
Addendum No.: 1 to the following Request for Proposal (RFP):

Post Payment Claim Audit Services

DMS-20/21-104

Date: March 26, 2021
To: Prospective Respondents to RFP No.: DMS-20/21-104
From: Teresa Daughtry, Procurement Officer
Subject: Respondent Questions and Department Answers

The Request for Proposal, RFP No: DMS-20/21-104, is hereby amended as follows:

1. In accordance with **Section 2.2** of RFP No.: DMS-20/21-104, the Department hereby provides answers to the timely submitted questions posed by prospective Respondents, in the table below.

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#	RFP Section	RFP Page #	Question	Answer
1	Attachment A		Who were the last award-winning bidders for this RFP?	Health Management Systems, Inc.
2	Attachment A		Who are the current vendors providing these services and how long have they been the incumbent?	Health Management Systems, Inc. since 2015.
3	Attachment A		Which insurance companies are involved in this audit?	Aetna, AvMed, Florida Blue, and United HealthCare.
4	Attachment A		How many claims are involved in this audit?	In 2020, approximately 362,525 claims were processed with a total dollar amount of \$112,955,194.
5	Attachment A		How old are the claims in question?	The Department currently operates on a fiscal year audit period with ability to look back 12 months. If there are widespread issues we will look back up to three or four years. Lookback periods can change with TPA/HMO contract language changes.
6	Attachment A		What challenges have been the agency faced in the past while conducting such audits?	Audit period, final report timing, processes to transfer information, tracking return of funds back to the State of Florida.
7	Attachment A		What is the percentage goal of collections the agency is anticipating?	We do not have a percentage goal of collections. All overpaid claims are to be 100% recovered.
8	Attachment A		Will there be access to all necessary documentation needed to complete the audit on each claim?	Yes.
9	Attachment A		Who is your current provider?	Health Management Systems, Inc.
10	Attachment A		What are the rates per hour charged by your current provider?	There is no rate per hour. Per Florida Statutes, fees charged must be on a percentage of recovery basis.
11	Attachment A		How many service providers were reviewed in the prior year?	Four (4) TPA's.
12	Attachment A		How many claims were sampled in the prior year?	100% of claims are scrubbed for outliers.

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13	Attachment A		How many overpaid claims were detected in the prior year?	740 claims were confirmed overpayments.
14	Attachment A		What was the amount of overpaid claims in the prior year?	\$340,111 in confirmed overpayments
15	Attachment A, Section 1.0	1 of 3	Will the State please provide the number of TPAs and HMOs this audit will encompass?	Four (4).
16	Attachment A, Section 1.0	1 of 3	Will this audit include the fully insured HMOs?	No.
17	Attachment A, Section 1.0	1 of 3	Will the State please provide the annual claim counts and dollars paid for the plans that will be included?	Annual claim count is 362,525 and a total dollar amount of \$112,955,194.
18	Attachment A, Section 1.1	1 of 3	Is the State interested in claims that may be overpaid due to clinical reasons, such as DRG and Place of Service reviews?	Yes.
19	Attachment A, Section 1.2	2 of 3	Will the Contractor recover the overpaid claims directly from the provider or will the TPA/HMO initiate and maintain the recovery process?	The contractor MUST be able to provide the Department with recovery tracking. The funds are transferred directly from the TPA to the State of Florida.
20	Attachment A, Section 1.2	2 of 3	Is the TPA/HMO required to return the agreed-upon overpayment to the State within a specified period? If yes, will the State please provide that timeframe?	TPA's are required to return all identified confirmed overpayments to the State of Florida within 90 days.
21	Attachment A, Section 1.2	2 of 3	If the TPA/HMO is handling the recovery process from their providers, will the State please further explain the Contractor's responsibilities for bullets 4, 5, and 6 of this section? (Notification of overpaid amounts to providers/subscribers (all notifications must be approved by the State), Recovery of overpayments in compliance with state and federal rules and regulations regarding the recovery of overpaid claims, Develop recovery process, including but not limited to the generation of recovery letters, lag reports, etc.)	The Division of State Group Insurance (DSGI) must approve the method of notification of overpayments to the TPA. Each claim that is a potential overpayment needs to be tracked through completion. This is currently done on a monthly revolving basis. The vendor will secure the date, amount, and method of all funds returned to the state before a bill can be sent to the State of Florida.

