



**SOLICITATION AMENDMENT #1**

<p align="center"><b>YH23-0036 Third Party Liability (TPL) and Recovery Audit Contractor (RAC) Services</b></p>	<p align="center">Solicitation Due Date: <b>January 18, 2023, 3:00 pm Arizona Time</b></p>	<p>Procurement Officer: Stacy Ingalls</p> <p>Email: <a href="mailto:procurement@azahcccs.gov">procurement@azahcccs.gov</a></p>
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**A signed copy of this amendment must be submitted with your solicitation response.**

This Solicitation is amended as follows:

The due date for proposal submission has been extended to January 18, 2023, 3:00 pm Arizona Time.

The following sections have been revised and updated (see page 2 -7 of this Amendment) in this solicitation:

Answers to Questions are attached hereto (Beginning on page 8 of this Amendment).

<p><b>OFFEROR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THIS SOLICITATION AMENDMENT.</b></p>	<p><b>THIS SOLICITATION AMENDMENT IS HEREBY EXECUTED ON THIS DAY, IN PHOENIX, AZ.</b></p>
<p>SIGNATURE OF AUTHORIZED INDIVIDUAL:</p>	<p>SIGNATURE: <b>SIGNATURE ON FILE</b></p>
<p>TYPED NAME:</p>	<p>TYPED NAME: Meggan LaPorte, CPPO, MSW</p>
<p>TITLE:</p>	<p>TITLE: Chief Procurement Officer</p>
<p>DATE:</p>	<p>DATE: 10/1/2021</p>

Paragraph # or Title	Page #	Amendment
Section 4.19 (SOW)	12	The Contractor should have an office that is located in the metropolitan Phoenix, Arizona area. and be available to meet with AHCCCS staff in person, and online, as needed to address issues and opportunities. If the Contractor does not have an office in the metropolitan Phoenix area and submits a proposal, the Contractor commits to in-person quarterly meetings at AHCCCS and would not be exempt from any in-person court date appearances. The Contractor is required to meet the secure trackable document requirements in section 4.2.
Section 4.2 (SOW)	6	Adhere to banking procedures as specified and/or modified by AHCCCS. The Contractor's personnel authorized to endorse settlement checks are subject to AHCCCS' written approval. Provide AHCCCS with a letter identifying its employees who are authorized to endorse checks under any resulting contract. AHCCCS shall be notified by letter, sent to the AHCCCS TPL Administrator, within five working days of making any change to the endorsement authority listing. Settlement checks payable to AHCCCS, which require endorsement, shall be endorsed using the endorsement stamp provided by AHCCCS. AHCCCS shall receive recovery checks on a weekly basis, either delivered in person to the address provided in the Invoice section of this RFP, or via a secure, trackable mail delivery service at the Contractor's expense.
Section 4.8.1.2	9	Have on staff a Medical Director who is a Doctor of Medicine or Doctor of Osteopathy in good standing with the relevant State licensing authorities and has relevant work and educational experiences.

Paragraph # or Title	Page #	Amendment
<p>Section 5 (SOW) Subsections 5 1 – 5.3</p>	<p>14</p>	<p>5. Computer System Requirements</p> <p>5.1. The Contractor shall lease, own, or have access to computer facilities that can meet the requirements of this contract and HIPAA. The Contractor’s computer facilities shall have the capability of accepting and processing all referred accounts in the format provided by AHCCCS utilizing Electronic Data Interchange (EDI). The file format and content may be revised from time to time to comply with HIPAA and with AHCCCS data requirements. See Exhibit D – AHCCCS Commercial TPL Coverage Record Data Exchange Layout for current information on files.</p> <p>AHCCCS requires a secure connection to its Secured File Transfer Protocol (SFTP) server. This requires adherence to the External User Affirmation Statement found on AHCCCS' website.</p> <p>5.2. The Contractor is authorized to exchange data with AHCCCS relating to the information requirements of this contract and as required to support the data elements to be provided in the format specified. The information so recorded and submitted to AHCCCS shall be in accordance with all procedures, policies, rules, or statutes in effect during the term of this contract. If any of these procedures, policies, rules, or statutes are hereinafter changed, both parties agree to conform to these changes following appropriate notification to both parties by AHCCCS. The Contractor shall be responsible for any incorrect data, delayed submission or payment and/or penalty applied due to any error, omission, deletion, or erroneous insert caused by Contractor submitted data. Any data that does not meet the standards required by AHCCCS shall not be accepted by AHCCCS.</p> <p>5.3. The Contractor shall report to the State any instances of unauthorized access to or potential disclosure of Personal Identifiable Information (PII) or Protected Health Information (PHI) in the custody or control of the Contractor. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. The Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII or PHI was affected by the Unauthorized Disclosure. The Contractor shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract.</p>

