AHCCCS	**SOLICITATION AMENDMENT #1**	AHCCCS Arizona Health Care Cost Containment System
	SOLICITATION NO.: YH13-0038 Solicitation Due Date: June 21, 2013, 3:00 P.M.	PAGE 1 OF 9
		701 East Jefferson, MD 5700 Phoenix, Arizona 85034

Procurement Officer: Jennifer Roberts E-mail: Jennifer.Roberts@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 this 31th day of May, 2013 in Phoenix, Arizona.
Signature	Date	
		SIGNATURE ON FILE
Typed Name and Title		Meggan Harley, CPPO, MSW
		Procurement and Contracts Manager
Name of Company		

Question #	Offeror Name	Section Name	Paragraph #/ Title	Page #	Question	AHCCCS Response
1.	Delmarva Foundation	Scope of Work	4.17.1	6	What is the estimated volume of prior authorization (pre-procedure and Preadmission) reviews?	The estimated monthly volume of preadmission reviews is 200.
2.	Delmarva Foundation	Scope of Work	4.17.1	6	What is the percentage of denials for prior authorization (pre-procedure and Preadmission) reviews?	The estimated percentage of monthly denials for preadmission reviews is one percent.
3.	Delmarva Foundation	Scope of Work	4.17.1	6	Does prior authorization include Behavior Health and if so, does it include Inpatient? Outpatient? Partial hospitalization?	Yes, prior authorization may include inpatient behavioral health.
4.	Delmarva Foundation	Scope of Work	4.17.1	6	Are all of the services listed in Chapter 800 in section 820 of the Fee for Service Quality and Utilization Management Manual included in the scope of work?	The services listed under #s A, G, K, O, T, and X in section 820 of the AM/PM may be included in the scope of work.
5.	Delmarva Foundation	Scope of Work	4.17.2	7	What is the estimated volume of continued stay reviews?	The estimated monthly volume of continued stay reviews is 200.
6.	Delmarva Foundation	Scope of Work	4.17.2	7	What is the percentage of denials for continued stay reviews?	The estimated percentage of monthly denials for continued stay reviews is seven percent.
7.	Delmarva Foundation	Scope of Work	4.17.3	7	What is the estimated volume of retrospective reviews?	For the Claims Medical Review Unit we refer 10-30 per week. The estimated monthly volume of retrospective review referrals from the Utilization Management/Care Management (UM/CM) Unit is 200.
8.	Delmarva Foundation	Scope of Work	4.17.3	7	What is the percentage of denials for retrospective reviews?	Varies by patient condition and emergency criteria. The estimated percentage of monthly denials for retro reviews referred by the UM/CM Unit is twenty percent.
9.	Delmarva Foundation	Scope of Work	4.17.6	7	Can a RN perform the second level review and refer to a physician if it does not meet medical	Yes, an RN can perform the second level review and refer to a physician if it does not appear to meet

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					necessity?	medical necessity.
10.	Delmarva Foundation				Will the contractor be required to provide witnesses, physician consultants, or technical experts at Fair Hearings?	Yes, the contractor may be required to provide witnesses, physician consultants, or technical experts at Fair Hearings.
11.	Delmarva Foundation	Scope of Work	4.17.10	8	What is the estimated number of focused reviews per year?	AHCCCS does not anticipate more than one or two a year.
12.	Delmarva Foundation				Are Saturdays and Sundays considered workdays?	No
13.	Delmarva Foundation	Pricing Instructions	1.1 Pricing	12	1.1 RATE BASED: Offeror is required to propose pricing for their proposed method of approach by rate. The rate shall be inclusive of all costs associated with the delivery of the service and includes staff time, mileage, insurance, and administrative cost. No additional fees will be paid by AHCCCS.	We are unclear as to what the question is.
14.	Delmarva Foundation	Definition of Terms	57. Subcontract	17	The RFP discusses the responsibilities of the contractor in using subcontractors. In searching the RFP and the State's website, we were unable to identify the SBE utilization goals for State solicitations. Please identify the percentages and SBE categories required for state contracts.	This contract does not fall in to the category for mandatory use of HUBS, or historically underutilized businesses such as a small business so this does not apply.
15.	Delmarva Foundation	Special Instructions to Offerors	3.4.1	25	If staff will be available after the award of the contract, then résumés and qualification information will not be available at the time of the RFP response submission. Will offerors be penalized points during the technical proposal evaluation process because that information was not provided in the response?	The Offeror should submit copies of job descriptions that reflect the minimum qualifications for each position.

