov](mailto:InsuranceRFP@dfa.ms.gov) and must be received no later than 2:00 PM CDT, October 5, 2018, to ensure a response by the Board by the October 9, 2018 deadline. Responses to questions will be made available on DFA’s website under the heading “Bid and RFP Notices” at <http://www.dfa.ms.gov/bid-rfp-notices/> as an amendment to the RFP on October 9, 2018. Questions received after October 5, 2018, may be considered for response at the Board’s discretion, although there is no guarantee as to if or when the Board will respond. It is the proposer’s sole responsibility to regularly monitor the website for amendments and/or announcements concerning this RFP.

## Statutory Requirements

In accordance with Section 25-15-9(1)(a) of the Mississippi Code Annotated, each entity that submits a proposal in response to this RFP must provide a signed disclosure statement detailing any services or assistance it provided during the previous fiscal year to the Board and/or DFA in the development of the Plan. The statement must include a detailed description of the auditor’s participation in the development of the Plan, as well as any resulting compensation received from the Board and/or DFA during the previous fiscal year. If you did not provide such assistance to the Board and/or DFA, you must indicate in your signed disclosure statement that this provision does not apply to you. A list of persons, agents, and corporations who have contracted with or assisted the Board in preparing and developing the Mississippi State and School Employees’ Health Insurance Plan and a copy of the statutory requirement are contained in ***Section 8 – Statutory Requirement***.

## Statement of Compliance Requirement

Please carefully review the information located in***Section 9 – Statement******of Compliance*** and include a copy **signed by an officer, principal, or owner** of your firm with your completed proposal. Failure to submit a signed Statement of Compliance may result in your proposal being eliminated from further consideration. If you object to any of the terms and conditions included in the draft Medical Claims and Performance Audit Services Contract (see Appendix A), or any requirements listed in this RFP, please note and explain your objections on the Statement of Compliance.Clauses in *italic* **blue** type in the draft Medical Claims and Performance Audit Services Contract (see Appendix A) are mandatory and are not negotiable.

## Corrections and Clarifications

The Board reserves the right to request clarifications or corrections to proposals. Any proposal received which does not meet any of the requirements of this RFP, including clarification or correction requests, may be considered non-responsive and eliminated from further consideration.

## Right of Negotiation

Discussions and negotiations regarding price and other matters may be conducted with a proposer who submits a proposal determined to have reasonable likelihood of being selected for award, but a proposal may be accepted without such discussions. The Board reserves the right to further clarify and/or negotiate with the proposer evaluated best following completion of the evaluation of proposals but prior to contract execution, if deemed necessary by the Board. The Board also reserves the right to move to the next best proposer if negotiations do not lead to an executed contract with the best proposer. The Board reserves the right to further clarify and/or negotiate with the proposer on any matter submitted.

## Acknowledgment of RFP Amendments

Should an amendment to the RFP be issued, it will be posted to DFA’s website under the heading “Bid and RFP Notices” at <http://www.dfa.ms.gov/bid-rfp-notices/>. Proposers must acknowledge receipt of any amendment to the RFP by signing and returning the amendment form with the proposal, by identifying the amendment number and date in the space provided for this purpose on the amendment form, or by letter. The acknowledgment must be received by DFA by the time and at the place specified for receipt of proposals. Please monitor the website for amendments to the RFP. Board responses to questions will be treated as amendments to the RFP and will require acknowledgment.

## Modification or Withdrawal of a Proposal

A proposer may withdraw a submitted proposal by submitting a written notification for its withdrawal to the Board, signed by the proposer, and e-mailed, or mailed to the Board at the address provided in ***Section 1.3 Instructions to Proposers*** prior to the time and date set for proposal opening. The Board shall not accept any amendments, revisions, or alterations to proposals after the due date unless requested by the Board. Late proposals shall not be considered for award and the proposer shall be so notified as soon as practicable.

## Cost of Proposal Preparation

All costs incurred by the proposer in preparing and delivering its proposal, making presentations, and any subsequent time and travel to meet with the Board regarding its proposal shall be borne at the proposer’s expense.

