



SOLICITATION AMENDMENT #2		
YH 18-0037 THIRD PART LIABILITY AND RECOVERY AUDIT SERVICES	Solicitation Due Date: MARCH 22, 2018 3:00 pm Arizona Time	Procurement Officer: Alice McLain alice.mclain@azahcccs.gov

A signed copy of this amendment must be returned with the proposal and received by the State of Arizona on or prior to the Solicitation due date and time.

1. The attached Answers to Questions are incorporated as part of this solicitation amendment.

OFFEROR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THIS SOLICITATION AMENDMENT.	THIS SOLICITATION AMENDMENT IS HEREBY EXECUTED ON THIS DAY, IN PHOENIX, AZ.
SIGNATURE OF AUTHORIZED INDIVIDUAL:	SIGNATURE: SIGNATURE ON FILE
TYPED NAME:	TYPED NAME: Meggan Harley, CPPO, MSW
TITLE:	TITLE: Chief Procurement Officer
DATE:	DATE: March 2, 2018



AHCCCS RESPONSE TO VENDOR QUESTIONS

RFP YH18-0037 Third Party Liability and Recovery Audit Services

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Question #	VENDOR NAME	Paragraph # or Title	Page #	Vendor Question	AHCCCS Response
1.	HighGround	RFP Cover Sheet	N/A	The RFP states "A Pre-Proposal Conference has NOT been scheduled." Will AHCCCS please confirm if a conference will be scheduled for this RFP?	Please see Uniform Instructions to Offerors, Paragraph 2.7, Pre-Offer Conference, page 20.
2.	HighGround	2. Purpose	4, 9	For Credit Balance Recovery Activities, please clarify how many agreements the current vendor has with the AHCCCS Contract Health Plans.	There are currently 15 agreements.
3.	HighGround	4. Contractor duties and responsibilities	5	Who are the top 10 insurance carriers that provide coverage to Arizona residents and generate recoveries for Arizona?	UMR, United Healthcare, Ameriben, BCBS Arizona, Summit Admin, Aetna, Cigna, BCBS Arizona Fed, Employee Health, Argus were the top 10 carriers for recoveries last year.
4.	HighGround	4.1.14	5	Please confirm that the State makes the final determination on settlement amounts. Is the Vendor responsible for negotiating settlement terms for any kinds of claims?	The Contractor shall recommend final settlement amounts on any reduced/compromised Casualty, TEFRA, and Estate recovery cases and shall participate in negotiations of Estate cases as needed. AHCCCS will approve or determine all final negotiated or reduced settlement amounts.
5.	HighGround	4.1.42	6	This RFP section states that the vendor must provide legal expertise to the State "prior to Fair Hearings," including representation in foreclosure, interpleader and ADR. In what situations do foreclosure, interpleader and ADR precede Fair Hearings? In what situations is the vendor typically involved with those actions?	Contractor legal expertise is rarely needed prior to State Fair Hearings. AHCCCS has averaged about two TPL-related State Fair Hearings per year over the past four years. Legal expertise/representation shall be provided for foreclosures, interpleaders and any other related scenarios where a legal action is required.
6.	HighGround	4.1.6	4	Please confirm whether the Vendor is to maintain custody or control of the recovered funds.	The Contractor shall collect recovered funds and delivering weekly recovery deposits to AHCCCS.
7.	HighGround	Section 5	5-7	Please provide AHCCCS's open active case count at the end of FY2017 for Causalty/Tortfeaser, Estates,	Active case count: Casualty/Tortfeaser = 2,270, Estates = 727, TEFRA liens = 308,



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				TEFRA liens, Trusts and Annuities. Please provide the number of new cases opened annually for each function listed above. What is the average lifespan from case creation through case closure for each function listed above?	Trusts = 223 and Annuities = 13. New cases for FY2017: Casualty/Tortfeaser = 1,467, Estates = 385, TEFRA liens = 122, Trusts = 187 and Annuities = 5 The average case lifespan varies depending on required actions.
8.	HighGround	5.3 – Estate Recovery	7	Please describe the ALTCS-EPD and ALTCS-DD programs and how the funding sources are to be separately accounted for.	ALTCS – Elderly and Physically Disabled and ALTCS – Developmentally Disabled. The Contractor will not have to separate these 2 programs for recovery purposes.
9.	HighGround	Section 5.3 – Estate Recovery	8	Please describe the circumstances under which the Vendor must retain the services of independent legal counsel.	The Contractor shall provide legal counsel Disallowance of Claim filings, Foreclosures, Probate initiated by AHCCCS, and any other event where the AHCCCS claim is challenged.
10.	HighGround	5.3 – Estate Recovery	8	Paragraph 5 - Negotiated Settlements: Please provide the number of cases that resulted in negotiated settlements in the last 3 years? How often did the Contractor have to pay fees /costs of independent legal counsel from the contingency fee related to the recovery?	During the past three years, AHCCCS has allowed the current Contractor to pay pre-negotiated fees of independent legal counsel from the proceeds of the estate when legal representation has been needed to make a recovery.
11.	HighGround	5.3 Estate Recovery	7-8	Please provide a list of referral sources that are currently used to assist the Contractor with identification of Estate Recovery. How does the current contractor identify Estate Recovery cases?	AHCCCS includes date of death information in automated monthly files. The TPL Contractor shall use additional resources to identify potential cases.
12.	HighGround	5.4 – TEFRA Liens	8	Please provide the number of liens recorded each year for the last 5 years. What is the cost to Vendor for filing a lien?	The number of TEFRA liens recorded were: FY13 =161 , FY14 = 107, FY15 = 131, FY16 = 116, FY17 = 122 The Contractor shall pay the government rate to the applicable county, and invoice



