Procurement Officer and Solicitation Contact Person:

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Phoenix, Arizona 85034   Issue Date: November 4, 2013

LOCATION: **ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS)**
Contracts and Purchasing Section (First Floor)
701 E. Jefferson, MD5700
Phoenix, Arizona 85034

DESCRIPTION: *DATA ANALYTICS SOLUTION FOR PROGRAM INTEGRITY*

RESPONSE DUE DATE: **MONDAY, DECEMBER 16, 2013**   at 3:00 P.M., Arizona Time

QUESTIONS CONCERNING THIS SOLICITATION SHALL BE FORWARDED TO THE PROCUREMENT OFFIC ER/ CONTACT PERSON LISTED ABOVE, ON THE AHCCCS QUESTIONS FORM, VIA E-MAIL ON OR BEFORE **FRIDAY, NOVEMBER 15, 2013 AT 5:00 P.M.,** ARIZONA TIME. RESPONSES TO QUESTIONS WILL BE POSTED ON THE AHCCCS WEBSITE IN THE FORM OF A SOLICITATION AMENDMENT FOR THE BENEFIT OF ALL POTENTIAL RESPONDENTS TO VIEW. TELEPHONIC QUESTIONS SHALL NOT BE ACCEPTED.

Responses to this RFI must be in the actual possession of AHCCCS on or prior to the time and date; and at the location indicated above. **Late responses may not be considered.**

Responses must be submitted in a sealed envelope or package with the Request number, and the respondent's name and address clearly indicated on the envelope or package. All responses must be typewritten. Additional instructions for preparing a response are included in this request.

Respondents must realize that no Contract will result from your response to this request. Responding to this RFI will not prohibit the respondents from responding to any procurements.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the appropriate Procurement Agency. Requests should be made as early as possible to allow time to arrange the accommodation. A person requiring special accommodations may contact the person responsible for this request as identified below.

RESPONDENTS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE RFI.

1. AHCCCS OVERVIEW

AHCCCS is the single state Medicaid agency for the State of Arizona. In that capacity it is responsible for operating the Title XIX and Title XXI programs through the State's 1115 Research and Demonstration Waiver, which was granted by the Centers for Medicare and Medicaid Services (CMS), U.S. Department of Health and Human Services. As of September 1, 2013, AHCCCS provided coverage to approximately 1.3 million members.

Over 79% of the AHCCCS program's expenditures in SFY 2013 were through managed care programs. The AHCCCS Administration contracts with Managed Care Organizations that are responsible for providing Acute, Long Term Care, and Behavioral Health Services. A list of contracted plans can be found here: http://www.azahcccs.gov/applicants/healthplans/available.aspx

The program has a total fund budget for SFY 2014 of approximately $ 9.16 Billion. AHCCCS has over 54,000 active providers such as individual medical and behavioral health practitioners, therapy disciplines, institutions, durable medical equipment companies, and transportation entities. Additional information may be found on the AHCCCS website reporting page: http://www.azahcccs.gov/reporting

In addition to the Arizona Medicaid program, AHCCCS supports processing for the Hawaii Medicaid program (MedQUEST) and processes claims for several non-Medicaid programs including the Arizona Department of Corrections. A more detailed overview of the Med-QUEST Program is available at the Med-QUEST website, www.med-quest.us.

2. PROJECT INTRODUCTION AND OBJECTIVES

AHCCCS has a current contract that provides software and services for the support of the Program Integrity activities for the lines of business supported by the Agency. AHCCCS will be re-soliciting this service in 2014. The purpose of this RFI is to explore what opportunities may exist in the marketplace to enhance and increase the effectiveness of the AHCCCS program integrity efforts. AHCCCS seeks information about existing program integrity software solutions, with proven products that can be readily integrated within existing infrastructure.

The objective of AHCCCS is to become a driver of quality care, recognized for effective cost management; a health information resource to support public policy discussions; and a valued health insurance option for their respective State residents and tax payers. To accomplish this, the specific goals include:

➢ Provide Program Integrity staff with timely scheduled and ad hoc management, medical and program/service reports, and information using state-of-the-art analytic and reporting tools, and system utilities that will enhance the staffs' capabilities to administer, plan, and evaluate the performance and utilization of the State's programs, Managed Care Organizations (MCO's), providers, and members.