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16.	Delmarva Foundation	Special Terms and Conditions	24.1 Term of Contract and Option to Renew	46	The initial term of this contract shall be for one (1) initial year with four (4) one-year options to extend, not to exceed a total contracting period of five (5) years. What is the anticipated beginning date of the initial year?	Contracts will be awarded by July 2013 and services will begin on October 1, 2013.
17.	Health Services Advisory Group, Inc.	4. General Requirements	4.8	5	Is there a specific nationally recognized, standardized review criteria required?	InterQual
18.	Health Services Advisory Group, Inc.	4. General Requirements	4.13	6	Is there a certain percentage of cases to be re-reviewed for inter-rater reliability (IRR)?	The Offeror should use a standardized process such as that specified in Interqual to assure inter-rater reliability.
19.	Health Services Advisory Group, Inc.	4. General Requirements	4.17.6	7	Please clarify: Do ALL retrospective reviews require review by a Physician Advisor OR can they be reviewed by an RN and only denied by a Physician Advisor?	No. Only denials or cutbacks need to go to the Physician Advisor.
20.	Health Services Advisory Group, Inc.	4. General Requirements	4.17.12	8	How many reinsurance reviews are expected to be performed in one year? One month?	AHCCCS does not currently utilize a Contractor for this service, therefore the anticipated volume is unknown but expected to be low.
21.	Health Services Advisory Group, Inc.	4. General Requirements	4.17.14.1	9	Will there be criteria provided by AHCCCS for the “health and safety review of the care and services rendered”?	Health and safety reviews should reflect the standard of care for the setting being reviewed and for the conditions of the member being reviewed.
22.	Health Services Advisory Group, Inc.	4. General Requirements	4.17.14.2	9	Will there be risk level determination criteria provided by AHCCCS for the “health and safety review of the care and services rendered”?	AHCCCS will not be providing risk level criteria for health and safety reviews of care or services rendered.
23.	Health Services Advisory Group, Inc.	4. General Requirements	4.17.14.2	9	Will there be a template for the report required for this task?	AHCCCS is not anticipating providing a template for reporting health and safety reviews.

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24.	Health Services Advisory Group, Inc.	4. General Requirements	4.17.14.3	9	Will there be a template for the report required for this task?	AHCCCS is not anticipating providing a template for reporting health and safety reviews.
25.	Health Services Advisory Group, Inc.	4. General Requirements	4.17.14.4	9	How many of these types of reviews does AHCCCS anticipate?	Very low volume. AHCCCS has required this type of review less than five times during the last contract term.
26.	Health Services Advisory Group, Inc.	4. General Requirements	5.2	11	Please define "present on admission indicator".	Please use the Centers for Medicare and Medicaid Services definition.
27.	Health Services Advisory Group, Inc.	4. General Requirements	5.2	11	Please define "Provider Preventable Conditions".	Refer to the AHCCCS web site : http://www.azahcccs.gov/commercial/Downloads/ProvPreventableConditions/4_12FinalMemo_Payments_%20ProviderPreventableConditions.pdf
28.	Health Services Advisory Group, Inc.	4. General Requirements	5.2	11	Please define "Healthcare Acquired Conditions".	Refer to the AHCCCS web site: http://www.azahcccs.gov/commercial/Downloads/ProvPreventableConditions/4_12FinalMemo_Payments_%20ProviderPreventableConditions.pdf
29.	Health Services Advisory Group, Inc.	4. General Requirements	Pricing Instructions	12	There are no pricing instructions for travel as many of the tasks outlined in the RFP are onsite reviews. Should the Contractor allow for travel expenses in the per case rate and the per hour rate? Please clarify.	See #2 in the solicitation Scope of Work.
30.	Qualis Health	Scope of Work	2. Project or Service Overview/ Background	4	The RFP says the current population enrolled with AIHP is 85,427. Please provide the number of TOTAL eligibles enrolled in the AHCCCS fee-for-service (FFS) program.	The current AIHP enrollment is approximately: 86,242
31.	Qualis Health	Scope of Work	2. Project or Service Overview/ Background	4	What is the annual value of the current medical and quality management review program contract and who is the current Contractor?	Annual expenditures for SFY 13 and SFY 12 are approx. $500,000.00. The current contractors are Health Services Advisory Group and HCE Quality Quest.