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					AHCCCS for full reimbursement.
13.	HighGround	5.5, 5.6	8-9	Is the Vendor required to ensure AHCCCS' status as the legal beneficiary for trusts and annuities, including reviewing trust and annuity documents for legal enforceability of beneficiary status?	Yes. The Contractor shall review all Trust/Annuity documents to determine legal beneficiary and enforcement.
14.	HighGround	5.8 Commercial Insurance Recovery	9	Please provide the current billing volume statistics for each claim type (i.e., P, I and D).	For FY17, a total of \$27,558,206 was billed.
15.	HighGround	5.8 Commercial Insurance Recovery	9	Please provide the current percentage of paper vs electronic billings.	Not available at this time.
16.	HighGround	5.8 Commercial Insurance Recovery	9	Please provide the current recovery percentage for claims billed vs recovered.	For FY17, the recovery percentage vs billed was 7.83%
17.	HighGround	5.8 Commercial Insurance Recovery	9	Does Arizona accept electronic payments from Carriers for recoveries? If so, please provide the current percentage of paper vs electronic EOBs and EFTs.	AHCCCS generally does not accept electronic payments from carriers for commercial insurance recovery.
18.	HighGround	5.8 Commercial Insurance Recovery	9	Please provide the current denial rate for recoveries.	For FY17, the denial percentage vs billed was 46.78%
19.	HighGround	6.1 Coverage Verification	10	Please provide the state's timeliness criteria referenced in 6.1.	The State's current timeliness criteria are provided in section 6.1 of the RFP.
20.	HighGround	6.2 Commercial Insurance Data Match	10	Please provide the cost avoidance amounts for the past 6 years.	Commercial insurance cost avoidance totals compiled from AHCCCS/MCO encounter data were: FY17: \$154,406,428 FY16: \$139,477,139 FY15: \$140,400,878 FY14: \$125,064,195 FY13: \$121,716,277 FY12: \$112,038,407



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21.	HighGround	6.3 Other Data Matches	10	What is the frequency of the Arizona Department of Transportation, Motor Vehicle Division and the Arizona Industrial Commission for workers' compensation data?	ADOT and AIC are currently contracted to provide data match files quarterly.
22.	HighGround	7.1.1 Responsibilities for FFS Claims	11	Will a Utilization Review License be required?	Not at this time.
23.	HighGround	8 Computer System	13	Please provide the data retention requirement and period.	The retention requirement is 7 years after closure/archiving of case files.
24.	HighGround	14 Pick-up and Delivery Service; Hours of Operation	14	Please provide information related to the call arrival pattern, average handle time and acceptable wait time associated with the inbound calls from AHCCCS Health Plan Contractors, insurers, members, and member representatives.	Historical Contractor call volume data is not available. The Contractor shall respond to telephone calls and e-mails by the next business day.
25.	HighGround	20 Compensation	15	Please describe the circumstances under which the Vendor would be required to hire expert witnesses.	The Contractor shall be required to use expert witnesses if it does not have the expertise on staff and the expertise is needed to defend disputed claims. These situations are expected to be very rare.
26.	HighGround	3 Offer preparation	20	Is AHCCCS planning to invite down-selected vendors for oral presentations or interviews for this RFP?	No.
27.	HighGround	6 Award	23	<p>The RFP states that, "AHCCS 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, whatever is deemed most advantageous to AHCCCS and to the State."</p> <p>a. Please clarify the definition of individual lines or alternatives.</p>	<p>Uniform Instructions to Offerors, Paragraph 6, Award, is the State of Arizona's standard language for contracts.</p> <p>Each RFP is different and the line items specific to each RFP are found on the Pricing Schedule. In this case, it is a Compensation Table rather than a Pricing Schedule.</p>



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				<ul style="list-style-type: none"> b. Please define “a group of line items or alternatives” in this context. c. Please describe the tasks that could be awarded under a regional award. 	Please see Exhibit A, page 48 of the RFP.
28.	HighGround	21.1 Term of Contract	40	The RFP states that the initial term of the contract is January 1, 2018 – September 30, 2018 with four (1) year options to extend. Do you intend to make the contract retro-active or would the start date be after award? If the latter, could AHCCCS please provide an updated contract start date and term?	<p>REMOVE: January 1, 2018 – September 30, 2018.</p> <p>REPLACE: Actual initial term of the contract will be determined upon award.</p>
29.	HighGround	1.2.1 First Party Liability and Third Party Liability Recovery Programs and Commercial Insurance Coverage Verification / Data Match Services	47	RFP states in Exhibit A: “The Offeror may, if it chooses, propose graduated percentages based on total amount of Net Recovery to AHCCCS”. The attachment B shows TPL contractor contingency fee on the Gross recovery. Please confirm if the contingency is on net recovery or gross recovery.	The Contractor contingency fee is based on the gross recovery.
30.	HMS	Exhibit D: Offeror’s Checklist	51	Question: Will the State please confirm the request to submit Cost with the Technical submission, and not under separate cover?	You may submit Cost as under a separate cover.
31.	HMS	Notice of Request for Proposal	1	Question: Will the State please provide the date offeror’s can expect the release of answers to questions?	AHCCCS cannot estimate this date
32.	HMS	1.3 Commercial General Liability (CGL) – Occurrence Form	41	Question: Will the State please confirm if there is additional content that corresponds with the “b.” at the beginning of this requirement, as the previous requirement 1.3.1 does not have a corresponding “a.”:	The “b” in 1.3.2 is a typo. Please disregard the “b”.