➢ Identify patterns of billing practices and outliers across multiple lines of business, member categories, providers, and Managed Care Organizations, track service levels, and usage to ensure that the programs are not incurring costs for inappropriate care and are not paying for fraudulent services.

➢ Provide reporting to monitor and analyze claims and encounters against expected submission volume levels by service categories.

➢ Store and report data needed to support all Managed Care Organizations and AHCCCS fee-for-service monitoring and oversight activities.

➢ Develop AHCCCS OIG dataset repository for individual datasets, held in fragmented electronic locations, which could be deemed invaluable for mission critical needs if shared within AHCCCS OIG.

2.1   AHCCCS seeks information from vendors for a solution that provides the following:

2.1.1   Will provide, install, implement, maintain, and support all software.

2.1.2   Provide a solution either in-house or vendor supported for all aspects of the operation and maintenance of the application including software upgrades, physical and application security, hardware maintenance, performance monitoring, disaster recovery services, etc.

2.1.3   The hardware and communications requirements to connect to and use the proposed software should be clearly outlined in the proposal

2.1.4   May use eligibility, claims, encounters, providers, rate schedules, reference, and financial data from the Pre-Paid Medical Management Information System (PMMIS) exchanged using industry standard formats whenever possible.

2.1.5   An integrated solution that leverages existing tools, processes, expertise, and infrastructure. AHCCCS may consider a vendor hosted solution. AHCCCS will consider an in-house or a vendor hosted solution.

3. CURRENT INFORMATION TECHNOLOGY ENVIRONMENT

3.1   Information Services Division:
The Information Services Division (ISD) of AHCCCS maintains information systems that support the AHCCCS and Med-QUEST Programs, and interfaces with other governmental agencies, including

the Arizona Department of Corrections, the Department of Juvenile Corrections, and the Maricopa County Department of Correctional Services, as well as several other external entities. ISD provides application development and maintenance, computer operations, voice and data communications, hardware, software, training, and wide area network/local area network (WAN/LAN) support to internal and external users of AHCCCS and Med-QUEST. In addition, ISD currently provides support for ad hoc reporting and data extracts for data analysis.

3.2   End-User Environment:
       The following is the end-user configuration for networks and desktops:

   3.2.1   Operating System – Windows 2000/2003 and Oracle LINUX
   3.2.2   Network – IP Network, Gigabit Ethernet Connection
   3.2.3   Database – Oracle/ SQL Server
   3.2.4   Mass Storage – Net/App (Network Attached Storage)
   3.2.5   Servers – Dell Servers
   3.2.6   Desktops – 450 to 1.7 ghz CPUs with 20 gigabyte hard drives running Windows 2000
   3.2.7   Thin Clients - DT Research model DT166 running Windows CE or Windows XP operating system
   3.2.8   Web Browser – Internet Explorer 7.0
   3.2.9   Software in use includes Microsoft Office, Microsoft Access, Microsoft Exchange, and Attachmate Extra Client, which provides access to the PMMIS mainframe applications.

3.3   Mainframe Hardware Environment:
       PMMIS is run on an IBM Z9000 mainframe that is owned and operated by the Arizona Department of Administration (ADOA), and is located at the ADOA Data Center. All other equipment is owned and operated by AHCCCS.