## Proposal Evaluation

All proposals received in response to this RFP by the stated deadline will receive a comprehensive, fair, and impartial evaluation. An evaluation committee will evaluate the proposals using a three-phase process, consisting of Compliance, Analysis, and Finalist phases. For proposals determined to be compliant and responsive to the RFP, consensus scoring will be used in the evaluation process using a 100-point scale. For proposals ultimately determined to be finalists, points may be added or deducted based on presentations and site visits, if applicable. Consensus scoring involves a solidarity or general agreement of opinion among evaluators, based on information and data contained in the RFP responses. The evaluation of any proposal may be suspended and/or terminated at the Board’s discretion at any point during the evaluation process at which the Board determines that said proposal and/or proposer fails to meet any of the mandatory requirements as stated in this RFP, the proposal is determined to contain fatal deficiencies to the extent that the likelihood of selection for contract negotiations is minimal, or the Board receives reliable information that would make contracting with the proposer impractical or otherwise not in the best interests of the Board and/or the state of Mississippi.

The evaluation process, including evaluation factors and weights, is described below:

**Compliance Phase** - In this phase of the evaluation process, all proposals received will be reviewed by the procurement manager and/or designee to determine if the following mandatory requirements of this RFP have been satisfied:

1. Proposal submission deadline met
2. Required format followed:
   * + - 1. Signed original complete printed proposal
         2. Electronic copy of complete proposal, including attachments in Microsoft Office® format on flash drive or compact disc
         3. An electronic redacted copy of complete proposal, including attachments (as applicable)
         4. An electronic “blind” copy of your proposal
3. Duration of proposal requirement met
4. Minimum Vendor Requirements met
5. Scope of Services Confirmation
6. Narrative questionnaire (Section 4) answered
7. References (Section 5) provided
8. Service Plan (Section 6) answered
9. Fee Schedule (Section 7) provided
10. Signed Statutory Requirement disclosure statement (Section 8)
11. Signed Statement of Compliance with high degree of acceptance (Section 9)
12. Signed Acknowledgement of RFP Amendment(s), including the amendment with the Questions and Answers, if any posted
13. Required proposal attachments provided, if any

**Weight – This phase of the evaluation is considered pass/fail.**

Failure to comply with these requirements may result in the proposal being eliminated from further consideration. Those proposers passing the Compliance Phase will be evaluated further. The Board reserves the right to waive minor informalities in a proposal in this phase of the evaluation.

**Analysis Phase** - In this phase of the evaluation process, the evaluation committee will utilize consensus scoring to determine numerical scores for each qualified proposal received, relative to the technical, cost and management merits of each proposal. The procurement manager and/or designee will not participate in the numerical scoring of the Analysis Phase, with the exception of the Cost, as this will be conducted by evaluators who will not have access to the identity of the proposers. Evaluation factors are listed in order of their relative importance and weight:

1. Technical (Weight/Value – 40%) – The quality and completeness of the proposer’s solutions and action plans for providing the services identified, demonstrating understanding, responsiveness, effectiveness, efficiency, and value to the Board in proposed approach.
2. Cost (Weight/Value – 40%) – The competitiveness of the proposed fees.
3. Management (Weight/Value – 20%) – The personnel, equipment, and facilities to provide timely access to medical claims and performance audit services for a plan of comparable size; the ability to technically implement and maintain the structure and resources for providing all services listed in this RFP, demonstrating where applicable the ability to perform the service reflected by technical training, education and general experience of staff and a documented record of past performance of providing medical claims and performance audit services.

Upon completion of the Analysis Phase, the evaluation committee will review and compare the numerical scores from among the remaining vendors in order to determine finalists. The top scoring vendor, as well as all other vendors with scores within ten points of the top scoring vendor, will be named as finalists and will be further evaluated.

**Finalist Phase** – In this phase of the evaluation process, the evaluation committee will seek to determine from among the finalists whose proposal is the most advantageous to the Board. Points may be awarded or deducted as part of the finalist evaluation process based on the finalist presentation and site visits, if applicable. This phase consists of the following components:

1. Record of Past Performance of Similar Work (Experience and Qualifications) – From among the finalists, client references will be contacted to verify demonstration of an acceptable level of past performance for programs of a similar size and complexity as the Board. **Weight/Value – This component of the evaluation is considered pass/fail.**
2. Finalist Presentations – Individual finalist presentations will be held in Jackson, Mississippi, to allow the evaluation committee the opportunity to conduct technical interviews of the finalists, and to confirm/clarify information provided in the submitted proposals or otherwise gathered during the evaluation process. **Weight/Value – A maximum of 5 points may be added to or subtracted from the finalist’s numerical score derived from the Analysis Phase.**
3. Best and Final Offer – At the Board’s discretion, all finalists may be given the opportunity to provide a “best and final offer” relative to their financial proposal. The Board will notify finalists if a “best and final offer” may be submitted, and will establish a date and time for submission. Although a finalist is under no obligation to submit such an offer, such “best and final” offer should include any applicable revised financial exhibits and must be signed by an appropriate representative of your firm. If a finalist chooses to not to make a “best and final offer”, the financial proposal included in your firm’s response to the Request for Proposal will be considered as the “best and final offer”. NOTE: Unsolicited “best and final offers”, including but not limited to such offers submitted by non-finalists, will not be accepted. **Weight/Value – The numerical scores for the “Cost” factor from the Analysis Phase will be adjusted for any “best and final offer” received from a finalist.**
4. Upon completion of the evaluation of proposals, the evaluation committee will determine the top scoring proposal and provide a recommendation to the Board. The Board will make a determination as to the proposal deemed most advantageous to the Board. Subsequent to such determination by the Board, all proposing vendors will be notified in writing of the contract award and will be afforded the opportunity to participate in a post-award debriefing.

## Post-Award Vendor Debriefing

Subsequent to the contract award, any proposing vendor may request a post-award debriefing, in writing, by U.S. mail or electronic submission. The request must be made within three (3) business days of notification of the contract award. A debriefing is a meeting and not a hearing. Therefore, legal representation is not required. Should the vendor prefer to have legal representation present, the vendor must notify the DFA and identify the attorney. The DFA shall be allowed to schedule and/or suspend and reschedule the debriefing at a time when a representative from the Office of the Mississippi Attorney General’s office can be present. For additional information regarding the process and procedure for the Post-Award Vendor Debriefing, please refer to the Mississippi Public Procurement Review Board Office of Personal Service Contract Review’s website at <http://www.dfa.ms.gov/dfa-offices/personal-service-contract-review/pscrb-rules>

## Right to Consider Historical Information

The Board reserves the right to consider historical information regarding the proposer, whether gained from the proposer’s proposal, conferences with the proposer, references, or any other source during the evaluation process. This may include, but is not limited to, information from any state or federal regulatory entity.

## Right to Reject, Cancel and/or Issue Another RFP

The Board specifically reserves the right to reject any or all proposals received in response to the RFP, cancel the RFP in its entirety, or issue another RFP.

# MINIMUM VENDOR REQUIREMENTS

The following minimum vendor requirements are mandatory. Failure to meet any of these requirements will result in disqualification of the proposal submitted by your firm. Please respond by restating each requirement, including the number, listed below with documentation that proves specifically how your firm meets that requirement. Note that for purposes of fulfilling the minimum vendor requirements, except as otherwise indicated, “auditor” refers to the primary auditor only. Please include in your responses the total number of years and types of experience of your firm. If, in the opinion of the evaluation committee, you fail to prove that your firm meets any of these minimum requirements, the proposal will be disqualified from further evaluation. If this happens, you will be notified of the decision and will have an opportunity to provide additional information to prove your firm does meet the minimum requirements. It is incumbent upon the disqualified vendor to respond timely and completely to any such notice as unreasonable delays and/or non-responsive submissions may result in the disqualification being upheld without further review.

**Please respond by restating each minimum vendor requirement and document how your firm meets these minimum criteria.**

1. The proposing organization must have at least five (5) years of experience as of January 1, 2018 as an organization in providing the type and scope of claims and performance audit services to be procured through this competitive process. The determination of the length of time an entity has provided these services will be based upon the initial date the entity established a contractual relationship to provide such claims and performance audit services. The proposing organization must provide sufficient detail to demonstrate it has significant experience in working with programs similar in size and complexity to the Plan. For each client, please specify:
   1. Client name, include the name, title, address, e-mail address, and phone number of a person whom we may contact to confirm as needed,
   2. The type of work your firm provided to the client,
   3. The number of covered lives in the client’s group,
   4. Contract effective dates for the time period(s) your firm provided services to the client.
2. The individual who will act as the Board’s primary contact shall be, at a minimum, at senior auditor level and shall have at least six (6) years’ experience conducting and supervising independent claims and performance audits, of which three (3) years’ experience must have been in providing claims and performance audit services to self-insured health plans consisting of at least 100,000 covered lives. For each client, please specify:
3. Client name, include the name, title, address, e-mail address, and phone number of a person whom we may contact to confirm as needed,
4. The type of work your firm provided to the client,
5. The number of covered lives in the client’s group,
6. Contract effective dates for the time period(s) your firm provided services to the client.
7. The proposing organization must have a system capable of screening all claims processed by the medical claims administrator during the review period to identify trends or aberrances in processing.