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				<p>1.3.2 b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.</p>	
33.	HMS	1.2.2 Optional add-on related service:	47	<p>Question: Will the State please confirm for the optional innovation services referenced in section 1.2.2 Optional add-on related service, would you like pricing for these optional items included with the proposal or would pricing be negotiated in the future only if the state wished to move forward?</p> <p>1.2.2 Optional add-on related service: The Offeror may, at its option, submit a separate proposal (and a separate rate below) for providing other services not required by this solicitation. If the Offeror chooses to submit such a proposal, it will be considered only as an add-on to the TPL recovery services described herein. Whether the Offeror chooses or does not choose to submit this add-on proposal will have no effect on the evaluation of its TPL Recovery proposal and the add-on proposal itself will be negotiated only in conjunction with the award of the primary contract. If an add-on proposal is submitted, the Offeror must state so in its cover letter to the TPL proposal. The acceptance of any add-on service is at the sole option of AHCCCS.</p>	<p>Any proposed Optional add-on related services must be included in Offeror's proposal. If the state agrees to the inclusion of innovation services, the contract would be amended to include new services and pricing.</p>



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34.	HMS	1.2.2 Optional add-on related service:	47	<p>Question: Will the State please provide guidance as to how the offeror should submit the separate optional add-on related services proposal? Should the offeror provide in a separate binder, or included under separate cover/tab in the same binder?</p> <p>1.2.2 Optional add-on related service: The Offeror may, at its option, submit a separate proposal (and a separate rate below) for providing other services not required by this solicitation. If the Offeror chooses to submit such a proposal, it will be considered only as an add-on to the TPL recovery services described herein. Whether the Offeror chooses or does not choose to submit this add-on proposal will have no effect on the evaluation of its TPL Recovery proposal and the add-on proposal itself will be negotiated only in conjunction with the award of the primary contract. If an add-on proposal is submitted, the Offeror must state so in its cover letter to the TPL proposal. The acceptance of any add-on service is at the sole option of AHCCCS.</p>	Please use Exhibit A: Compensation Table, page 48, to enter any Optional Add On Services. There is a line at the bottom of the first table where this information can be entered. A separate binder is not necessary. This information must be arranged in your proposal in the order shown on Exhibit D: Offeror's Checklist, page 51.
35.	HMS	1.2.2 Optional add-on related service and Exhibit A: Compensation Table	47	<p>Question: Will the State please confirm where they want pricing for Optional Add-on Related Services? Section 1.2.2 requires separate proposal and rate submission for Optional Add-on Services, while Exhibit A provides a line item for Optional Add-on services with Contract Pricing - TPL Services.</p> <p>1.2.2 Optional add-on related service: The Offeror may, at its option, submit a separate proposal (and a</p>	See the answer to #34.



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				separate rate below) for providing other services not required by this solicitation. If the Offeror chooses to submit such a proposal, it will be considered only as an add-on to the TPL recovery services described herein. Whether the Offeror chooses or does not choose to submit this add-on proposal will have no effect on the evaluation of its TPL Recovery proposal and the add-on proposal itself will be negotiated only in conjunction with the award of the primary contract. If an add-on proposal is submitted, the Offeror must state so in its cover letter to the TPL proposal. The acceptance of any add-on service is at the sole option of AHCCCS.	
36.	HMS	EXHIBIT D: OFFEROR'S CHECKLIST	51	Question: Will the State please confirm the absence of Submission Requirement #7 in the Offeror's Checklist?	Omission of the number seven (7) is a typo and it was unintentionally skipped over.
37.	HMS	3.1.3 Methodology Questionnaire:	24	<p>Question: Will the State please confirm if there is a State required submission of a specific Attachment 1?</p> <p>Per 3.1.3 Methodology Questionnaire: The State is requiring Exhibit B: Methodology Questionnaire be labeled as Attachment 2 in the offeror's response.</p> <p>In addition to the written narrative, the Offeror shall answer all questions on EXHIBIT B: Methodology Questionnaire. The Offeror may include its answers to these questions either separately (labeled as Attachment 2), or in the body of the Written Narrative, if logical to do so, as long as they are</p>	No, there is no required submission to be labeled as Attachment 1.



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				clearly marked as such. If the Offeror chooses to incorporate the answers into its Written Narrative, the Offeror shall list the location, including page number, of its answer to each question on Attachment 2. The usage of technical language should be minimized and used only to describe a technical process.	
38.	HMS	3.3 Exceptions to Terms and Conditions	Page 21	<p>Question: Will the State please clarify the policy with regard to section 3.3. Are all “terms and conditions” in the Uniform Terms and Conditions, the Special Terms and Conditions and Business Associate Agreement sections of the RFP considered to be “material”? Additionally, may an Offeror request in the exceptions section of the proposal alternate language to certain Uniform and/or Special Terms and Conditions for the State’s consideration without such request negatively impacting the Offeror’s susceptibility for award. We would like to propose alternate language, but do not want such a request to cause the Proposal to be rejected or to suffer a reduction in scoring simply for making such a request.</p> <p>3.3 Exceptions to Terms and Conditions: All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically</p>	<p>Yes, these are all material to the contract.</p> <p>AHCCCS must submit any modification requests to the Uniform Terms and Conditions to the AZ Department of Administration, State Procurement Office (SPO) for approval.</p> <p>Requests for modification to the Special Terms and Conditions require review and approval by the AHCCCS Chief Procurement Officer.</p> <p>Requests for modification of the HIPAA Business Associates Addendum require review and approval by the AHCCCS Privacy Officer.</p> <p>Modification requests may impact an Offeror’s susceptibility for award.</p>



