

ADDENDUM ONE

DATE: September 7, 2012

TO: All Vendors

FROM: Ruth Gray, Buyer
 State Purchasing Bureau

RE: Questions and Answers for RFP Number 4096Z1
 to be opened September 18, 2012, 2 PM Central Time

Following are the questions submitted and answers provided for the above mentioned Request For Proposal. The questions and answers are to be considered as part of the Request For Proposal.

QUESTIONS	ANSWERS
<p>1. Project Requirements; Page Number 23; Section IV.C</p> <p>The RFP has identified the current sample sizes that will be reviewed for PERM purposes. Will the state be oversampling and will the oversamples be included in the case review for PERM?</p>	<p>Yes, the State will be oversampling to ensure that Federal requirements are met. These requirements specify certain types of beneficiaries who cannot be reviewed, and the oversample is being drawn in the eventuality that one of these types of beneficiaries is sampled.</p> <p>No, the oversamples will not be included in the case review.</p>
<p>2. Scope of Work; Review Requirements; Page Number 23; Section IV.E.1.a</p> <p>The RFP states, "The Contractor will review the scanned documentation related to each case on the N-FOCUS eligibility system." Can you please provide an overview of the type of documentation that is available on N-FOCUS?</p>	<p>The type of documentation includes but is not limited to client ID, citizenship information, employment information, correspondence.</p>

QUESTIONS	ANSWERS
<p>3. Scope of Work; Review Requirements; Page Number 23; Section IV.E.1.a</p> <p>Using the remote access into N-FOCUS, will the contractor have the ability to save or print the case file documentation to PDF for electronic working papers?</p>	<p>Yes.</p>
<p>4. Scope of Work; Review Requirements; Page Number 23; Section IV.E.1.a</p> <p>The RFP has provided the Contractor will be responsible to obtain documentation if the eligibility requirements cannot be verified using the case file documents. Can an estimate be provided in how many cases had missing documentation in the previous PERM cycles in order to estimate the cost of obtaining missing source documentation?</p>	<p>The Department does not have access to this information.</p>
<p>5. Scope of Work; Department Obligations for Review Requirements; Page Number 25; Section IV.E.3.a</p> <p>The RFP states, "Access to N-FOCUS will be provided through remote access. If access to systems other than N-FOCUS or other Departmental proprietary systems is needed, it is the responsibility of the Contractor to obtain that access." Do the case files on N-FOCUS contain documentation such as State On-Line Query (SOLQ) or Beneficiary Exchange (BENDEX), data matches with the State's Department of Labor, Child Support system matches, and other system verifications? If no, will information within those systems be available to the Contractor?</p>	<p>N-FOCUS allows access to several interfaces that are utilized by staff in making eligibility determinations. The Contractor's remote access to N-FOCUS will also provide them access to view this information.</p>

QUESTIONS	ANSWERS
<p>6. Scope of Work; Department Obligations for Review Requirements; Page Number 25; Section IV.E.3.b</p> <p>The RFP also states, “If it is necessary for the Contractor to request the physical case file as part of the review, the Department will provide office space to scan or copy the needed documents.” Can an estimation of how many physical cases a month will need to be requested? Is the majority of the case file documentation located within N-FOCUS?</p>	<p>At this time, all case documentation should be scanned. This provision was included in the eventuality that some documentation had not yet been scanned.</p>
<p>7. Section IV. Project Description and Scope of Work, Subsection G. Project Planning and Management on page 25 states: “The Contractor staff shall be required to complete training provided by the Department to become proficient in Nebraska DHHS eligibility policy training utilizing the N-FOCUS eligibility system.” The staff assigned to this project have previous experience reviewing Medicaid and CHIP cases on N-FOCUS as well as having reviewed thousands of TANF and SNAP cases using N-FOCUS.</p> <p>Based on the contractor’s experience would DHHS waive the N-FOCUS training and allow the contractor to indicate No Cost for Subsection H. Evaluate Current Project Environment states: “The contractor will bid on three elements, (1) the cost of sending assigned staff to train in DHHS offices...” ?</p>	<p>No, the training requirement will not be waived. The Department must be confident that all staff assigned to the project will be familiar with N-FOCUS and with all policies currently in place, and can only be confident of that when staff are present for training.</p>
<p>8. Section V. Proposal Instructions, Subsection 2. Executive Summary on page 27 states: “Bidders must present their understanding of the problems being addressed by implementing a new system...”</p> <p>Please clarify what “new system” is being referenced?</p>	<p>This is standard Request for Proposal language. The Department is not requesting a “new system”. The Executive Summary should describe the Contractor’s proposed process to conduct the eligibility verification reviews.</p>

