

OHB10-01 Addendum # 1

Addendum Issue Date: April 2, 2010
OHB10-01 Independent Third Party Medical Review Services
RFP Issue Date: March 19, 2010

This Addendum incorporates certain general comments and answers to questions posed before, during and after the optional pre-proposal conference held on April 1, 2010.

GENERAL

In addition to the appeal process identified in the RFP, the Department requires that the selected vendor have a written procedure for processing expedited appeals. Expedited appeals shall be processed more quickly than standard appeals, but all other requirements for standard appeals must apply. Each offeror should submit a proposed procedure which it would use to process expedited appeals. Proposed pricing and time frames for processing shall be included. Exhibit one of the RFP includes total appeals. The numbers of expedited appeals included in the totals are as follows:

- The Independent Third Party Medical Reviewer handled one expedited appeal during the plan year from July 1, 2006 through June 30, 2007.
- The Independent Third Party Medical Reviewer handled two expedited appeals during the plan year from July 1, 2007 through June 30, 2008.
- The Independent Third Party Medical Reviewer handled one expedited appeal during the plan year from July 1, 2008 through June 30, 2009.
- The Independent Third Party Medical Reviewer handled four expedited appeals during the current plan year which began on July 1, 2009.

Verbal responses to questions at the Pre-Proposal Conference on April 1, 2010 are unofficial and are not binding. Only these written responses may be relied upon by offerors. Participants at the Pre-proposal Conference were required to register their attendance and to provide their business cards. A list of all attendees at the conference is enclosed for informational purposes. Offeror submissions must include a signed copy of this Addendum. The submission date remains unchanged. A copy of this addendum with original signature is required with offeror submission.

Name and Address of Firm:

_____ Zip Code: _____

Email address: _____

Date: _____

By: _____

(PRINTED NAME)

(SIGNATURE IN INK)

Title: _____

Telephone: () _____

1. Who is the current vendor(s) for this contract?

The Medical Review Services identified in this RFP are currently performed by Maximus.

2. What is the total value of the current contract?

The number of appeals from the last year are included in the RFP, but there is no way to predict how many appeals will be filed from year to year. Furthermore, the scope of services under the new contract will be different from the current one, because consulting and research services are not a part of the current contract.

3. How are cases assigned if there is more than one vendor performing services for this contract?

Currently, there is only one vendor performing services for the current contract, and we do not anticipate having more than one vendor service the new contract.

4. How many requests were made over the past three years for consulting and research services?

None. These services have not been incorporated into this contract in the past.

5. What time on April 20, 2010 is the proposal due, 2:00 or 3:00 PM?

A: 2:00PM Local Prevailing Time

6. Please confirm the RFP should contain Exhibits 1-4 as well as Appendices 1 and 2. The Table of Contents only specifies 3 exhibits and 2 appendices. Are there any additional exhibits and/or appendices?

A: Exhibits 1 through 4 are required as is Appendix 1 and 2.

7. Page 10 of the RFP specifies 20 points will be awarded to the proposal for the participation of a Small, Women and Minority Owned Business. If a bidder can perform all the work classified under the Statement of Needs without a SWaM, will the bidder's proposal be disqualified? The term "encourages" conflicts with the latter term of "required".

A: Proposals will be evaluated based on the criteria in section 4.3 of the RFP with up to 20 points

8. In what section of the proposal should the bidder address the Statement of Needs (see question 11 regarding proposal format/set up)?

A: Where it best helps you tell your story.

9. Please provide some examples of what consulting and research services have been requested by the Department in the past.

A: This is new to this contract. A possible example may be if the Department wants research to determine whether a new procedure should be covered.

10. What is meant by "care guidelines"?

A: Care guidelines are clinical treatment guidelines, such as those published by Milliman Care Guidelines.

11. Page 7 and Page 10 present conflicting information about the deliverables. Please clarify whether there are four electronic copies or five electronic copies of the proposal and whether these copies are a one-to-one distribution.

A: Refer to RFP section 3.2.1.

A hard copy original in a three ring binder,
a redacted electronic version on a CD-Rom disk

Copy 1 on a separate CD-Rom disk

Copy 2 on a separate CD-Rom disk

Copy 3 on a separate CD-Rom disk

Copy 4 on a separate CD-Rom disk

12. If the bidder does not have proprietary or trade secret material in the proposal, is there a need for redacted version of the proposal?

A. Yes, and it should be labeled redacted.

13. If the bidder has questions after the Commonwealth posts the Q&A in an addendum, can the bidder send additional questions to Mr. Hinderliter via email? If so, how will Mr. Hinderliter post the additional questions?