1. The proposing organization must be an independent entity. An insurance company, medical claims administrator, or similar organization subject to the jurisdiction of the Mississippi Department of Insurance and/or the Mississippi State Board of Pharmacy shall not be considered qualified. Additionally, if the majority ownership of the proposing organization is an insurance company or similar organization referenced in this item, the proposing organization will not be considered qualified. The proposing organization must provide sufficient detail to demonstrate its standing as an independent entity.
2. All services performed on behalf of the Board must be provided within the United States. Please confirm.
3. The proposing organization shall be in compliance with Mississippi Code Annotated § 79-4-15.01 regarding authorization to transact business in Mississippi.

# SCOPE OF SERVICES

This section contains information on services and procedures that the auditor must provide, or adhere to, in servicing the Board’s account, either directly or through identified subcontractors. The descriptions are not all-inclusive, but are provided to alert you to services or procedures that may require additional planning or programming on your part. The following is a list of services the Board expects the successful proposer to provide.

Please respond by restating each service listed below, including the number, and confirm your intention to provide the service as described, respond by stating, “*Confirmed*”. If your firm can provide the service, but not exactly as described, respond by stating, “*Confirmed, but with exceptions*”, and state the specific exceptions. If your firm is currently unable to provide a listed service, respond by stating, “*Unable to provide this service*”. Any additional details regarding these services should be provided in your responses to the questionnaire, or as additional information included as an appendix to your proposal.

The Medical Claims Auditor is expected to provide the following services:

1. At the request of the Board, at least annually perform a comprehensive and objective medical claims and performance audit of the Plan’s medical claims third party administrator. This shall include determining if the medical claims were adjudicated according to contractual standards, appropriate Plan benefits, and industry standards. The medical claims and performance audit must be based on a statistically valid stratified random sample that achieves a minimum 95% confidence level +/- 3%. The audit must include a review of the medical claims processed by the medical claims third party administrator, including readjudicating medical claims to evaluate the administrator’s processes and systems relating to such areas as: eligibility, coding, pricing (including proper application of allowable charge and discount arrangements), deductible accumulators, identification of duplicate bills, application of Plan benefits, COB, subrogation, medical necessity, ineligible/eligible charges, compliance with the Plan Document, timeliness of processing, interaction with other auditors, and file documentation.

A detailed operational audit of the medical claims third party administrator shall include, but is not limited to, the following:

* 1. Operational review of medical claim payment procedures
  2. Forms and communication process
  3. Training programs and employee evaluation process
  4. Exception processing, security and override procedures relating to approval of claims and access to records
  5. Cost containment procedures
  6. Quality procedural manuals provided to claims processing, customer service, etc.
  7. Internal audit process
  8. Mail receipt and tracking
  9. Evaluation of the security of records and data
  10. Evaluation of customer service, including communication of the Plan’s benefits, policies, and procedures; audit of performance guarantees related to call answering response time and abandonment rate
  11. Compliance with HIPAA/HITECH Act

1. For any medical claims and performance audit performed, the auditor will provide a comprehensive, detailed written report to include the methodology used by the auditor, the medical claims and performance audit findings, recommendations regarding such findings, and provide an oral presentation of the report to the Board.
2. Based on medical claims and performance audits conducted, the auditor shall be pro-active in presenting recommendations and ideas to the Board regarding the management of the Plan and/or the evaluation of the Plan’s auditor.
3. If requested by the Board, testify before the State Legislature or Performance Evaluation and Expenditure Review Committee, and testify or provide assistance in connection with any legal or audit proceedings in which the Board or the State of Mississippi is a party in relation to the services provided under this contract.
4. The auditor shall maintain full and accurate records with respect to all matters covered under this contract. Additionally, at the request of the Board, provide the Board copies of all spreadsheets, assumptions, and calculations for any project authorized and funded by the Board in a format acceptable to the Board.
5. The auditor shall maintain, throughout the term of the contract, at its own expense, professional and comprehensive general liability insurance. Such policy of insurance shall provide a minimum coverage in the amount of one million dollars ($1,000,000) per occurrence and three million dollars ($3,000,000) annual aggregate through an insurance company licensed by the Mississippi Department of Insurance. The auditor shall annually provide the Board a current Certificate of Insurance. The initial proof of coverage must be submitted within (30) days of contract execution.