3.4   Data Warehouse/Decision Support Environment:
       Arizona and Hawaii maintain DW/DSS environments that store data from their respective PMMIS systems. Data in the DW/DSS includes Recipient and Provider Demographics, Health Plan Contract data, Reference data, and Encounter and Claims history for the last seven years. The environment consists of:
   3.4.1   Operating System – Oracle Linux
   3.4.2   Database – Oracle 11.g
   3.4.3   Reporting Tool – Cognos 11.2
   3.4.4   Informatica Power Center 9.5
   3.4.5   Informatica Power Exchange 9.5
   3.4.6   OPTUM Symmetry Suite ETG, ER, and PRG 8.0

3.5   Electronic Data Interface:
       Arizona and Hawaii maintain EDI environments to exchange claim, encounter, and member related data with providers and Managed Care Organizations. This environment consists of:
   3.5.1   Foresight Suite

3.5.2   Websphere

3.5.3   Supported X12 Transactions (I.E. – 820, 824, 835, 837, 277, 278…)

4. PROGRAM INTEGRITY BUSINESS REQUIREMENTS

4.1   Arizona Office of the Inspector General (OIG):

The principal user of this service is OIG, the unit charged with the responsibility for conducting criminal investigations and investigative audits for all AHCCCS programs involving state and/or federal tax dollars.   Responsibilities of OIG include:

- ➢ Serve as a Criminal Justice Agency for AHCCCS, authorized by FBI and Arizona Department of Public Safety to access criminal justice records and information relevant to official AHCCCS investigations.
- ➢ Issue subpoenas.
- ➢ Place persons under oath to obtain evidence for investigations.
- ➢ Work with Federal, State, and local law enforcement agencies in the detection, investigation, and prosecution of any provider, subcontractor, or member involved in either criminal or civil fraudulent activity involving the program.
- ➢ Conduct internal employee investigations.
- ➢ Assess and collect civil monetary penalties in accordance with Federal and State statutes, rules, and regulations.

OIG works very closely with contracted health plan compliance officers in receiving fraud referrals; investigating the referrals, and determining if there is criminal or civil misconduct. OIG is staffed by 74 individuals divided into the following units:

- ➢ Office of Audit Services
- ➢ Member Fraud Unit
- ➢ Provider Fraud Unit
- ➢ Fraud Prevention Unit
- ➢ Provider Registration Unit

5. EXPLANATION OF PROPOSED SOLUTION

Please explain/describe your solution's ability to:

5.1   Provide front-end and/or back-end editing, validation, and analysis capabilities

5.2   Compare member and provider activities to normative standards (for example, peer-to-peer profiling).

5.3   Identify aberrant billing practice patterns.

5.4   Provide variance analysis and comparisons.

5.5   Provide proactive alerts to State staff of potential cases of fraud, waste, and abuse in an interactive format.

5.6   Rank and value potential fraud, waste, and abuse cases

5.7   Provide advanced drill-down capabilities. The system should support online access to aggregated data with multi-level drill-down capabilities to support the summarized findings.

5.8   Availability of drill-down capabilities by Provider and member.

5.9   Support peer to peer comparisons based on ad hoc user defined service dimensions such as specific services (Non-Emergency Transportation) and/or specific code ranges (E/M Codes).

5.10   Accept data in industry standard data formats whenever such standards are available.

5.11   Satisfy the Program Integrity Checklist as defined by the Center for Medicare and Medicaid Services (CMS) Medicaid Enterprise Certification Toolkit (MECT). The program integrity checklist and more information about the MECT can be found at : http://www.cms.gov/Research-Statistics-Data-and-Systems/Computer-Data-and-Systems/MMIS/MECT.html

5.12   Provide enhanced analysis of the use of payment editing capabilities -   Examples of desired edits include but are not limited to:

     5.12.1   AMA Standard Editing

     5.12.2   Global Surgery Days

     5.12.3   Multiple Procedures

     5.12.4   Use of New versus Established Patient Visit Levels

     5.12.5   Use of Incidental Procedures

     5.12.6   Appropriate use of Add-on Codes

     5.12.7   Appropriate us of Assistant Surgery

     5.12.8   Appropriate use of E&M Crosswalk

5.13   Support assessment of appropriate use of ICD-9 diagnosis and procedure codes; future accommodations for the use of ICD-10 diagnosis and procedure codes; appropriate use of CPT coding support ICD-9, ICD-10, CPT.

5.14   Support validation of DRG reporting.

5.15   Support assessment of appropriate use and validation of Modifiers on both professional and facility claims, including but not limited to 24, 25, 50, 51, and 59 modifiers.