Paragraph # or Title	Page #	Amendment
<p>Section 5 (SOW) Subsections 5.4 – 5.10</p>		<p>5.4 The Contractor shall be responsible for identifying any inconsistencies upon receipt of data from AHCCCS and communicating to AHCCCS those inconsistencies within ten (10) days. If any unreported inconsistencies are subsequently discovered, the Contractor shall be responsible for the necessary adjustments to correct its records at its own expense.</p> <p>5.5 The Contractor shall accept from AHCCCS original evidence of eligibility and enrollment in a form appropriate for electronic data exchange.</p> <p>5.6 The use of any of the above files for purposes other than identified herein is prohibited without prior written consent from AHCCCS.</p> <p>5.7 The Contractor’s computer facilities shall be able to transmit third party coverage information to AHCCCS computer system in a format acceptable to AHCCCS and to receive third party liability information from AHCCCS computer system.</p> <p>5.8 Recovery Database: The Contractor shall maintain a database of all cases where recovery has been attempted or completed. The format and content of the data will be established through mutual agreement. The Contractor’s database pertaining to AHCCCS cases shall be accessible online to the AHCCCS TPL Section staff.</p> <p>5.9 Recovery Extract: The Contractor shall maintain and transmit to AHCCCS an electronic extract in a format, content, and time frames as prescribed by AHCCCS that contains valid recovery data pertaining to recoveries. The contractor shall write standardized queries for use by AHCCCS in monitoring contractor activities.</p> <p>5.10 System Interface/Testing Requirements</p> <p style="padding-left: 40px;">The Contractor shall provide AHCCCS or authorized government officials with full access to its computer system for monitoring, review, and testing of the Contractor’s operations relating to the contract.</p> <p style="padding-left: 40px;">The Contractor shall ensure that changing or making major upgrades to their information systems affecting processing and/or other major business components will be accompanied by a plan which includes a timeline, milestones to include adequate testing before implementation. At least six (6) months prior to the anticipated implementation date the contractor shall provide the system change plan to AHCCCS for review and comment.</p>

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<p>Section 5 (SOW) Subsections 5.11 – 5.12.6</p>		<p>5.11 Audit Trail Requirements the Contractor’s MIS (Management Information Systems) shall provide a complete audit trail of all entries, changes, deletions, and adjustments.</p> <p><b>5.12 Control and Security Requirements</b></p> <p><b>5.12.1</b> As part of the proposal submission, the Contractor shall submit proof of:</p> <ul style="list-style-type: none"> <li>• FedRAMP, StateRAMP, or AZRAMP authorization,</li> <li>• HITRUST Certification, or</li> <li>• A security and privacy assessment and SSAE-18 assessment or its equivalent.</li> </ul> <p style="padding-left: 40px;">Security requirements must be maintained throughout the life of the contract and provided to AHCCCS annually.</p> <p><b>5.12.2</b> The Contractor shall comply with NIST 800-53 at the moderate level, the Minimum Acceptable Risk Standards for Exchanges (MARS-E), or its equivalent.</p> <p><b>5.12.3</b> The Contractor shall be subject to U.S. Federal laws and regulations protecting Personally Identifiable Information (PII).</p> <p><b>5.12.4</b> The Contractor shall establish and maintain security and privacy policies and procedures for how data is processed, stored, and transmitted within the Contractor environment.</p> <p><b>5.12.5</b> The Contractor shall provide a written report and assessment to AHCCCS/MQD within twelve (12) hours following the identification of any security incident detailing all actions taken concerning the incident, including the type of incident, the current status, and any potential impact(s).</p> <p><b>5.12.6</b> The Contractor shall encrypt all AHCCCS data that is processed, stored or transmitted within the Contractor environment using FIPS 140-2 compliant encryption technologies.</p>

