
*Colorado Department of
Health Care Policy and Financing*



Colorado MMIS and Fiscal Agent Operations Services

Draft RFP Release Response and

Pre-RFP Bidder's Conference Announcement Details

Colorado Medicaid Management Innovation and
Transformation Project (COMMIT)

Released: August 17, 2012

SECTION 1.0 DRAFT RFP FEEDBACK

1.1. PURPOSE

The Colorado Department of Health Care Policy and Financing (Department) is responsible for administering the Medicaid program in the State of Colorado. On August 1, 2012, the Department released a draft of its Core MMIS and Supporting Services RFP Package for review and comment. At this time, the Department is requesting vendors to send any comments, no matter how minor, to the Department. Vendors are encouraged to address text in the draft RFP that is repetitive, and/or confusing, as well as requirements that are incomplete or unclear. In addition, vendors should undertake a thorough review of the system and fiscal agent requirements to advise the Department if any requirements are too broad or restrictive which will inadvertently cause a significant cost increase or cause a vendor to make a no-bid decision.

To expedite the release of the draft RFP, the Department will not be providing written responses to each of the vendor comments from the “Proposed Procurement Strategy COMMIT Project”. However, the general comments used to assist in development of its final strategy have been provided in Section 2.0 of this document. All comments have been aggregated and the Department has removed any information that may indicate the origination of the comments.

1.2. PROCESS FOR PROVIDING FEEDBACK

The Department has provided two forums for vendors to provide their feedback. First, Vendors are encouraged to offer written comments for consideration. To submit written comments:

- 1.2.1. Submit all comments to RFPQuestions@hcpf.state.co.us
- 1.2.2. Vendors are not to make any direct contact with Department staff.
- 1.2.3. All comments and questions on the draft RFP Package are to be received no later than September 29, 2012 at 5:00 pm MDT.
- 1.2.4. List all comments in an MS-Excel Spreadsheet utilizing the following the layout:

Document Name (e.g. Appendix A)	Section Number (e.g. C.2.1.3)	Page Number	Question/Comment

1.3. PRE-RFP BIDDER’S CONFERENCE

Second, to increase feedback opportunities, the Department will also hold a Pre-RFP Bidders Conference. The purpose of the Bidder’s Conference is for the Department to provide further clarification on its procurement strategy, answer any general or reoccurring questions

submitted prior to the conference (see Section 1.3.3.4) regarding the DRAFT RFP Package, and offer a forum for discussion on how to improve the RFP Package prior to final release. The conference details and instructions are:

1.3.1. Date and Time: September 18, 2012; 1:00 pm – 4:00 pm (MDT).

1.3.2. Location:

1.3.2.1. In Person: Colorado Capital Building, Denver, CO 80203; Old Supreme Court Chambers (2nd Floor, North side). Entry into the Capitol building is only permitted on the North and South sides. Ample meter and pay-lot parking is available in the surrounding area.

1.3.2.2. Web Conference: Participation information will be distributed closer to the conference date. This option will offer the ability to follow the live presentation, hear questions, and responses presented in the Old Supreme Court Chambers, and a forum for typing questions to the presenters. As time permits, the presenters will attempt to address any questions and/or comments sent via this forum.

1.3.3. Attendance:

1.3.3.1. RSVPs required. Please submit your RSVP to RFPQuestions@hcpf.state.co.us with the names and titles of those attending no later than Friday, September 7, 2012 at 5:00 pm MDT.

1.3.3.1.1. For Vendors attending in person, we request that you limit participation to two representatives to allow ample space for all interested parties.

1.3.3.1.2. Conference will start precisely at 1:00 pm MDT. Doors to the chambers will open at 12:15 pm MDT.

1.3.3.1.3. Vendors participating in the Web Conference should also RSVP to receive the participation information.

1.3.3.2. There is a security checkpoint and metal detector. Allow enough time to process through.

1.3.3.3. No food or drinks allowed in the Chambers. (Exception: Water in closed containers. Water only. No coffee, tea, soda, etc.).

1.3.3.4. Questions:

1.3.3.4.1. For consideration during the Pre-RFP Bidder's Conference, questions must be submitted prior to 5:00 pm MDT on Monday, September 10, 2012.

1.3.3.4.2. Vendors should use the same format to submit questions as outlined in Section 1.2.4.

1.3.3.4.3. Vendors only need to submit general questions or items they would like discussed at the Pre-RFP Bidders Conference. More specific questions should be submitted by September 29, 2012 (see Section 1.2.3).

SECTION 2.0 PROCUREMENT STRATEGY RESPONSES

The following table (Table 2.0) paraphrases information pulled from a number of responses provided to the “Proposed Procurement Strategy COMMIT Project” in April of 2012.