5.16   Support identification of potential duplicate services, including duplicate service on different forms.

5.17   Support assessment of appropriate use of revenue code to HCPCS relationships for facility claims.

5.18   Support standard length of stay assessments.

5.19   Support assessment across form types.

5.20   Support CCI edits on both professional and facility claims as defined by the Center for Medicare and Medicaid Services.

5.21   Provide program integrity investigative case tracking functions.

5.22   Ability to de-identify provider-specific and member-specific information as warranted for certain analysis purposes.

5.23   Provide simplified and complex analysis of encounter data including summary counts and advanced drill-down/up capabilities for detail counts by category, e.g., contractor, form type, service provider type, category of service, procedure code and/or procedure classification, and diagnosis.

5.24   Provide simplified and complex analysis of encounter processing patterns including edit failures.

	REQUEST FOR INFORMATION	AHCCCS
		Arizona Health Care Cost Containment System

REQUEST FOR INFORMATION

AHCCCS

Arizona Health Care Cost Containment System

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701 East Jefferson, MD 5700

Phoenix, Arizona   85034

5.25   Provide a summary of utilization and/or costs from encounters and claims for predefined and tailored specifications of service categories by risk group, contractor, county, and Health Plan and/or Program Contractor.

5.26   Analyze the appropriateness of care based on norms and industry standards.

5.27   Analyze the cost effectiveness of care.

5.28   Analyze providers and members who are high utilizers.

5.29   Provide complex data analytics and pre-established algorithms, as well as the ability to perform ad-hoc algorithms, by the following categories of service:

- Hospital inpatient
- Hospital outpatient
- ER
- Physician
- DME
- Dental
- Non-emergency transportation
- Emergency transportation
- Home and Community Based Services (HCBS) - Attendant Care, Personal Care Assistance, Homemaker, Hospice, etc.
- Pharmacy
- Therapies (PT, OT, ST)
- Behavioral Health mid-level practitioners - Behavioral Health Counselor, Mental Health Social Worker, etc.
- Dialysis
- Ambulatory Surgical Centers (ASC's)
- Mid-level Practitioners - Nurse Practitioners, Physicians Assistants, Nurse Midwifes, etc.
- Other Providers - Podiatrist, Chiropractors, etc.
- Nursing Facilities
- Laboratories

5.30   Provide a means to reconcile the data used to support the data analytics to the source data in PMMIS.

5.31   Cleanse and verify the source data before it is loaded into the data analytics data store.

5.32   Ability for data store update procedures reversible in the event reprocessing is required due to data errors.

5.33   Maintain audit trails for the update process.

5.34   Describe the overall system designs and provide examples of the scalability of the product.

5.35   Provide graphical presentations (Charts and Graphs).

5.36   Support Geo-Spatial representation.

5.37   Provide pattern detection solutions.

5.38   Support identity resolution

5.39   Ability to identify medically unnecessary/unlikely over-use/under-use of services.

5.40   Develop a capability to interface with other government datasets to enhance analytic capabilities beyond current means

5.41   AHCCCS Staff Resource Requirements:
Please describe anticipated AHCCCS staff commitments.

5.42   Provision of Training and Documentation: Describe your process regarding project management including the following:
5.42.1   All activities required to complete the development, installation, and configuration of the proposed solution.
5.42.2   Level of effort for each task.
5.42.3   Anticipated timeframe for each task.

6. **CONTENTS OF YOUR RESPONSE**
If a vendor is interested in responding to any or all of the areas identified, AHCCCS is requesting the following detailed written response:

6.1   Proposed Methodology

6.1.1   Provide an explanation and description of the proposed tools or technologies as described above in 5.0.

How have the proposed tools or technologies been deployed in similar organizations? Given the specific nature of Medicaid, AHCCCS is particularly interested in any tools and technologies that have been utilized in other state Medicaid programs. AHCCCS is also working to get Medicare Part A, B, D, and eventually C for analysis.