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Section 5 (SOW Subsection 5.13 – 5.13.4)		<p><b>5.13 Contractor Personnel</b></p> <p><b>5.13.1</b> After contract award, the Contractor shall forward to AHCCCS a copy of the resume of any replacements of key personnel assigned to this contract. For personnel replacement purposes, the Contractor shall provide a training plan to AHCCCS. The training plan shall show the replacement is fully trained to assume the program responsibilities.</p> <p><b>5.13.2</b> In the event of unsatisfactory performance (to be determined solely by AHCCCS) by a Contractor employee, the Contractor, upon request by AHCCCS, shall submit for AHCCCS approval of the professional resume of a proposed replacement employee within ten (10) days of receipt of the request from AHCCCS.</p> <p><b>5.13.3</b> The Contractor shall maintain sufficient staff to satisfactorily perform the contract requirements and have in place a contingency staffing and training plan in the event of an unexpected or sudden loss of employees assigned to this contract.</p> <p><b>5.13.4</b> The Contractor shall provide a current work schedule to include office telephone numbers, and e-mail addresses of personnel working on AHCCCS cases. It will also provide cell phone numbers of local managers.</p>
Section 6.2 (SOW)	16	AHCCCS is not exempt from county fees for the filing of Liens. Therefore, the Contractor shall pay such fees in the course of performing the contract requirements and AHCCCS will reimburse the full amount of the fees. In addition, if the Contractor has expended money for an “expert witness,” the reasonable fees and costs of the expert witness will be paid to the Contractor from AHCCCS’ settlement amount.
Section 3.2 (UTC)	35	<u>Non-Discrimination.</u> The Contractor shall comply with State Executive Orders No 2023-01, 2009-09, and any and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
Section 3.11 (UTC)	36	Offshore Performance of Work involving Data is Prohibited. Any Services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to Data shall be performed within the defined territories of the United States.



## QUESTIONS AND ANSWERS FORM

### RFP YH23-0036 Third Party Liability and Recovery Audit Contractor Services

Questions shall be submitted electronically on this form to [Procurement@azahcccs.gov](mailto:Procurement@azahcccs.gov) no later than  
**December 20, 2022 5:00 PM, ARIZONA TIME.**

All questions shall be submitted by December 22, 2022 by 5:00 p.m. (Arizona time) and shall be submitted to [procurement@azahcccs.gov](mailto:procurement@azahcccs.gov) Ven

Question#	VENDOR NAME	Paragraph # or Title	Page #	Vendor Question	AHCCCS Response
1.	HMS	6. Compensation – 6.2	16	<p>Requirement: AHCCCS is not exempt from county fees for the filing of Liens. The Contractor shall pay such fees in the course of performing the contract requirements and AHCCCS will reimburse the full amount of the fees. In addition, to the Contractor from AHCCCS' settlement amount from AHCCCS' settlement amount. Contractor from AHCCCS' settlement amount. to the Contractor from AHCCCS' settlement amount. to the Contractor from AHCCCS' settlement amount.</p> <p>Q. Would AHCCCS please clarify or update requirement 6.2, there may be a typo associated with the references of the settlement amount?</p>	Please see Amendment 1 .
2.	HMS	4. Submission of Proposal	28	Q. Are smaller fonts allowed for graphics/figures and tables?	No, smaller fonts are not allowed.
3.	HMS	Exhibit A - Deliverables		<p>Within the RFP YH23-0036 document Exhibit A - Deliverables.pdf. regarding the Coverage Verification Report on TPL Web Based Referral Database.</p> <p>Q. Could the state provide clarification on the request new deliverable/report?</p>	A new deliverable/report with details on what is submitted quarterly via the contractor's web based referral system and contractor's findings with completion date.
4.	HMS	4.8 Medicaid Recovery Audit Contract (RAC)	10	Requirement 4.8.1.1. Providing at all times trained medical professionals, to the satisfaction of AHCCCS, who are in good standing with the relevant State licensing	Correct, certified coders should only be leveraged when the review type