QUESTIONS	ANSWERS
<p>9. What amount does the State have budgeted for this service, or what amount has the State paid for this service in the past?</p>	<p>The State has not provided a budget for this service as the bidder should submit their cost proposal based on their proposed solution for the service, not based on a budgeted amount.</p>
<p>10. Page 15, Section III. Terms and Conditions, DD. Performance Bond – Will the State accept a letter of credit to guarantee the selected contractor will faithfully perform all requirements, terms and conditions of the contract in lieu of a certified check or performance bond?</p>	<p>No, the State will not accept a letter of credit; the State will only accept a certified check or performance bond.</p>
<p>11. Page 15, Section III. Terms and Conditions, DD. Performance Bond – Will the State accept a letter of credit to guarantee the selected contractor will faithfully perform all requirements, terms and conditions of the contract in lieu of a certified check or performance bond?</p>	<p>See answer to Question Number 10.</p>
<p>12. Page 25 3(b) states that the contractor will request the physical case file as part of the review and the Department will provide office space to scan or copy the needed documents. Are these files available at one central office location?</p>	<p>In the event that it is necessary to request a physical file, the request will be sent to the local office in which the file is housed. The physical file will be sent by DHHS staff through our interoffice mail to the central office in Lincoln, NE where office space will be available to the Contractor to scan or copy the needed documents.</p>
<p>13. Project Description and Scope of Work; IV.B Project Environment; Page 22</p> <p>The RFP state that: “DHHS will select the sample of cases for the eligibility verification and provide copies of the monthly sample list to the contractor.” Please confirm that this refers to the specific cases that are to be reviewed by the vendor and that no sampling methodology is therefore required for this project.</p>	<p>This is correct.</p>
<p>14. Project Description and Scope of Work; IV.E.1.a Review Requirements; Page 23</p> <p>The RFP refers to “sources alternate to the scanned documentation or physical case file.” Please specify what additional sources are typical required in this instance. Do the State workers use any automated databases for verifying information? If so, will the vendor be given access to these same sources?</p>	<p>Additional sources may include verification of employment, verification of resources, or verification of household composition. Confirmation of this information would generally come from the client.</p>

QUESTIONS	ANSWERS
<p>15. Project Description and Scope of Work; IV.E.3.a Department Obligations for Review Requirements; Page 25</p> <p>The RFP states that access to other systems beyond the N-FOCUS or other State proprietary systems will be the responsibility of the vendor. Please clarify to what other systems the vendor is likely to require access.</p>	<p>The Department does not anticipate the necessity of using other systems, but is clarifying that if other systems are used, it is the responsibility of the Contractor to gain access to those systems.</p>
<p>16. Scope of Work/Review Requirements; E.1.a Review Requirements & E.2.b; Page 23 & Page 24</p> <p>The PERM guidance dated May 2012; Section 5.3 indicates that for undetermined cases, the CHIP/Medicaid program can reach out to the subscriber to obtain the necessary information. Is this effort the responsibility of the DHHS Case Worker, or the contractor?</p>	<p>This is the responsibility of the Contractor.</p>
<p>17. Scope of Work/Review Requirements; E.1.a Review Requirements; Page 24</p> <p>The Scope of Work indicates that “if new regulations or guidance are published after the reviews have started, the Contractor will ensure that any completed reviews conform to any changes from newly published regulations or guidance...” if such a revision would occur, would there be a contract amendment to cover administrative costs of reviewing cases which have already been reviewed?</p>	<p>The Department does not anticipate any change in regulations or guidance at this time. When such changes have occurred in the past, it was not always necessary to re-work completed reviews. In the eventuality that new regulations or guidance are published during the course of the review process that would cause completed reviews to be re-worked, a contract amendment could be discussed.</p>
<p>18. Scope of Work/Report Requirements; E.2.c; Page 24</p> <p>Are the monthly progress requirements for work completed during the month in which the report is due, or for the month prior? Example, if the report due on 1/31/2013 for work completed in December or for work completed 1/1/2013 through the end of the month?</p>	<p>The report due at the end of each month will be for that month. If a review is finished after the report has been finalized, that review should be included on the next month’s report.</p>
<p>19. Does the Department currently contract for these services? If so, who is the current contractor and what price per case is being paid?</p>	<p>The Payment Error Rate Measurement (PERM) reviews occur triennially. Nebraska last participated in the Federal Fiscal Year 2010 PERM review. The State does not currently have a contract for these reviews.</p>