6.1.2   If that information is provided, contact information for those other states should also be included.

6.2   Financial/Total Cost of Ownership

6.2.1   Provide complete operational, support, and implementation cost details.

6.2.2   Please provide costs of proposed solution in either of the following formats:
6.2.2.1   Fixed annual fee for Arizona only, and for Arizona and Hawaii together; OR
6.2.2.2   Annual fee based upon the average monthly member enrollment count as reported by AHCCCS for Arizona only, and for Arizona and Hawaii together

6.2.3   Provide information on what types of savings have been generated, quantified, and verified in association with these efforts. In addition, detail should be provided on the length of time that was required from award of contract to substantiation of real costs savings to the program.

6.2.4   The following assumptions should be used:

    6.2.4.1   Current membership in AHCCCS is approximately 1.3 million.

    6.2.4.2   AHCCCS processes approximately 69 million encounters per year

    6.2.4.3   AHCCCS processes approximately 6.5 million Fee-For-Service claims per year

    6.2.4.4   Current membership in MedQUEST is approximately 400,000

    6.2.4.5   MedQUEST processes approximately 5 million encounters per year

    6.2.4.6   MedQUEST processes approximately 2.5 million Fee-For-Service claims per year

6.2.5   Respondents may also schedule a 60-minute onsite presentation with select AHCCCS management and staff to present information and display product capability. If interested in such a presentation, vendors indicate willingness on the response to this RFI. AHCCCS reserves the right to decide if presentations will be scheduled for some or any of the respondents.

6.2.6   A completed **Attachment A,** Respondent's Information, which includes contact information, including name, title, mailing address, email address, authorized signature, and phone number of the contact person for questions relating to the RFI.

7. HOW TO RESPOND

7.1   Submit one (1) electronic copy of the RFI response in portable format (Microsoft Word, Excel or PDF) via

    7.1.1   CD; or

    7.1.2   by Email attachment.

7.2   Submit your response no later than **3:00 p.m., Arizona Time, December 16, 2013.**

7.3   Submit your response electronically or physically to :

    Mark Held, Senior Procurement Specialist
    AHCCCS Contracts and Purchasing, First Floor
    701 E. Jefferson St., MD-5700
    Phoenix, AZ 85034
    Mark.Held@azahcccs.gov

7.4   **Confidential Information:**

    7.4.1   To the extent allowed by law, information contained in a response to a request for information may be considered confidential until the procurement process is concluded or for two years, whichever occurs first. This RFI and responses to the RFI are subject to the Arizona Public Records law.

7.4.2   If a Respondent believes that a specific portion of its response, bid, proposal, offer, specification, or protest contains information that should be withheld from public inspection due to confidentiality, the Respondent shall submit to the Procurement officer a detailed legal analysis, prepared by legal counsel, which sets forth the bases for the requested non-disclosure, and the specific harm or prejudice which may arise if disclosed. The analysis shall be presented to the Procurement Officer at the same time as the bid, proposal, offer, specification or protest.

7.4.3   An entire response, bid, proposal, offer, specification, or protest shall **not** be identified as confidential; only those very limited and distinct portions which are considered by the Offeror as confidential may be identified as such. **Pricing shall not be considered as confidential.**

7.4.4   In the event that AHCCCS receives a request for disclosure of the information, AHCCCS shall disclose the information in accordance with law. Prior to disclosure, AHCCCS will inform the Offeror of such request and provide the Offeror a period of time to take action it deems appropriate to support non-disclosure. The Offeror shall be responsible for any and all costs associated with the nondisclosure of the information.

7.5   **Reimbursement:**
AHCCCS will not reimburse any respondent for the cost of preparing and submitting a response to the RFI.

7.6   **Conclusion:**
This RFI is a request for additional information from the vendor community. Unless existing contracts are already in place, AHCCCS would need to pursue formal procurement prior to selection of any new product or tool.

Arizona Transaction (Sales) Privilege Tax License No.:

For clarification of this response, contact:

Name:

Federal Employer Identification No.:

Phone:

E-Mail Address:

Fax:

Company Name

Signature of Authorized Person

Address

Printed Name

City   State   Zip

Title

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