# NARRATIVE QUESTIONNAIRE

1. Provide the name, title, mailing address, e-mail address, and telephone number of the contact person for this proposal.
2. State the full name of your firm, and provide the address, and telephone number of your principal place of business.
3. List the office that will service the Board. If it is located at a different address than the home office, provide the complete address, phone number, and facsimile number for this office.
4. Describe your organizational structure. Indicate whether your firm operates as a corporation, partnership, individual, etc. If it is incorporated, include the state in which it is incorporated, and list the names and occupations of those individuals serving on your firm’s Board of Directors.
5. List the name and principal occupation or business of any person or entity owning 10% or more of your firm.
6. Describe any ownership or name changes your firm has been through in the past three years. Are any ownership or name changes planned?
7. Describe any changes in the organizational structure that have occurred within your firm over the past twenty-four months or are anticipated during the next twenty-four months including, but not limited to, addition or elimination of product or business lines, mergers, acquisitions, etc.
8. How long has your firm been providing health insurance medical claims and performance audit services? Please indicate the month and year in which your firm was established.
9. What was the average number of employees of your firm during calendar year 2017? Please list the net change in the number of employees in your firm from December 2016 to December 2017, with explanation if change is significant.
10. State if the proposed account executive, any officers or principals and/or their immediate families are, or have been within the preceding twelve months, employees of the State of Mississippi.
11. Provide a brief description of any outside vendors or subcontractors that will be involved in providing key services detailed within your proposal. Please include the term of your current contract with each vendor or subcontractor. Describe the nature of the relationship with the subcontractor, including any ownership interest.
12. Has your firm ever been involved in a lawsuit involving any area covered by this RFP? If yes, provide details including dates and outcomes.
13. During the past five (5) years, has your firm, related entities, principals or officers ever been a party in any material criminal litigation, whether directly related to this RFP or not? If so, provide details including dates and outcomes.
14. Has your firm been cited or threatened with citation within the last three years by federal or state regulators for violations of any federal, state, or local law or federal, state or local regulation? If the answer is yes, please describe the circumstances in detail.
15. Has your firm had any HIPAA breaches or incidents determined to be reportable to the U.S. Department of Health and Human Services (DHHS) within the last three years? If the answer is yes, please describe the circumstances and the corrective action in detail.
16. Confirm that your firm is not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transaction by any federal department or agency, or by any political subdivision or agency of the State of Mississippi.
17. Does your firm currently perform any work for, services to or receive compensation from any third party administration company or any insurance company?
18. Provide the names of any organizations of which you own or control more than five (5) percent.
19. The selected auditor must cooperate with the Board and with all other contractors of the Board with respect to ongoing coordination and delivery of services and in any transition of responsibilities. Confirm you will comply with this requirement.
20. Provide a complete résumé for each auditor who will be assigned to render services to the Board, including detailed information on any special training or designations.
21. Please confirm the proposal is valid for at least 180 days subsequent to the date of submission.

# REFERENCES

1. List up to three clients for whom your firm has provided services similar to those requested in this RFP. For each client, specify the type of claims and performance audit performed by your company, the number of covered lives in the client’s group, and the period of time retained as a client. One of the three must be the longest standing client and one must be the client with the largest employee population. For each client, the list must specify:

#### Client name, include the name, title, address, e-mail address, and phone number of a person whom we may contact to confirm as needed,

#### The type of work your firm provided to the client,

#### The number of covered lives in the client’s group,

#### Contract effective dates for the time period(s) (beginning and end dates) your firm provided services to the client.

1. List up to three governmental clients for whom your firm has provided one or more of the services requested in this RFP. If possible, please list three additional clients besides any previously listed references. For each client, specify the type of work performed by your firm, the number of covered lives in the client’s group, and the period of time retained as a client. For each client, the list must specify:
2. Client name, include the name, title, address, e-mail address, and phone number of a person whom we may contact to confirm as needed,

#### The type of work your firm provided to the client,

#### The number of covered lives in the client’s group,

#### Contract effective dates for the time period(s) (beginning and end dates) your firm provided services to the client.

1. List all clients that have discontinued use of your services since January 1, 2016 and your understanding of their discontinued use of your services. For each client, the list must specify:

#### Client name, include the name, title, address, e-mail address, and phone number of a person whom we may contact to confirm as needed,

#### The type of work your firm provided to the client,

#### The number of covered lives in the client’s group,

#### Contract effective dates for the time period(s) (beginning and end dates) your firm provided services to the client.