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				<p>accepted by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.</p> <p>3.3.1 Invitation for Bids. An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.</p> <p>3.3.2 Request for Proposals. All exceptions that are contained in the Offer may negatively impact an Offeror's susceptibility for award. An Offer that takes exception to any material requirement of the solicitation may (and most likely will) be rejected."</p>	
39.	HMS	<p>3.7 Property of the State</p> <p>3.8 Ownership of Intellectual Property</p>	29	<p>Question: Will the State please confirm it is permissible to include a request that an additional section be added to section 3.8 of the Uniform Terms and Conditions of the Contract that protects the Contractor's pre-existing Intellectual Property and any improvements thereto during the term of the Contract? If so, would the State prefer that Contractor include the provision for the State's consideration in the exception section of the Proposal or after award?</p>	<p>AHCCCS must submit any modification requests to the Uniform Terms and Conditions to the AZ Department of Administration, State Procurement Office (SPO) for approval.</p> <p>Modification requests may impact an Offeror's susceptibility for award.</p>
40.	HMS	<p>Business Associate Agreement, Section 2.3.1</p>	Page 43	<p>Request to revise Section 2.3.1 as follows: Reporting. Business Associate shall report to AHCCCS any use or disclosure of PHI that is not authorized by the Contract, by law, or in writing by AHCCCS. Business Associate shall make an initial report to the AHCCCS Privacy Official not more than twenty-four (24) hours three (3) business days after Business</p>	<p>Requests for modification of the HIPAA Business Associates Addendum require review and approval by the AHCCCS Privacy Officer.</p> <p>Modification requests may impact an Offeror's susceptibility for award.</p>



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				<p>Associate learns of such unauthorized use or disclosure. The initial report shall include all of the following information to the extent known to the Business Associate at the time of the initial report:</p> <p>Rationale: A 24 hour notice period does not allow for sufficient investigation in the event that an incident arises late Friday or over a weekend, and is far shorter than the 60 day notice period permitted under HIPAA. We request a 3 business day timeframe that will allow for adequate investigation during business hours, when all needed employees are available, to determine if an unauthorized use or disclosure has occurred, and to allow for proper reporting. The three business day timeframe strikes a balance between AHCCCS's need to be promptly informed, and HMS's need to conduct an investigation of any such incident.</p>	
41.	HMS	Business Associate Agreement, Section 2.3.1	Page 43	<p>Request to Add New Section 2.3.2:</p> <p>2.3.2 Unsuccessful Security Incidents. The parties agree that unsuccessful Security Incidents (such as scans, pings, unsuccessful log-on attempts, and other failed attempts to access Business Associate's systems that do not result in unauthorized access, use, or disclosure of PHI) do not need to be reported under this section, but that Business Associate will provide information about such unsuccessful Security Incidents upon written request from AHCCCS.</p> <p>Rationale: The definition of "Security Incident"</p>	See the answer to #40.



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				under HIPAA (45 CFR 164.304) is very broad, and includes both “attempted” attacks on our systems that are unsuccessful, and involve no access to or disclosure of PHI. Unless the definition of “security incident” is modified, this would impose a very high burden on HMS Security, given the extremely high number of incidents that would need to be reported. In the past, we have been able to agree with our clients that unsuccessful Security Incidents shall not require automatic notice from HMS, but that HMS will provide information on such unsuccessful Security Incidents upon request.	
42.	HMS	Business Associate Agreement, Section 5.3.2	Page 43	<p>Request to revise this section 5.3.2 as follows: 5.3.2 Destroy or return to AHCCCS all remaining PHI that the Business Associate still maintains in any form, provided that Business Associate determines that the return or destruction of PHI is feasible. If the return or destruction of PHI is not feasible, then Business Associate shall extend the terms of this Addendum to the PHI for as long as Business Associate remains in possession of such PHI;</p> <p>Rationale: This edit is designed to provide that with respect to backup or other infeasible situations, HMS will protect the PHI in accordance with the terms of the BAA.</p>	See the answer to #40.
43.	HMS	4.1.8	4	<p>Question: Will the State please provide how frequently the coordination needs to happen with the MCO, and is the contractor responsible for reinforcing the Plans required timeframes? What is</p>	There is frequent coordination between the Contractor and AHCCCS-contracted MCOs to ensure that casualty cases are being managed by the appropriate party and to



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				the monthly average on MCO cases?	collect claims information for joint recovery cases. The Contractor shall follow up as needed to get information, but is not responsible for enforcing MCO compliance. The Contractor shall notify AHCCCS of any non-compliant MCOs after required follow-up has been performed and has been unsuccessful. In FY17, we had a monthly average of 117 open cases and an average of 76 cases were joint cases.
44.	HMS	4.1.15	5	Question: Will the State please provide the monthly Casualty/Restitution total referral average and what percentage are MCO referrals vs. FFS?	In FY17, the monthly average of MCO total referrals was 1,339. In FY17, FFS/joint cases were approximately 35% of all referrals.
45.	HMS	4.1.16	5	Question: Will the State please confirm how frequently does the contractor need to follow up with the MCO's on claims data?	MCOs are required by contract to provide requested claims data for joint cases within 10 business days. If claims are not received within 10 business days, the Contractor shall follow up at least twice before referring the issue to AHCCCS for resolution assistance.
46.	HMS	4.1.17	5	Question: Will the State please describe the type, level and frequency of technical assistance and training for AHCCCS Health Plans.	The Contractor shall provide training to AHCCCS health plans to enable the health plans to comply with applicable processes involving the Contractor and to interface with Contractor Web sites or systems as needed.
47.	HMS	5.1	6	Question: Will the State please clarify if once a case is referred total plan, is the contractor required to continue working the case, when is the case not considered a duplicate request?	Once a case is referred to an AHCCCS Health Plan as a total plan, the Contractor is not required to continue working the case as long as the case remains a total plan case.