QUESTIONS	ANSWERS
<p>20. F. Submission of Proposals; Page 4</p> <p>Should the bidder also provide 1 original and 5 copies of the cost proposal?</p>	<p>Yes, the bidder should also provide 1 original and 5 copies of the cost proposal.</p>
<p>21. F. Submission of Proposals; Page 4</p> <p>Would the Department please verify that an electronic copy is not required for either the Technical or the Cost proposal?</p>	<p>No, an electronic copy is not required for either the Technical or the Cost Proposal.</p>
<p>22. J. Evaluation of Proposals; Page 5</p> <p>Would the Department please provide the maximum possible point potential for <u>each</u> of the items and sub-items listed in J.1-J.4?</p>	<p>Evaluation criteria will become public information at the time of the Request for Proposal opening. Evaluation criteria will not be released prior to the proposal opening.</p>
<p>23. J. Evaluation of Proposals; Page 5</p> <p>What is the total maximum point potential for the technical proposal versus the total maximum point potential for the cost proposal?</p>	<p>See answer to Question Number 22.</p>
<p>24. OO. Proprietary Information; Page 17</p> <p>Would the Department please clarify whether each of the technical proposals submitted (i.e., 1 original and 5 copies) are to be submitted with confidential/proprietary information sealed separately?</p>	<p>OO. PROPRIETARY INFORMATION, Page 17</p> <p>...All proprietary information the bidder wishes the State to withhold must be submitted in a sealed package, which is separate from the remainder of the proposal. The separate package must be clearly marked PROPRIETARY on the outside of the package. Bidders may not mark their entire Request for Proposal as proprietary. Bidder's cost proposals may not be marked as proprietary information. Failure of the bidder to follow the instructions for submitting proprietary and copyrighted information may result in the information being viewed by other bidders and the public...</p>

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<p>25. OO. Proprietary Information; Page 17</p> <p>For the reviewers' ease, may bidders instead submit complete technical proposals that include all confidential information in the same package (i.e., not separate from the remainder of the proposal), and instead submit a separate redacted technical proposal with all confidential/proprietary information "blacked out" to be kept on file and distributed in response to public records requests? If so, how many redacted proposals should be submitted?</p>	<p>The bidder should submit one (1) original and five (5) copies of all proprietary information packaged in accordance with the answer to Question Number 24.</p>
<p>26. B. Project Environment; Page 22</p> <p>The RFP states that the CHIP population will expand prior to this review. Does the Department have an estimated number of what is expected for the total CHIP population after the expansion?</p>	<p>The new CHIP stand-alone program is estimated to cover approximately 1,100 additional clients who would not otherwise be eligible annually.</p>
<p>27. B. Project Environment; Page 22</p> <p>Will the CHIP expansion result in an increased number of cases to review beyond the numbers provided in the RFP?</p>	<p>No.</p>
<p>28. C. Project Requirements; Page 23</p> <p>Please provide the estimated amount of time it takes to process a case from start to finish. It is understood that there could be outliers that could take much longer or less time than an "average" case, but a ball park figure would be helpful.</p>	<p>In the Final Rule published by CMS in August 2010, the estimate provided is fourteen hours per case.</p>

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<p>29. D. Business Requirements L Deliverables; Page 23, 26</p> <p>The business requirements state that the contractor must submit its review findings for each sample month within five months of the sample month. However Section L. Deliverables indicates that the contractor will be paid per month on the number of cases completed. Since the contractor has five months to complete the first month's sample, it appears that the first several months will not have many (or any) cases for the contractor to bill the Department. This could result in a potential negative cash flow for the first few months of the contract for the contractor. Please clarify how the Department envisions the billing and payment process will be handled the first four months of the contract.</p>	<p>The Department recognizes that the Federal regulations provide five months for case reviews to be completed. However, it is not anticipated that every case review will require five months to be reviewed. Many cases will require a much shorter review period. Nebraska will be billed, and will pay for the number of completed reviews each month, as described in the deliverables.</p>
<p>30. E.1.a Scope of Work Review Requirements; Page 23</p> <p>What responsibility, if any, will the Contractor have with regard to contact with beneficiaries?</p>	<p>The Contractor will be responsible for any contact with beneficiaries necessary to obtain relevant information that is not contained in the case file.</p>
<p>31. E.1.a Scope of Work Review Requirements; Page 23</p> <p>Does the Department have an estimate of the percentage of cases that would not have complete scanned documentation?</p>	<p>No. The Department is confident that the majority of cases has been scanned in their entirety, but cannot guarantee that all documentation for all cases has been scanned.</p>
<p>32. E.1.a Scope of Work Review Requirements and 3.b Dept. Obligations for Review Requirements; Page 23, 25</p> <p>Can vendors be provided access to either the physical file or copies from the file via mail, fax, secure e-mail, and/or courier as opposed to physical review at the DHHS office?</p>	<p>No. The Department is not requiring that the physical file be reviewed at the DHHS office, in the eventuality that all necessary documentation has not been scanned, but that the Contractor will scan or copy the necessary documentation at the DHHS office. Department staff will not be available to scan or copy any documentation, and the physical files will not leave Department control.</p>

QUESTIONS	ANSWERS
<p>33. E.3a Scope of Work, Department Obligations for Review Requirements; Page 25</p> <p>What other systems might the Contractor need to access? Are there other systems currently accessed to perform these services? If yes, what are they?</p>	<p>Eligibility determinations are made by the Department utilizing N-FOCUS and the interfaces that are available through N-FOCUS. Should the Contractor determine that additional systems or sources are necessary to verify the eligibility determination, which systems or sources to utilize are at the discretion of the Contractor.</p>