#### Reason discontinued

# SERVICE PLAN

## Account Management

1. Provide the name(s) of the auditor(s) who will provide services to the Board and a brief statement as to why each auditor is qualified to perform this work. Specifically identify the account executive who will serve as the primary contact for the Board. The Board understands that auditor(s) will be assigned to projects based on the type of project to be undertaken and the expertise and experience of the individual auditor. For example, based on an auditor’s expertise and experience, the proposer may assign the auditor to assist in the selection and implementation of a third party administrator for medical claims, but may assign a different auditor to assist in the selection of a life insurance company. Briefly identify the area(s) of expertise for each auditor and provide specific examples of previous work.
2. The Board must have prompt and direct access throughout the contract period to the auditor(s). Address in detail how your company will provide access of the auditor(s) to the Board.

## Medical Claims and Performance Audit Services

1. Describe your process for conducting a comprehensive and objective audit of medical claims processed by a medical claims third party administrator. Please include a list of the areas that will be covered by the audit. Please provide three “sanitized” examples of a medical claims processed by a medical claims third party administrator finding and recommendations report prepared by your firm within the last three years. These examples should not include any auditor or client identifiers.
2. Describe your technique for determining a sample size for a plan of our size including confidence level, confidence interval, etc. Please provide an explanation and justification for the sample size selected. Will you allow the Office of Insurance to adjust this sample size? What is the minimum sample size you will use?
3. Describe your work experience with clients and your resources available to assist clients related to compliance with the Health Insurance Portability and Accountability Act (HIPAA), including the Administrative Simplification and Security Rule provisions, specifically as it relates to the Standards for Privacy of Individually Identifiable Health Information.
4. The Board may request the contracted medical claims and performance auditor to provide information on current medical practices and procedures to include coding and filing practices. Describe your ability to assist the Board in such inquiries. Please provide “sanitized” examples of any such reports or communique you have prepared to demonstrate your experience and proficiency in this area.
5. Describe your firm’s system controls, security protocols, and any other resources used to ensure the confidentiality and integrity of the Plan’s data and information. Describe your firm’s information and data systems generally.
6. What information or services will you need from the DFA Office of Insurance to ensure a smooth audit?

## Medical Claims and Performance Experience

1. Have you performed medical claims audits for other state employer health plans? Please provide a brief description of the specific audits duties and the number of covered lives for the plan and indicate if the plans were self-insured.
2. Have you ever performed an audit of Blue Cross Blue Shield of Mississippi?

## Client Service and Communications

1. Detail your ability to monitor regulatory and legislative developments at both the state and federal level, and how this would be communicated to the Board.
2. Do you publish newsletters and other informative publications that are routinely provided to your clients? If so, please provide recent samples.
3. Does your firm conduct surveys of major private and public employers to determine trends in benefit plans and their administration? What are the specific topics of surveys you have conducted during 2017? Are results routinely provided to clients? Please provide copies of recent surveys.

# FEE SCHEDULE

The Board’s requirements regarding compensation are as follows:

1. The fees listed in Section 7 – Fee Schedule, shall constitute the entire compensation due to the auditor for services and all of the auditor’s obligations hereunder regardless of the difficulty, materials, or equipment required. The fees include, but are not limited to, all applicable taxes, fees, general office expense, travel, overhead, profit, and all other direct and indirect costs, incurred or to be incurred, by the auditor. The Board shall not provide any prepayments or initial deposits in advance of services being rendered. Fees for medical claims and performance audit services provided by the auditor shall be billable to the Board in arrears on a monthly basis. Only those services agreed to by contract shall be considered for reimbursement/compensation by the Board. Payment for any and all services provided by the auditor to the Board and/or the Plan shall be made only after said services have been duly performed and properly invoiced.
2. In consideration for the services provided by the auditor, the Board shall compensate the auditor through administrative fees illustrated in ***Fee Schedule for Medical Claims and Performance Audit Services***. In accordance with State law and applicable contract conditions, the Board will compensate the auditor such fees after the appropriate services have been rendered. The Board shall not provide any prepayments or initial deposits in advance of services being rendered. The auditor must submit all invoices, in a form acceptable to the Board (provided that such acceptance will not be unreasonably withheld) with all the necessary supporting documentation, prior to any payment to the auditor of any administrative fees. Administrative fees must be invoiced on a monthly basis, in sufficient detail and format as determined by the Board. Such invoices shall include, at a minimum, a description of the service(s) provided, the quantity or number of hours billed, the compensation rate, the time period in which services were provided, total compensation requested for each individual service being billed, and total administrative fees requested for the period being invoiced. The Board agrees to make payment to the auditor on any undisputed amounts within thirty (30) days from the date services were rendered or the date of receipt of the invoice, whichever comes last. Upon the effective date of termination of this contract, the auditor’s obligation to provide any further services under this contract shall cease. The auditor shall, however, remain liable for any obligations arising hereunder prior to the effective date of such termination. No additional compensation will be provided by the Board for any expense, cost, or fee not specifically authorized by this contract, or by written authorization from the Board.
3. The hourly rates listed in ***Fee Schedule for Medical Claims and Performance Audit Services*** are firm for the duration of this contract and are not subject to escalation for any reason, unless this contract is duly amended.
4. The payment of an invoice by the Board shall not prejudice the Board's right to object or question any invoice or matter in relation thereto. Such payment by the Board shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any costs invoiced therein. The auditor's invoice or payment may be subject to further reduction for amounts included in any invoice or payment theretofore made which are determined by the Board, on the basis of audits, not to constitute allowable costs. Any payment shall be reduced for overpayment or increased for underpayment on subsequent invoices. For any amounts which are or shall become due and payable to the Board and/or the Plan by the auditor, the Board reserves the right to (1) deduct from amounts which are or shall become due and payable to the auditor under the contract between the parties; or (2) request and receive payment directly from the auditor within fifteen (15) days of such request, at the Board’s sole discretion.