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				<p>5.1 Certain factors have a bearing on how Casualty cases are worked for recovery. The Contractor shall recover FFS and AHCCCS Health Plan Contractor expenses on Joint Liability and Mass Tort Cases. All Reinsurance and FFS expenditures are reimbursed to AHCCCS from Joint Liability and Mass Tort Case recoveries before any payment is made to the AHCCCS Health Plan Contractor. The Contractor refers all Total Plan Cases, except Mass Tort Cases, to the AHCCCS Health Plan Contractor for recovery.</p>	<p>The Contractor shall verify that the plan is still a total plan case when requested by the AHCCCS Health Plan and for transitioning the case to a joint plan case if related reinsurance or FFS claims are identified.</p>
48.	HMS	5.1	6	<p>Question: Will the State please confirm if the case is a total plan, would a notification need to be sent to the inquiring party?</p> <p>5.1 Certain factors have a bearing on how Casualty cases are worked for recovery. The Contractor shall recover FFS and AHCCCS Health Plan Contractor expenses on Joint Liability and Mass Tort Cases. All Reinsurance and FFS expenditures are reimbursed to AHCCCS from Joint Liability and Mass Tort Case recoveries before any payment is made to the AHCCCS Health Plan Contractor. The Contractor refers all Total Plan Cases, except Mass Tort Cases, to the AHCCCS Health Plan Contractor for recovery.</p>	<p>When the Contractor confirms that a case is a total plan, a notification shall be sent by the Contractor to the appropriate AHCCCS Health Plan and to the requesting party.</p>
49.	HMS	5.1	6	<p>Question: Will the State please provide the preferred method of referring total plan cases to an MCO?</p> <p>5.1 Certain factors have a bearing on how Casualty cases are worked for recovery. The Contractor shall</p>	<p>AHCCCS does not have a preferred method of referring total plan cases to an MCO as long as the referrals are sent secured and are completed within five business days of receipt.</p>



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				recover FFS and AHCCCS Health Plan Contractor expenses on Joint Liability and Mass Tort Cases. All Reinsurance and FFS expenditures are reimbursed to AHCCCS from Joint Liability and Mass Tort Case recoveries before any payment is made to the AHCCCS Health Plan Contractor. The Contractor refers all Total Plan Cases, except Mass Tort Cases, to the AHCCCS Health Plan Contractor for recovery.	
50.	HMS	6.1	10	<p>Question: Will the State please provide the monthly average of TPL coverage records from the health plans or is this process required for verification?</p> <p>6.1 Coverage Verification: The Contractor shall receive health insurance referral information files from AHCCCS weekly, Monday-Friday. Those files contain TPL coverage records that require verification of the type of coverage, the timeframe of the coverage, and other required data elements prior to submitting the verified coverage information to AHCCCS for posting in the third party coverage database. These verified commercial coverage records will be used for cost avoidance and cost recovery activities. The Contractor shall be responsible for the initial verification of the insurance coverage information using industry accepted practices according to AHCCCS timeliness criteria. Verified and not verified referrals should be returned to AHCCCS within 90 days of initial transmission. Referrals entered directly into the Contractor's Web-based referral product should be returned either</p>	AHCCCS sends records to the Contractor for verification processing. This TPL referral record volume, along with records entered directly into the Vendors Web-based referral product and the volume of Contractor-generated match records are included in the total number of TPL referral records returned by the Contractor to AHCCCS. The monthly average from all TPL referral sources and the Contractor's match process is approximately 45,500 records.



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				verified or not verified to AHCCCS within seven business days. The Contractor shall also conduct a reverification of active coverage record information every six (6) months on a rolling six-month cycle based on the last verification date, or on another timetable defined by AHCCCS. All verified insurance information, as well as any updates thereto, shall be transferred to AHCCCS electronically using the established AHCCCS TPL file layout and shall include the AHCCCS assigned Master Carrier ID (MCID) number identifying the insurance carrier. See ATTACHMENT C for the current file layout, which may be amended as required. As of September 2017, AHCCCS' commercial insurance database contained information on 144,100 active insurance policies of current Members.	
51.	HMS	6.2	10	<p>Question: Will the State please provide the monthly average of verified TPL segments to be delivered to AHCCCS?</p> <p>6.2 Commercial Insurance Data Match: The Deficit Reduction Act of 2005 and A.R.S. 36-2923 requires health care insurers to provide all enrollment information necessary to determine the time period in which a person who is defined as an AHCCCS eligible person, or that person's spouse or dependents, may be or have been covered by the health care insurer and the nature of that coverage. The Contractor shall enter into, and maintain, trading partner agreements with insurers that provide major</p>	See answer to Question # 51.



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				<p>medical, pharmacy, dental, and/or Medicare Supplemental coverage to allow for the receipt of commercial insurance coverage information for AHCCCS members that they insure. The Contractor shall be required to perform a data match of the eligibility information received from the health insurers with the AHCCCS recipient eligibility file at least monthly. The Contractor shall provide AHCCCS all verified matched records using the Contractor's match criteria as defined in their response to this RFP and further approved by AHCCCS. All verified data match insurance information, as well as any updates thereto, shall be transferred to AHCCCS electronically using the established TPL file layout, including the AHCCCS MCID. The eligibility file currently contains all AHCCCS members with at least one (1) day of enrollment in the previous 12 months and excludes state only members.</p>	
52.	HMS	6.2	10	<p>Question: Will the State please confirm if the contractor is required to match and deliver for the entire AHCCCS population or just Fee For Service?</p> <p>6.2 Commercial Insurance Data Match: The Deficit Reduction Act of 2005 and A.R.S. 36-2923 requires health care insurers to provide all enrollment information necessary to determine the time period in which a person who is defined as an AHCCCS eligible person, or that person's spouse or dependents, may be or have been covered by the health care insurer and the nature of that coverage.</p>	The commercial insurance data match should cover the entire AHCCCS population.