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22	Attachment A, Section 1.0	1 of 3	Is the State interested in the Contractor setting up a process with the TPA/HMOs for the review of claims on a prepayment basis? If yes, would the State apply the contingency fee proposed for overpayment recovery to the identified savings from this process?	We do not have statutory authority for prepayment recovery, at this time.
23	Attachment A, Section 1.0	1 of 3	Do the TPA/HMOs have other parties actively reviewing and auditing the claims processed on behalf of the State Health Plans? If yes, will the State please provide the annual overpayment amounts from these TPA/HMOs?	The TPA's do their own internal auditing and DSGI does not monitor the outcome of any third-party auditing that may or may not be requested by the plan.
24	Attachment A, Section 1.0	1 of 3	Will the State consider adding pharmacy claims to this scope of work?	It is a future possibility but at this time the post payment claims audit is done separately.
25	Attachment A, Section 1.0	1 of 3	Any significant business requirements that HMS should understand regarding your business? If yes, do these requirements vary by review type (i.e. Clinical, Data Mining, Pharmacy)	Our business requirements would rest on Florida Statute and the contract language in the TPA Contracts.
26	Attachment A, Section 1.0	1 of 3	Are all 3 lines of business in scope? (Commercial, Medicare, Medicaid)?	Commercial. Coordination of Benefits with Medicare is encompassed.
27	Attachment A, Section 1.0	1 of 3	Do you have multiple vendors in place? Are you looking for a 2nd or 3rd pass vendor? Provide for each Solution	There is one vendor. We will not be using more than one vendor. However, Pharmacy claims are audited separately on a different contract.
28	Attachment E	2 of 4	For each of the Performance Guarantees that are measured at 100%, is the State be willing to reduce this amount to 95%?	No.
29	RFP, Section 1.3.6	4 of 25	Are there limits to the format and/or size of an attachment that a bidder can submit via MyFloridaMarketPlace?	The MyFloridaMarketPlace (MFMP) Sourcing application requires that submissions be in PDF, Word, or Excel formats. Upload size is restricted to 20 MB.

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30	Attachment A		Do these audits include medical record review of patient charts, or is this an audit of the billing/claims data and only?	Billing claims and data only. DSGI has an internal fraud, waste, and abuse unit. If there are significant outliers detected, those would be sent to DSGI and we would begin the process of requesting additional documentation.
31	Attachment A		If medical record chart reviews are inclusive of these audits, will those be available in the Department's HIMIS system as well?	There are no medical record chart reviews.
32	Attachment A		If not, how are the patient charts that obtained by the contractor?	Not applicable.
33	Attachment A		What is the anticipated volume of claims that the contractor will receive for review (per day, per week, per month)?	Per month average volume of claims 30,210 with a dollar amount average of \$9,412,933.
34	Attachment A		What are the number of claims that are to be reviewed for Coordination of Benefits vs incorrect payments vs. other claim issues?	100% of claims are to be audited.
35	Attachment A		What are the number of claims that are to be reviewed that are Inpatient vs Outpatient?	DSGI does not retain that information.
36	Attachment A		How long does the current vendor take to perform the reviews?	The reviews are done on an ongoing monthly basis with a final report audit period of July 1st - June 30th.
37	Attachment H		Is the vendor expected to recover the funds from the third parties or just identify issues?	The vendor is to identify issues, follow up on remediation efforts, and confirm the date, amount, and method of reimbursement to the State of Florida. The funds are directly transferred from the TPA to the State of Florida.