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Question#	VENDOR NAME	Paragraph # or Title	Page #	Vendor Question	AHCCCS Response
		Services		<p>authorities, where applicable, to review Medicaid claims. In addition, the Contractor must hire certified coders for effective review of claim</p> <p>Q. If a licensed registered nurse (RN) is performing a medical necessity review given that coding is not the clinical focus of the review, it would not be applicable for a certified coder to be engaged in the review. Where utilizing certified coders for a DRG review is applicable. Please confirm that AHCCCS agrees that certified coders should only be leveraged when the review type requires specific coding review?</p>	requires specific coding review.
5.	HMS	4.8 Medicaid Recovery Audit Contract (RAC) Services	10	<p>Requirement 4.8.1.1. Providing at all times trained medical professionals, to the satisfaction of AHCCCS, who are in good standing with the relevant State licensing authorities, where applicable, to review Medicaid claims. In addition, the Contractor must hire certified coders for effective review of claim</p> <p>Q. Please confirm that since Arizona is a Compact Nursing Licensing state, that an RN licensed and in good standing from any state may be able to perform reviews?</p>	If you hold a multistate nursing license from another state, you may practice on your privilege in Arizona, as Arizona is a member of the Enhanced Nurse Licensure Compact.
6.	HMS	4.8 Medicaid Recovery Audit Contract (RAC)		4.8.1.2. Hiring 1.0 FTE Medical Director who is a Doctor of Medicine or Doctor of Osteopathy in good standing with the relevant State licensing authorities and has	The Medical Director would not need to be solely dedicated to AHCCCS.





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Question#	VENDOR NAME	Paragraph # or Title	Page #	Vendor Question	AHCCCS Response
		Services		<p>relevant work and educational experiences.</p> <p>Q. Please confirm that a FTE Medical Director that meets the relevant licensing and good standing requirement, does not have to be dedicated to AHCCCS? Permitting the vendor to appropriately staff and scope for the volume of reviews and not provide an undue burden of cost to AHCCCS.</p>	
7.	HMS	4.8 Medicaid Recovery Audit Contract (RAC) Services	11	<p>4.10. Appeals. The Contractor shall provide all necessary documentation and support to defend the audit findings in the appeals process, if needed, as well as witness testimony, if required any administrative appeal or court proceeding resulting from a review/audit of a Medicaid provider by the Contractor.</p> <p>Q. Aligned with guidance from CMS and leveraged for other Recovery Audit Contracts, would the vendor be permitted to complete all participation in court proceeding remotely/virtually?</p>	The Contractor would need to comply with the court requirements.
8.	HMS	4.18 Periodic Report Requirements & Exhibit A – Deliverables	Reports Tab	<p>Within Exhibit A – Deliverables #6 OIG Monthly Report, currently there are no defined reports to confirm the ability to meet requirements.</p> <p>Q. Would AHCCCS provide details regarding the OIG Monthly Report or advise if this would be negotiable with the awarded vendor?</p>	AHCCCS will work with the vendor to establish the parameters of the report following the contract award.



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9.	HMS	4.18 Periodic Report Requirements & Exhibit A – Deliverables	Report Tab	<p>Within Exhibit A – Deliverables #6 Coverage Verification Report on TPL Web Based Referral Database is not defined as to the report requirements or data elements that must be included.</p> <p>Q. Would AHCCCS provide details regarding the Coverage Verification Report on TPL Web Based Referral Database or advise if this would be negotiable with the awarded vendor?</p>	AHCCCS will provide the minimum details, the contractor may add any fields that it may deem necessary for the report.
10.(1)	Benefit Recovery Inc	Uniform Instructions to Bidders Item 6.1		<p>6.1 Number or Types of Awards: AHCCCS reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever is deemed most advantageous to AHCCCS and to the State.</p> <p>This RFP section implies that bids from offerors will be viewed as component pieces and states that AHCCCS may make multiple awards even to the line-item level of the RFP. Does this mean that bidders are allowed to select which parts of the RFP they wish to submit in their proposal? For instance, will AHCCCS deem a bid as responsive if it only responds to First Party Liability and Third-Party Liability recovery services and Commercial Insurance Coverage Verification/Data Match services and does not respond to Medicaid Recovery Audit Contractor (RAC) services? If so, please describe how a bidder needs to demonstrate that they are only bidding on a subset of</p>	6.1 States that AHCCCS reserves the right to make multiple awards or award by specific line items. It is however the intent of AHCCCS to award only one bidder for all services under this Solicitation.