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				The Contractor shall enter into, and maintain, trading partner agreements with insurers that provide major medical, pharmacy, dental, and/or Medicare Supplemental coverage to allow for the receipt of commercial insurance coverage information for AHCCCS members that they insure. The Contractor shall be required to perform a data match of the eligibility information received from the health insurers with the AHCCCS recipient eligibility file at least monthly. The Contractor shall provide AHCCCS all verified matched records using the Contractor's match criteria as defined in their response to this RFP and further approved by AHCCCS. All verified data match insurance information, as well as any updates thereto, shall be transferred to AHCCCS electronically using the established TPL file layout, including the AHCCCS MCID. The eligibility file currently contains all AHCCCS members with at least one (1) day of enrollment in the previous 12 months and excludes state only members.	
53.	HMS	EXHIBIT A: COMPENSATION TABLE	47	Question: Will the State please confirm that all required work including non-FFS data match; verifications; and total case plan referrals, follow up, and training for health plans is to be supported by only the contingency fee from contractor recoveries.	Yes, all required work is to be supported by only the contingency fee from Contractor recoveries.
54.	Optum	2. Purpose	4	AHCCCS also processes claims for Hawaii. Are those claims in scope for the TPL and RAC services identified in this procurement?	Hawaii claims and enrollment are not part of the scope of work.
55.	Optum	Exhibit A: Compensation	48	How will the vendor be compensated for TPL policy additions? The current fee structure for the pricing	Dependent upon whether the policy modification is a material change to the



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		Table		worksheet is only contingency fee.	contract, it could potentially result in a modification to the fee structure. Material changes to the Scope of Work and fee structure require a contract amendment.
56.	Optum	Attachment B: AHCCCS Third Party Liability Program Recoveries	1	RFP Attachment B provides historical information regarding TPL program recoveries for each year of the current contract. Please provide the amount of RAC recoveries for the same time period, per year, broken out by provider/claim type for each year.	AHCCCS has not made RAC recoveries during the past three years.
57.	Optum	Attachment C: AHCCCS Commercial TPL Coverage Record Data Exchange Layout		How many different data sources will be supplied to the Contractor for RAC work? For example: <ul style="list-style-type: none"> a. Will the postpayment fee-for-service claims come from the AHCCCS Enterprise Data Warehouse? b. Will there be any other data sources for which the Contractor will need to create an interface (e.g. pharmacy claims)? If so, please list and describe the total number of data sources that will be supplied for RAC work. 	Not at this time.
58.	Optum	Attachment C: AHCCCS Commercial TPL Coverage Record Data Exchange Layout		Will AHCCCS please provide a list of existing tables and layouts for claims and other data it will supply related to RAC services?	Not at this time.
59.	Optum	Attachment C: AHCCCS Commercial TPL Coverage Record Data Exchange		What is the total volume of fee-for-service claims (and corresponding file sizes) that will be supplied for the six-year RAC lookback period?	Not at this time.



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		Layout			
60.	Optum	Attachment C: AHCCCS Commercial TPL Coverage Record Data Exchange Layout		What is the average monthly volume of provider, beneficiary, claims, service/claim lines, and so forth for each type of claim that will be provided to the RAC?	Not at this time.
61.	Optum	Scope of Work, Requirements as Defined in 42 CFR 455, 7.1.1.3	11	Will AHCCCS allow training sessions to be held on site at AHCCCS facilities?	AHCCCS will allow TPL training sessions to be held on site at AHCCCS facilities on a space available basis.
62.	Optum	Scope of Work, Requirements as Defined in 42 CFR 455, 7.1.1.9	11	What are the current medical record request limits for the RAC program for each provider type?	The Contractor shall coordinate medical record request limits for each approved project.
63.	Optum	Scope of Work, Requirements as Defined in 42 CFR 455, 7.1.1.8	11	Will the Contractor receive the same contingency rate percentage for Medicaid damages recovered by the MFCU where those damages are assessed as part of civil or criminal proceedings initiated against a provider as a result of a RAC audit(s) or RAC referral, as the RAC would receive in overpayments identified and recovered?	No. The Contractor shall never attempt to recover, investigate, and issue penalties or assessments due to potential fraud, waste, or abuse by providers. The Contractor shall notify the AHCCCS OIG immediately of any fraud, waste, or abuse allegation.
64.	Optum	Scope of Work, Audit/Review/Coordination, 7.1.2.2	11	For each provider type in scope for RAC work, please identify the annual number of claims and spend for each category of provider.	Not at this time.
65.	Optum	Scope of Work, Audit/Review/Coordination, 7.1.2.2	11	Please list all provider and claims types that are in scope for RAC work.	Not at this time.



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66.	Optum	Scope of Work, Audit/Review/Coordination, 7.1.2.2	11	Please list all provider and claim types that are specifically excluded from RAC work.	Provider and claims exclusion types will be coordinated with the AHCCCS Office of the Inspector General (OIG) and may change depending on current and planned OIG activities.
67.	Optum	Scope of Work, Audit/Review/Coordination, 7.1.2.2	11	Please identify the approximate total number of annual claims and spend for each claim type that is in scope for RAC work (e.g. dental, durable medical equipment, physician, transportation, etc.).	Not at this time.
68.	Optum	Scope of Work, Audit/Review/Coordination, 7.1.4	12	Will AHCCCS be operating a lockbox for voluntary provider repayments?	No, it is the Contractors responsibility to operate the lockbox.
69.	Optum	Scope of Work, Audit/Review/Coordination, 7.1.4	12	Will the AHCCCS Fiscal Agent perform offsets to collect receivables from providers?	No, AHCCCS does not plan on doing that.
70.	Optum	Scope of Work, Audit/Review/Coordination, 7.1.1.4	11	How will AHCCCS supply provider information (e.g. addresses and points of contact) to the Contractor? How often will updated enrollment information be supplied to the Contractor from AHCCCS' systems?	AHCCCS provides some provider information in monthly files, but the contractor will be responsible for establishing contacts with providers. The Contractor will receive a monthly eligibility file.
71.	Optum	Scope of Work, Audit/Review/Coordination, 7.1.1.5 and 7.1.2.1	11	Has the current AHCCCS current contractor reviewed all claims going back six years?	AHCCCS cannot answer this question.
72.	Optum	Scope of Work, Audit/Review/Coordination, 7.1.1.5 and 7.1.2.1	11	Will AHCCCS provide the Contractor with a list of all previous RAC audits and claims that have been settled or negotiated through the State Fair Hearing Process or through AHCCCS (providers and claims audited) in order to avoid duplication of efforts?	No. AHCCCS RAC audits have been addressed through the State Fair Hearing Office. The Contractor shall coordinate proposed RAC recovery projects with the AHCCCS Office of the Inspector General prior to proceeding with any project in order to