Compensation to the auditor for travel shall be subject to the following criteria:

* 1. In order to be compensable by the Board, travel expenses must be reasonable and necessary for the fulfillment of the project and contractual obligations;
  2. Air travel reimbursement will be limited to “Coach” or “Tourist” class rates, and must be supported by a copy of an original invoice;
  3. Meals and lodging expenses will be reimbursed in the amount of actual costs, subject to the maximum per diem as defined in the Federal Register. A copy of all hotel receipts must be provided. A copy of meal receipts is not necessary;
  4. Taxi fares, reasonable rental car expenses, and airport parking expenses will be reimbursed in the amount of actual costs, and must be supported by a copy of an original receipt/invoice;
  5. Personal automobile mileage and related costs are not compensable expenses;
  6. Time spent in “travel status” is not compensable. Hourly rates in ***Fee Schedule for Medical Claims and Performance Audit Services*** are to be charged for actual hours worked only and shall not include travel time.

**FEE SCHEDULE FOR MEDICAL CLAIMS AND PERFORMANCE AUDIT SERVICES**

**Our firm’s hourly rates to provide medical claims and performance audit services to the State of Mississippi State and School Employees Health Insurance Management Board are listed below:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Year 1**  **1/1/19 – 12/31/19** | **Year 2**  **1/1/20 – 12/31/20** | **Year 3**  **1/1/21 – 12/31/21** | **Year 4**  **1/1/22 – 12/31/22** | **Year 5\***  **1/1/23 – 12/31/23** |
| Senior Auditor (Principal) |  |  |  |  |  |
| Senior Auditor |  |  |  |  |  |
| Auditor |  |  |  |  |  |
| Associate Auditor |  |  |  |  |  |
| Technical |  |  |  |  |  |
| Administrative |  |  |  |  |  |
| Clerical |  |  |  |  |  |
| Other \_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |
| Other \_\_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |

**\*** *Optional Renewal Year*

**MAXIMUM PROJECT COSTS**

(including travel and expenses, and presentations to Board in Jackson, Mississippi)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Year 1**  **1/1/19 – 12/31/19** | **Year 2**  **1/1/20 – 12/31/20** | **Year 3**  **1/1/21 – 12/31/21** | **Year 4**  **1/1/22 – 12/31/22** | **Year 5\***  **1/1/23 – 12/31/23** |
| TPA Review |  |  |  |  |  |

**\*** *Optional Renewal Year*

The fees listed above are firm for the duration of the contract and are not subject to escalation for any reason unless the contract is duly amended. No additional compensation shall be provided by the Board for any expense, cost, or fee not specifically authorized by the resulting contract. The Board will not pay any upfront fees prior to the January 1, 2019 contract effective date. All fees or charges related to any service to be provided must be identified.