A. Yes, please forward questions using the process identified in the RFP. Questions will be answered using RFP addenda.

14. Will the Commonwealth provide all bidders a list of the pre-proposal conference attendees?

A. Yes, As a part of Addendum #1, the sign-in sheet will be included.

15. The set up of this proposal is very confusing. Please be specific regarding the sections/tabs for this proposal response. That is, what is Tab 1 XXX, Tab 2 XXX, Tab 3 XXX, etc. If the bidder follows the RFP directions as stated, Tab 1 is Redline RFP Noting Demurrals. If this is true, what is Tab 2, 3, 4, etc. Also, what Tab includes the Pricing Schedule (Appendix 2).

A: Work with what has been provided. You are not limited in the number of tabs you use.

16. Please specify in what tabbed section the bidder needs to respond to the Section 2.0 of the RFP, Statement of Needs.

A. Where it helps you tell your story

16. Is a redacted copy of the proposal necessary if the bidder's proposal does not have Proprietary Information in its proposal? And, if the bidder does need to provide a redacted copy, where should the bidder indicate this information to the Commonwealth? Behind the Cover Sheet?

A. already answered

17. What information must the bidder provide to show the bidder's financial stability? And, where should the bidder provide this information – an appendix or specific tabbed section?

A. Supporting information on your firms financial stability...reports, audits, financials etc.

It should be provided where it best you tell your story.

18. This requirement is very confusing and it appears to contradict requirements specified in section 4.1. Are the bidders to include the entire electronic version of the RFP in its proposal and then redline changes? If so, is this Tab 1 and, if this is Tab 1, what information is contained in the other tabs? Normally, bidders only redline exceptions to the Terms and Conditions Sections 5.0 and 6.0, not the entire RFP. Please clarify/define what is expected of bidders regarding this requirement.

A. We expect to see a redlined version of the RFP in a tab that shows any exceptions to the RFP in red.

19. Should the bidder include references under a tabbed section or should the bidder include references in an Appendix?

A. How it best helps you tell your story... it should be a separate tab.

20. Should the bidder include the BAA under a tabbed section or should the bidder include the BAA in an Appendix?

A. How it best helps you tell your story...it should be a separate tab.

21. Please clarify how and in what tabbed section of the proposal that the bidder should note exceptions to the General Terms and Conditions and the Special Terms and Conditions and/or except the all the Terms and Conditions?

A. All exceptions to the RFP should be noted in the redlined version of the RFP.

22. It is unclear what kind of legal and contractual expertise an external impartial health entity would provide. Typically IROs review for medical necessity, experimental/investigational. Please clarify.

A. The Virginia State Health Plan seeks to ensure that the coverage it provides complies with legal and contractual requirements. Although the Health Plan does not expect the external impartial health entity to act as an attorney, it does expect the impartial reviewer to be familiar with the Virginia Code and regulations that govern its actions, and to refrain from issuing decisions that are not in compliance with this legal authority.

23. It appears that this process has the IRO communicating the findings directly to the Department and the Department communicates the determination to all applicable parties. Is this correct?

A. Yes

24. How much is the Commonwealth currently charged per case for Independent Review Services and how much is the Commonwealth currently charged per hour for consulting and research services?

A. This RFP is for a brand new scope of services.

25. It appears that the Commonwealth of Virginia does not require that physician consultants be licensed in Virginia. Is this correct?

A. Yes

26. Are there any specific state requirement that require IROs to be certified in VA?

A. No

27. For budgeting purposes, what is the average duration of consulting and research services after a request has been made for said services by the Commonwealth of Virginia?

A. Unknown.

28. Is the offeror required to use a small, women and/or minority owned business in carrying out the responsibilities of the contract?

A. No, however twenty percent (20%) of the evaluation criteria for this RFP is awarded based on Small business utilization.

29. If the offeror does not plan to use the services of a small, women and/or minority owned business must they still “submit a report of past efforts to utilize the goods and services of such businesses and plans for involvement in this contract”?

A. Yes, If no utilization is planned, the report should reflect that information.

30. If the offeror has no demurrals or deviations to the requirements of the RFP, should they still include a copy of the RFP in Tab 1?

A. Yes

31. Please confirm that a signed copy of Exhibit 4 must be included in the proposal. If it must be included, where should the offeror sign Exhibit 4; on page 43 “Signatures” under “Claims Administrator”?

A. Confirmed. Sign under Claims Administrator

32. Section V. indicates that all bidders or offerors must register in eVA. Where in the proposal should the offeror indicate that they have registered with eVA?

A. Where it best helps you to tell your story.

33. Please define the term “vendor” used in Item #1.

A. The vendor is the plan administrator responsible for handling claims for the specific service under review. For instance, the current plan administrator for medical benefits under the State's COVA Care plan is Anthem, and the State's current plan administrator for prescription drug benefits under COVA Care is Medco.