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Question#	VENDOR NAME	Paragraph # or Title	Page #	Vendor Question	AHCCCS Response
				<p>the services.</p> <p>If this interpretation of this RFP section is not correct, please explain how and under what conditions item 6.1 Number or Types of Awards, will manifest itself. Is AHCCCS requiring all vendors to submit a bid on all items even though their expertise may only be in certain parts of the service requirements.</p>	
11.(1)	Performant	4.19 Metropolitan Phoenix Office	12	The RFP states, "The Contractor shall be required to have an office that is located in the metropolitan Phoenix, Arizona area and to be available to meet with AHCCCS staff in person, and online, as needed to address issues and opportunities. The Contractor's manager assigned to this contract must reside in Arizona." Is this a mandatory requirement?	Please see Amendment 1.
12.(2)	Performant	General	N/A	Will AHCCCS accept DocuSign and/or electronic signatures for the electronic proposal documents?	Yes, AHCCCS will accept DocuSign and Electronic Signatures for the electronic proposal document.
13.(3)	Performant	Offer and Acceptance	3	The form states, "Signature also certifies Small Business Status." Is this a Small Business only procurement?	This is not a Small Business only Procurement.
14.(4)	Performant	5.11 Notice of RFP	15	Instead of SSAE 16, is HITRUST Validation and Certification accepted?	Please see Amendment 1.
15	Performant	General	N/A	Is there any flexibility with bidding on specific services or is it an all or nothing proposal?	We are requiring offerors to offer all of the services on the RFP.



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Question#	VENDOR NAME	Paragraph # or Title	Page #	Vendor Question	AHCCCS Response
16	Performant	5.6 Additional Information	32	The RFP states, "Any pages submitted beyond the page limits for any submission requirement will not be reviewed by evaluators nor will it be included in the scored portion of the Offeror's proposal." Are there page limits on the proposal?	There are no page limits on this RFP response.
17	Performant	Scope of Work sec 4.1.42	5	In what forum(s) would the Contractor be expected to represent AHCCCS? Would these be limited to purely administrative actions? And would any of these require in-person (as opposed to telephonic or virtual)? How many times has the current contractor been required to represent AHCCCS for cases, in-person?	The Contractor shall represent AHCCCS when required to assist in all recovery sections listed in the SOW.
18	Performant		6	Do these operational manuals already exist, and the Contractor would be expected to update and maintain them, or would the Contractor be responsible for building these from scratch?	No, contractor shall create, update and maintain operational manuals with AHCCCS' final approval.
19	Performant		10	Does the Medical Director need to be entirely dedicated to AHCCCS activities?	Please see the response to Question #6
20	Performant		36	This requirement contemplates "indirect or overhead services, redundant back-up services, or services that are incidental to the performance of the contract" being able to be performed outside of the United States. Would this include development work by an offshore subcontractor with access to de-identified AHCCCS data (in accordance with HIPAA Safe Harbor guidance from the U.S. Dept. of HHS) that would remain entirely within the United States?	Please see Amendment 1.



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21	Performant	General	N/A	Is there a current vendor for the Coverage data match and liability recovery services? How long has this vendor conducted these services?	Yes, HMS is the current provider. HMS has been contracted with AHCCCS since 1993
22	Performant	General	N/A	Is there a current vendor for RAC services? How long has this vendor conducted these services	Yes, HMS is the current provider. HMS has been contracted to perform RAC services since 2010
23	Performant	General	N/A	For calendar years 2020 and 2021, respectively, how many RAC audits/reviews were performed by category/claim type?	None
24	Performant	General	N/A	For calendar years 2020 and 2021, respectively, what were the total RAC findings/dollars recovered by category/claim type?	None