# STATUTORY REQUIREMENT

In accordance with Section 25-15-9(1)(a) of the Mississippi Code, each entity that submits a proposal in response to this RFP **must provide a disclosure statement detailing any services or assistance it provided during the previous fiscal year to the Board and/or DFA in the development of the Plan including any resulting compensation for these services. If you did not provide such assistance to the Board and/or DFA, indicate in your statement that this provision does not apply to you.**

Section 25-15-9(1)(a), Mississippi Code Ann., states in part:

*“…The board may employ or contract for such consulting or actuarial services as may be necessary to formulate the plan, and to assist the board in the preparation of specifications and in the process of advertising for the bids for the plan. Those contracts shall be solicited and entered into in accordance with Section 25-15-5. The board shall keep a record of all persons, agents and corporations who contract with or assist the board in preparing and developing the plan. The board in a timely manner shall provide copies of this record to the members of the advisory council created in this section and those legislators, or their designees, who may attend meetings of the advisory council. The board shall provide copies of this record in the solicitation of bids for the administration or servicing of the self-insured program. Each person, agent or corporation that, during the previous fiscal year, has assisted in the development of the plan or employed or compensated any person who assisted in the development of the plan, and that bids on the administration or servicing of the plan, shall submit to the board a statement accompanying the bid explaining in detail its participation with the development of the plan. This statement shall include the amount of compensation paid by the bidder to any such employee during the previous fiscal year. The board shall make all such information available to the members of the advisory council and those legislators, or their designees, who may attend meetings of the advisory council before any action is taken by the board on the bids submitted. The failure of any bidder to fully and accurately comply with this paragraph shall result in the rejection of any bid submitted by that bidder or the cancellation of any contract executed when the failure is discovered after the acceptance of that bid….”*

**Failure to provide this disclosure statement may result in your proposal being eliminated from further consideration**.

The following is a list of persons, agents, and corporations who have contracted with or assisted the Board in preparing and developing the State of Mississippi State and School Employees’ Health Insurance Plan within the past fiscal year:

**Vendors:**

ActiveHealth Management, Inc.

Blue Cross & Blue Shield of Mississippi

Cavanaugh Macdonald Consulting, LLC

Claim Technologies Incorporated

Prime Therapeutics LLC

The Segal Company Southeast, Inc. d/b/a Segal Consulting

Wm. Lynn Townsend, FSA, MAAA

International Business Machines (IBM) (f/k/a Truven Health Analytics, LLC)

**State and School Employees Health Insurance Management Board Members**:  
Laura D. Jackson (Chairman) – Executive Director, Department of Finance and Administration

Christopher J. Burkhalter (Vice-Chairman) – Consulting Actuary, Burkhalter Consulting Actuaries

Mike Chaney – Commissioner, Mississippi Insurance Department

Dr. Alfred Rankins, Jr. – Commissioner, Institutions of Higher Learning

Mark Formby – Chairman, Workers’ Compensation Commission

Kelly Hardwick – Executive Director, State Personnel Board

Dr. Andrea Mayfield – Executive Director, State Board of Community and Junior Colleges

Ray Higgins, Jr. – Executive Director, Public Employees’ Retirement System

Dr. Carey Wright – State Superintendent of Education

Larry Fortenberry – President, Executive Planning Group

The Honorable Videt Carmichael – Chairman, Senate Insurance Committee

The Honorable Gary Chism – Chairman, House Insurance Committee

The Honorable Eugene Clark – Chairman, Senate Appropriations Committee

The Honorable John Read – Chairman, House Appropriations Committee

**Department of Finance and Administration, Office of Insurance Staff:**

Richard D. Self – State Insurance Administrator

Cindy Bradshaw – Deputy Director

Chris Shaman – Director, Benefits and Participant Services

Latasha Holmes – Director, Accounting and Analysis

Julia Bryan – Director, Special Programs

Terri Ashley – Director, Compliance and Audit

# STATEMENT OF COMPLIANCE

This section contains a copy of the Statement of Compliance and Draft Contract for Medical Claims and Performance Audit Services. You must submit a signed Statement of Compliance with your proposal. If you object to any of the contract conditions or any requirements listed in this RFP, please note and explain your objection on the Statement of Compliance.

Statement of Compliance

We agree to adhere to all conditions and requirements as set forth in the Mississippi State and School Employees Health Insurance Management Board’s Request for Proposal for Medical Claims and Performance Audit Services, dated September 18, 2018, including the conditions contained in the draft contract included as *Appendix A – Draft Medical Claims and Performance Audit Services Contract*, except as listed below:

An original signature is required below.

Name Date

Title Firm

Please have the appropriate officer sign this statement and include it as a part of your proposal.

***Appendix A:***

***Draft Medical Claims and Performance Audit Services Contract***

***Appendix B - 2018 Plan Document***

***Appendix C – Fiscal Year 2018 Actuarial Report***