34. Is the contractor required to participate in the Informal Fact Finding Consultation (IFFC)?

A. No. In fact, the process does not allow for the contractor participate.

35. Can the Informal Fact Finding Consultation (IFFC) be done via teleconference?

A. Not applicable to this RFP

36. If the contractor is required to participate in the IFFC, does a clinician have to be present? If so, will the clinician assigned to review the case be required to participate or can any clinician, regardless of specialty, participate?

A. Not Applicable to this RFP

37. Please define who will be considered the “claims administrator.” Is the successful offeror the claims administrator?

A. Within the “Group Health Plan Business Associate Agreement” the selected offeror is the claims administrator.

38. Section 2.1.1 states that the “...contractor shall receive and control cases...”
Please clarify what is meant by controlling a case. Is there a requirement to confirm receipt?

A. To control a case means to log it in whatever manner that the contractor uses in order to be able to confirm its receipt, its status, and its location, and to manage it through the process. Yes, confirmation of receipt is required.

39. Section 2.1.a.3 states “...the contractor shall substantively review the case and respond to the Department...” Please define the term “substantively review” – does this mean a thorough review that is completed within 5 business days of reviewer assignment? Or does it mean an initial or abbreviated review focused on the essential principles/substance of the case with a preliminary finding within 5 business days of reviewer assignment?

A. A formal review that is completed within 5 business days of reviewer assignment.

40. Section 2.1.b.1 describes consulting services as including “...analysis of benefits...”
Can the Department provide some examples of the types of benefits analyses it seeks? Do these potentially involve compensation analysis or financial analysis?

A. This is a new service that has not been part of previous contracts. An example of a possible type of consulting service that might be requested is a study of whether the State Health Plan should provide coverage for a newly developed medical procedure.

41. Section 2.3.3 states that the offeror shall have documented care guidelines in all commonly disputed areas...Is the offeror expected to rely on its own criteria in making a review determination in all cases, or only in those cases for which the health plan's criteria have been determined to be not clinically valid?

A. The offeror is expected to render a decision in all cases, which must include a determination of whether the decision is objective, clinically valid, and compatible with established principles of health care.

42. Section 4.2 – Participation of Small, Women, and Minority Owned Businesses

It is anticipated that the bulk of subcontracting will be with individual physicians that are providing expert review. Would individual physicians that are providing review services as independent consultants be considered small, women, or minority-owned businesses (as applicable) in the absence of DMBE certification?

A. All subcontractors (including Doctors) must be DMBE certified as “small” at the time of proposal submission to receive credit for small business (SWaM) participation.

43. Section 4.3 – Criteria for Evaluation

1. Please clarify what is meant by the evaluation factor titled “Extent and Documentation of Care Guidelines.” Is this a reference to the contractor's ability to demonstrate that it has current review criteria covering all of the clinical areas indicated on p. 6, section 2.3.3?

A. Yes

2. Please specify the criteria that will be used to evaluate “Financial Stability.” What type of documentation should offerors provide?

A. Already answered

44. Section 4.4 states that the Department will consider a flat rate for each appeal, as well as for consulting or research services, or other compensation proposals. Should the pricing proposal include a single flat rate for all appeals, or a separate rate for Medical Appeals and Administrative Appeals?

A. The contractor will not be responsible for deciding administrative appeals

45. Exhibit 1 separates the types of appeals processed into medical appeals and administrative appeals. Do Administrative Appeals refer to appeals of denials of service that were determined by the health plan to be experimental/investigational? Or do administrative appeals refer to appeals that the Department will manage, and that the contractor will not review?

A. As stated above, administrative appeals are appeals that the Department will manage and the contractor will not review.

46. Exhibit 3 – Current Appeal Process Overview: Item #7 indicates that the appeal file will be forwarded to the external impartial health entity for review. Please clarify the specific information that would typically be included in the appeal file (e.g., medical records, health plan criteria and contracts, appellant letters, etc.). What information is typically generated from the IFFC, and is this information included in the appeal file?

A. Everything that was included in the Plan’s appeal process including medical records, health plan criteria, letters submitted by member and/or physicians, information regarding clinical trials (if applicable), information related to clinical studies, etc. Also included would be any additional information the member and/or his physician wants to add to the file.

47. Exhibit 3 Current Appeal Process Overview – Item #8 states that the “...external impartial health entity will provide clinical and legal expertise to review medical, legal, and contractual issues relevant to a medical appeal.” Please describe the minimum professional requirements for “legal expertise.” In the Department’s estimation, what proportion of the cases will require a legal review?

A. The Department has not established minimum professional requirements for “legal expertise.” The reference to legal review is in place because the Virginia State Health Plan seeks to ensure that the coverage it provides complies with legal and contractual requirements. Although the Health Plan does not expect the external impartial health entity to act as an attorney, it does expect the impartial reviewer to be familiar with the Virginia Code and regulations that govern its actions, and to refrain from issuing decisions that are not in compliance with this legal authority.