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					avoid duplication of efforts.
73.	Optum	Scope of Work, Compensation, 20.	16	Will AHCCCS pay a contingency fee for RAC reviews initiated by the RAC, but where the provider subsequently performs a self-audit and makes a voluntary payment to AHCCCS prior to the RAC completing its review? These funds would have not been recovered except for the audit initiated by the RAC.	The Contractor shall contact the AHCCCS OIG immediately to address any self-disclosure matters with a provider.
74.	Optum	Scope of Work, Transition to New Contractor, 21.1—21.8	16	Will AHCCCS agree to extend the period by which the Contractor will receive a contingency fee by at least 18 months for any cases that are in appeal status as of the date of the contract's termination or expiration, but the appellate results are not finalized within six months? Many appeal cases can take months or years to finalize.	AHCCCS does not agree to extend the period to receive a contingency fee for all appealed cases, but AHCCCS will consider approving extensions on a case-by-case basis.
75.	Optum	Special Instructions to Offerors, Proposed Method of Approach, 3.1—3.3,	24	Will AHCCCS please provide a breakdown of how it intends to score responses? For example, the total points available, scoring for each section/component to be evaluated (e.g. Method of Approach, Methodology Questionnaire, Compensation Table, etc.) and total number of points for Technical vs. Pricing components, total weighting, and so forth.	See Special Instructions to Offerors, Paragraph 2, Evaluation Criteria, page 24. Additional evaluation factors are not available.
76.	Optum	Uniform Terms and Conditions, Records, 3.1	28	Please confirm that the right to inspect records related to the performance of the Contract or Subcontract will be limited to those records necessary to verify the correctness of the Contractor's invoices and will not extend to access to other internal financial books and records of the Contractor or Subcontractor.	An audit of records could include any number of documents in addition to invoices. This is required per state law. The Arizona Revised Statutes, ARS §35-214, is the law regarding State audits.



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77.	Optum	Uniform Terms and Conditions, Audit, 3.3	28	Please confirm that the right to audit related to the performance of the Contract or Subcontract will be limited to those records and documents necessary to verify the correctness of the Contractor's invoices and would not extend to access to the internal financial books and records of the Contractor or Subcontractor.	See answer to #77.
78.	Optum	Special Terms and Conditions, Term of Contract and Option to Renew, 21.1	40	This section states in pertinent part that the initial term of the contract shall be from January 1, 2018 through September 30, 2018. Is this what AHCCCS intends? If this is what AHCCCS intends, when does the current contractor's agreement end and how will AHCCCS distinguish any overlap?	REMOVE: January 1, 2018 – September 30, 2018. REPLACE: Actual initial term of the contract will be determined upon award.
79.	Optum	Questions	1	Proposals are due less than one month after questions and we anticipate AHCCCS will receive numerous questions due to the complexity of the RFP. Offerors will require time to review answers and potentially modify the scope of their proposals and properly price. When will AHCCCS provide answers to vendor questions and will AHCCCS consider extending the proposal due date (if necessary) to ensure Offerors have at least four weeks after all answers are published to submit their proposals?	The proposal due date was extended via Solicitation Amendment #1.
80.	Optum	Questions	1	Will Offerors have an opportunity to ask additional questions or request clarifications to any RFP amendments after AHCCCS provides its answers to the questions submitted on February 9, 2018?	Not at this time.
81.	Optum	4.1.23	5	The Contractor is required to "ensure" providers are not under investigation by AHCCCS OIG and/or have no existing pending complaints. What process is	The Contractor shall coordinate all RAC projects with the AHCCCS Office of the Inspector General in order to comply with



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				available to the Contractor to obtain such information from the State and ensure compliance?	this requirement.
82.	Optum	4.1.42	6	The RFP requires “legal expertise” associated with cases prior to the State Fair Hearing process, including representing AHCCCS in foreclosure cases, interpleader actions, and alternative dispute resolutions cases. Will AHCCCS please provide further information on the scope and historical volume of such legal representation with sufficient detail to allow an Offeror to price this requirement?	The Contractors legal expertise is rarely needed prior to State Fair Hearings. AHCCCS has averaged about two TPL-related State Fair Hearings per year over the past four years. Legal expertise/representation shall be provided by the Contractor for foreclosures, interpleaders and any other related scenarios where a legal action is required.
83.	Optum	7.1.3 Appeals	12	What is the historical annual volume of appeals that a Contractor is required to support and what types of witness testimony are generally required?	There have not been any formal appeals under the RAC program during the past four years.
84.	Optum	9. System Interface/Access Requirements	13	With regard to the Contractor providing “full access” to its computer system, will AHCCCS please confirm that any access will be supervised and limited to those systems specific to Contractor’s scope of work and the Contractor may require a non-disclosure agreement in order to protect the Contractor’s confidential and trade secret information?	AHCCCS will take necessary measures to protect Offerors confidential and trade secret information.
85.	Optum	21. Transition to New Contractor	16	What type of transition assistance is the current contractor obligated to provide to the successful contractor and does it include all of the items listed in this section?	Yes, AHCCCS will provide transition assistance with current provider as required.
86.	Optum	10. Negotiations	26	The RFP says negotiations may be conducted at the discretion of AHCCCS. Will AHCCCS please confirm it will conduct negotiations?	Not at this time.
87.	Optum	5.2 Subcontracts	31	The Contractor is required to list any proposed subcontractors and it may not enter into any	Yes.