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32.	Qualis Health	Scope of Work	4 – General Requirements, 4.10	5	The RFP says reviews are to be conducted on "assigned cases" to determine medical coverage necessity and/or appropriateness of care. Please describe how cases are assigned to the Contractor for review. a) Will AHCCCS notify the Contractor when a review is required? If so, what it is notification process? b) Will the providers submit their review requests directly to the Contractor? If so, what types of review submission modes are currently being used –phone, mail, fax, Web-based — and what are the percentages of reviews for each?	Claims Medical Review: Sends the cases to the contractor each week via fax. The Utilization Management/Care Management (UM/CM) Unit will notify the Contractor of review requests by fax. Providers will submit review requests directly to AHCCCS.
33.	Qualis Health	Scope of Work	4 – General Requirements, 4.11	6	Please explain how the Contractor receives eligibility and benefit coverage information. Are these files sent to the Contractor electronically, and if so, how frequently? Or, does the Contractor have access to the State's MMIS to look up eligibility and coverage information?	Eligibility is listed on the review form or prior authorization information that is sent to the contractor. No files or downloads are needed. Benefit coverage information is listed in the AM/PM on the AHCCCS web site.
34.	Qualis Health	Scope of Work	4 – General Requirements, 4.15	6	Describe how AHCCCS will notify the Contractor of the admission or continued stay review.	Communication methods will be discussed with the successful offeror. Current methods include telephonic, facsimile, and electronic.
35.	Qualis Health	Scope of Work	4 – General Requirements, 4.17.1 (Prior Authorization) and 4.17.2 (Continued Stay)	6 & 7	How are hospitals reimbursed for services under the fee-for-service program? For example, are they paid on a per diem basis or a diagnosis related group (DRG) basis?	Hospitals are currently reimbursed according to a per diem (tier rate) rate structure. AHCCCS anticipates, pending legislative approval, transitioning to a DRG payment methodology.

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36.	Qualis Health	Scope of Work	4 – General Requirements, 4.17.3 (Retrospective Review)	7	Is the Contractor expected to reimburse hospitals for copying, mailing, or other costs associated with submitting medical records for retrospective review? Is so, please describe.	Hospitals are required to provide copies at no charge as specified in the AHCCCS Provider Registration Agreement.
37.	Qualis Health	Scope of Work	4 – General Requirements, 4.17.3 (Retrospective Review)	7	Would it be acceptable for a Registered Nurse (RN) to screen the case for medical necessity and only refer those cases that do not meet criteria to a physician advisor?	Yes, it is acceptable for a Registered Nurse to screen the case for medical necessity and refer cases that do not meet criteria to a physician.
38.	Qualis Health	Scope of Work	4.17.5 – Physician Advisor	7	Please describe the nature of the interactions with the attending physician and the patient's family that AHCCCS may request the Physician Advisor to perform.	Peer to Peer dialogue may occur between the attending MD and the Physician Advisor.
39.	Qualis Health	Scope of Work	4.17.11 – Consulting Services	8	Will AHCCCS specifically request consulting services for a particular area or topic? Please describe and/or provide examples of the types of consulting services requested this past year. Also, what is the expected volume of consulting services requests?	AHCCCS does not have any specific information that is responsive to this question.
40.	Qualis Health	Scope of Work	4.17.12 – Reinsurance Reviews	8	How many reinsurance reviews are to be expected annually and what is the percentage of these reviews that is expected to be conducted at AHCCCS? Please describe the review components of reinsurance reviews. How are reinsurance reviews different from the	AHCCCS does not currently utilize a Contractor for this service, therefore the anticipated volume is unknown but expected to be low.