48. In section 2.1b, consulting and research services, we have two questions:

- a. Is there an anticipated turnaround timeframe for such requests OR will the time be specific to each individual topic?

A. There is no anticipated turnaround timeframe. The Commonwealth realizes that each of these projects would be unique and believes there may be value in establishing a mutually agreed timetable for each individual project, but invites each bidder to offer their own vision for how best to structure the consulting and research services component.

- b. Is there an anticipated number (or historical information on the number) of such requests?

Because this is new to this RFP, there is neither an anticipated number nor historical information.

49. In section 2.3, #3, the RFP specifies “offeror shall have documented care guidelines in all commonly disputed areas of practice...” Currently, do the insurance plans requesting review of appeals utilize guidelines to determine eligibility for care? Alternatively, will the contractor use its own guidelines?

A. Both. We do expect the contractor to review the plan administrator’s guidelines.

50. The table in Exhibit 1 differentiates Administrative Appeals and Medical Appeals. Can you please define each of these?

A. Administrative appeals are all appeals that do not involve medical determinations. Generally speaking, this proposal is not concerned with administrative appeals. Medical appeals typically involve

issues of medical necessity or whether a service is investigational. Medical appeals are generally the ones that the successful bidder will be charged with reviewing.

51. Will the name of the peer reviewer need to be disclosed to the health plan? Is it acceptable to provide only the peer reviewer's credentials?

A. The name of the peer reviewer will not need to be disclosed. It is expected that the peer reviewer's credentials will be provided.

52. Section H, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS FOR RFPs, specifies the proposal must be submitted on the official state form. Despite an extensive search of www.dgs.state.va.us/dps and other Virginia websites, we were unable to locate this form. Can you please provide additional direction as to how we may obtain this form?

A. This refers to Appendix 1, and any other potential contractual forms.

53. Does 2.1.a.2 Statement of Need require precise subspecialty match in all cases? For example, in an adolescent RTC behavioral health case where the attending is a child psychiatrist, would the Department require the contractor to use a child psychiatrist or would a boarded general psychiatrist be acceptable?

The requirements are found in the Code of Virginia at §22-2818 and the Virginia Administrative Code at 1VAC 55-20-90.

54. Does 2.1.a.2 Statement of Need definition of impartiality ("no relationship or association") require that the professional reviewers have no patients in their own practices who might be employees of the treating provider? For example, if VCU Medical Center is the treating provider, must the professional reviewer ascertain that none of the patients in their own practice is an employee of VCU Medical Center?

The requirements are found in the Code of Virginia at §22-2818 and the Virginia Administrative Code at 1VAC 55-20-90.

55. Is there a specified form or expected layout for the professional reviewer's decision/recommendation?

There is no specific form. The requirements are found in the Code of Virginia at §22-2818 and the Virginia Administrative Code at 1VAC 55-20-90.

56. Are there any other routine communications required of the contractor in the appeal process for every case besides (1) confirmation of receipt, and (2) delivery of the recommendation?

No.

57. Is the professional reviewer allowed to discuss an appeal case directly with the treating provider if the reviewer feels case documentation is inadequate to make a decision? If not, how is inadequate information resolved?

No. If additional information is required, the impartial review organization should request it from the Department.

58. Is the reviewer required to communicate with the treating provider if the treating provider requests a peer to peer?

No.

59. Referring to the Exhibit 1 processing volume table, is there detail available on the number of appeals by specialty or service type?

No.

60. Aside from the addition of the research component, how does the current appeal process differ from the process envisioned in the RFP?

It doesn't.

61. Aside from the IFFC which you've already addressed, are there any other hearings, meetings, conference calls, depositions, etc., which a professional reviewer will be expected to attend, even if not on every case?

No.

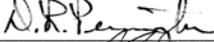
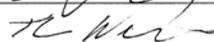
62. Are the appeals referenced by this contract for (1) denial of services already rendered, or (2) requested services not yet rendered, or (3) possibly both?

Both.

RFP # OHB10-01
Independent Third Party Medical Review Services
 Optional Pre-Proposal Conference
 Thursday, April 1, 2010 at 10:00 a.m.

Note: This information will be publicly posted as a part of Addendum #1

Sign In Sheet

COMPANY REPRESENTING	PRINT NAME	SIGNATURE
1. KEPRO	1. DONNIE PENNINGTON	1. 
2. HMS	2. MARC W ASBERG	2. 
3. MAXIMS	3. Tom Laughlin	3. 
4. VHQC	4. Dev Nair	4. 
5.	5.	5.
6.	6.	6.
7.	7.	7.
8.	8.	8.
9.	9.	9.
10.	10.	10.
11.	11.	11.
12.	12.	12.

**Attendees of the Optional Pre-Proposal Conference for RFP # OHB10-01
Independent Third Party Medical Review Services
Thursday, April 1, 2010 at 10:00 a.m.**



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