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				Subcontract without advance written approval of the Procurement Officer. Will AHCCCS acceptance of an offeror's proposal constitute acceptance of any proposed subcontractor(s)?	
88.	Optum	8.5 Right of Offset	33	The RFP contains a broad unilateral right for the State to offset against any sums due to the Contractor. Will the State please amend the RFP or otherwise clarify that the Contractor will first have an opportunity to review, respond, and offer a good faith dispute of any adverse findings and proposed offset before such offset is imposed?	AHCCCS must submit any modification requests to the Uniform Terms and Conditions to the AZ Department of Administration, State Procurement Office (SPO) for approval. Modification requests may impact an Offeror's susceptibility for award.
89.	Optum	9.5.1 Termination	34	Will AHCCCS please confirm that the minimum ten (10) days cure period for contract cancellation provided in section 5.5 of the Special Terms and Conditions will apply to the section 9.5.1 Termination for Default provision contained in the Uniform Terms and Conditions?	See Uniform Terms and Conditions, 2.3 Contract Order of Precedence.
90.	Optum	19.2 Records	39	The RFP contains a broad requirement to "make available at its office at all reasonable times during the term of this contract and the period set forth in this section, any of its records for inspection, audit or reproduction by any authorized representative of AHCCCS, State, or Federal government." Will AHCCCS please confirm that any inspection, audit or reproduction rights will be limited to those records necessary to verify the correctness of the Contractor's invoices and would not extend to access to the internal financial books and records of the Contractor? In addition, will AHCCCS confirm the	An audit could include any number of documents in addition to invoices. This is required per state law. The Arizona Revised Statutes, ARS §35-214, is the law regarding State audits. AHCCCS does not contract with any third parties for inspections.



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				Contractor may require third parties to execute a non-disclosure agreement in order to protect the Contractor's confidential and trade secret information and provide Offerors with reasonable assurance to respond to the RFP that it will be able to protect its sensitive information from third parties?	
91.	Optum	5.3 Verification of Coverage	42	The State reserves the right to require copies of insurance policies. Similar to other financially responsible and technically responsive offerors, we consider our policies to be proprietary and confidential. Will the State please amend the RFP to delete this requirement or clarify it will grant an exception and waive this requirement during contract negotiations for such offerors?	AHCCCS must submit any modification requests regarding the Insurance Requirements to the AZ Department of Administration, Risk Management Division for approval. Modification requests may impact an Offeror's susceptibility for award.
92.	Optum	2.3.1 Reporting	43	The HIPAA addendum requires the Business Associate to report unauthorized use or disclosure "not more than twenty-four (24) hours after Business Associate learns of such unauthorized use or disclosure." Will AHCCCS please amend the RFP or otherwise clarify its willingness to negotiate a notification period of five business days? The law permits even longer periods before notification is required and does so in order that the notice can have more meaningful content.	Requests for modification of the HIPAA Business Associates Addendum require review and approval by the AHCCCS Privacy Officer. Modification requests may impact an Offeror's susceptibility for award.
93.	Optum	5.3.2	45	The HIPAA addendum requires PHI to be destroyed or returned upon termination of the contract. We request the following clarifying language be added to this section as follows: "If destruction, deletion or return is not reasonably feasible, then Contractor shall continue to protect the	Requests for modification of the HIPAA Business Associates Addendum require review and approval by the AHCCCS Privacy Officer. Modification requests may impact an Offeror's susceptibility for award.



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				<p>information in accordance with the safeguards contained herein."</p> <p>This additional language is sought to clarify the Contractor will not be expected to commit unlimited resources to destroy "all" PHI which would otherwise increase costs. Will AHCCCS either amend the RFP with this clarifying language or otherwise state its willingness to negotiate mutually acceptable language that addresses the issue?</p>	
94.	Optum	5.7 Credit Balance Recovery Program	9	Please provide a breakout of volume by TPL services for FFS (including Mass Tort/Joint Liability). For example, total number of policy matches found on an annual basis, average claim dollar amount on the recovery.	Not at this time.
95.	Optum	5.8 Commercial Insurance Recovery	9	Please provide the volume of MCO inventory that has been pushed to FFS after the two-year lag time.	In the past year, AHCCCS has billed commercial insurers approximately \$14 million of MCO claims after the two-year recovery timeframe.
96.	Optum	Scope of Work, Audit/Review/Coordination, 7.1.1.5 and 7.1.2.1	11	Please provide the total amount of expenditure on inpatient hospital care in the fee-for-service program in the last three years. What percentage of that expenditure is reimbursed by APR-DRGs?	Not at this time.
97.	Optum	Scope of Work, Control and Security Requirement, 11.	13	The RFP requires the Contractor to provide documentation of its data control and security, as evidenced by an annual SSAE 16 audit by an outside firm. These audits are quite expensive and potential contractors may have an alternative means for addressing the State's underlying concerns about the security of the proposed data control and security	AHCCCS would consider accepting an alternative at a later time if requested by the awarded Contractor.



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				<p>system.</p> <p>In order to receive the most cost-effective vendor pricing, will AHCCCS consider an alternative that addresses stated security concerns, such as HITRUST certification? HITRUST works specifically within the health care industry and has established a health care industry-accepted certifiable reporting standard: HITRUST CSF certification.</p>	