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					review components described in Section 4.17.4 on Page 7 of the RFP?	
41.	Qualis Health	Scope of Work	4.17.13 – Grievance Support, 4.17.13.1	9	When the Physician Advisor participates in a grievance "in person," where will the participation take place? In AHCCCS' offices or in some other location? Please describe.	It is anticipated that all grievance/hearings will take place at the Arizona Office of Administrative Hearings in Phoenix, Arizona.
42.	Qualis Health	Scope of Work	4.17.13 – Grievance Support, 4.17.13.2	9	Given that AHCCCS is looking for a QIO, would you please confirm that the parties will negotiate contract language that allows the QIO to preserve the integrity of the independent review process and maintain compliance with 42 CFR 480.139(b) – Reasons for Quality Improvement Organization Decisions	It is AHCCCS' intention to contract with a QIO. However, the services in the RFP are not QIO activities and are not considered independent reviews. Therefore AHCCCS does not anticipate a need to negotiate contract terms to comply with QIO requirements specified under 42 CFR 480.139(b).
43.	Qualis Health	Scope of Work	4.17.14 – Quality Management Reviews	9	When is the Contractor to provide the reviews described in 4.17.14.1 and what is the expected volume of these reviews? Will AHCCCS specifically request quality management reviews? What are the specific criteria, standards, or guidelines that are currently in use for these reviews or that AHCCCS expects the Contractor to use in evaluating health and safety reviews?	This is a new component in this service contract therefore no historical information is available. All reviews would be conducted according to the standards of care and according to policies that can be found in the AHCCCS Medical Policy Manual, Chapter 900. The volume is anticipated to be low.
44.	Qualis Health	Special Instructions to Offerors	2. Evaluation Criteria	24	What is the maximum number of points for the criteria listed in this section for evaluating proposal responses?	The solicitation describes the order of importance and subset scoring will not be further disclosed.
45.	Qualis Health	Exhibit B – Pricing Schedule	Pricing Schedule Matrix	56 & 57	Please provide estimated case and hourly annual volumes for each of the review categories requested in Exhibit B – Pricing Schedule. What	This information is not available.

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					have been the historic review volumes under the current contract for each of the review types listed?	
46.	Qualis Health	Exhibit B – Pricing Schedule	Pricing Schedule Matrix	56 & 57	For each of the "on-site" review categories requested, please indication where the "on-site" services are to be performed.	It is anticipated that the majority of on-site reviews will be conducted at inpatient settings such as hospitals.
47.	Qualis Health	Exhibit B – Pricing Schedule	Pricing Schedule Matrix	56 & 57	For each of the review categories requested, please provide the historical percentage split between telephonic and on-site reviews.	This information is not available.
48.	Qualis Health	Uniform Instructions to Offerors	3.12 – Solicitation Order of Precedence	21	Will the answers to questions be incorporated as an Amendment to the RFP and, if not, will AHCCCS add the answers to the questions into the Solicitation Order of Precedence?	Solicitation Amendment
49.	Qualis Health	HIPAA Business Associates		51 - 54	In order to reflect requirements for the Final Rule and the obligations for both Business Associates and Covered Entities, will AHCCCS allow for negotiations of terms in the Business Associates Agreement?	The Business Associates Agreement will be updated in the near future to bring the agency and its contractors in to compliance with the final rule. This will not be a negotiable item.