Table 2.0: Draft Procurement Strategy Responses

Response Question	Vendor Responses
<p>1) How does what you consider part of a core MMIS differ or align with the requirements included in Section 3.0 of Draft Procurement Strategy?</p>	<ul style="list-style-type: none"> • A core MMIS includes claims processing using a modern, flexible rules engine, electronic data interchange, support single sign on, and includes clinical support, care management, program integrity, client outreach, cost containment, and electronic health data exchange • BI/Data Analytics, Federal Reporting, Program Integrity are not part of the core MMIS and should be kept separate because of shorter implementation time frames • Core MMIS should integrate business processes included in the Fiscal Agent Services RFP. A separation severely inhibits the state’s ability to achieve efficiencies, and puts FA at risk for performance when services are separated from technology • Core MMIS should include Benefit Plan, EHR, HIE, PHR, PHIP, EDI, and care management software –It should interface to an integration Hub • Core MMIS is broader, and should include all business services required to enable health care delivery within the medical enterprise. This includes eligibility functions, enrollment, and administration and technology infrastructure • Core MMIS should include EDI, PBMS, BI/Data Analytics, Case Management • Modern MMIS includes a decision support platform and reporting infrastructure • This should also include an SOA framework, CRM, MARS. BRMS is not a part of a core MMIS, and Data conversion should be added into the Professional Services, Hosting services should be a state data center responsibility and the state should maintain ownership of the hardware

Response Question	Vendor Responses
<p>2) Please provide input on the EDMS, Electronic Client Case Management System, and CRM. Should these systems be components of the CORE MMIS System and Services RFP or Fiscal Agent Services RFP?</p>	<ul style="list-style-type: none"> • EDMS, Electronic Client Case Management System, CRM should be core MMIS • Moving these to the FA means products, workflows, and data must be decoupled from the MMIS and rebuilt to integrate from the FA side • Client Case Management should be separate RFP. CRM should be separate RFP • Client Case Management should be separate RFP, but all others should be included. Medical management for UM, DM and Health, and the TPL should be in the FA RFP. MARS and SURS should be part of the MMIS RFP
<p>3) Please rank the 3 options in order of preference. The ranking should consider effectiveness in eliciting cost savings, maximizing vendor participation, impact to timeframes, and your assessment of how the options can result in meeting the State’s objectives and desired outcomes for each component.</p>	<ul style="list-style-type: none"> • The majority of responses were 3,2,1 <ul style="list-style-type: none"> ○ Reasons <ul style="list-style-type: none"> ▪ A more integrated base system provides a faster and less expensive data analytics and BI implementation ▪ Reduce total contract cost. WI and GA are models of this ▪ Option 1 and 2 have not been successfully implemented and certified yet ▪ Least schedule risk • A couple responses order was 2,3,1 <ul style="list-style-type: none"> ○ Mitigates risk associated with independent EDI/Claim operations and core MMIS functionality. Preserves competition among larger pool of responding vendors ○ Gives the ability to have a Best in Class, 3 limits potential bidders • Suggested approach if 1 is chosen, Core MMIS RFP should be awarded prior to the release of the EDI RFP • Separate, advance implementation of BI/Analytics will maximize vendor participation

Response Question	Vendor Responses
<p>4) Do you have alternative suggestions for the RFP release phase approach shown in the timeline in Section 1.0?</p>	<ul style="list-style-type: none"> • Release the RFP’s simultaneously to give vendors a chance to analyze the entire project and better understand dependencies. Recommend allowing vendors 4 of the 11 months to develop proposals, which should include a Q&A process and bidding fair. 36 months for implementing MMIS provides the best opportunity for success • 90-day bidder solicitation including a bidders conference. BI/Data Analytics timeline should be extended to 18 months to provide for adequate time to integrate with the current vendor. Timeline does not include CMS certification, language should be provided on services required to support CMS certification • Require a phased approach, with early implementation of provider enrollment. Hold BI/Data Analytics to the last phase of implementation after stabilization of the claims processing system • In choosing option 3, Department should extend evaluation period or potentially start the project earlier • Earlier PBMS implementation timeline of 12 months to maximize utilization savings. This would support influx of new Medicaid recipients from ACA • Supply 1 year of detailed claim data, which will assist PBMS in identifying solutions in response to the procurement and incorporate a 2-3 month planning phase for PBMS deployment • EDI and MMIS RFPs should be released together. Possibly select a service provider that incrementally renews the current legacy system with best in class solutions • State needs to clearly outline approach for business rule extraction from current MMIS for planning phase • Begin phase 2 only after MMIS has successfully passed testing, otherwise the DSS will be loaded with untested data, adding risk. Allow business intelligence bidders to propose the phase 2 implementation timeline and approach

Response Question	Vendor Responses
<p>5) What are the cost drivers for vendors and for the Department that should impact the eventual procurement strategy?</p>	<ul style="list-style-type: none"> • Duplicate project overhead and inadequate communications • Separating EDI and FA services as EDI vendor will not know the required layout for the interface file to the MMIS unless they are laid out in the EDI RFP. FA vendor would have limited data to gauge staffing levels • Separate procurements • Unclear instructions for structuring proposal • Descriptive requirements or prescriptive language • Insufficient Q&A period • Need for paper proposals • Rigid contract provisions and unlimited liability • Inflexible payment terms and holdbacks pending certification • Future unknown requirements • SLAs at near unobtainable levels • Performance bond requirements, clauses that exceed need • Emphasis on design specifics, “including but not limited to” and “meet all future federal regulations” • Performance measures above necessary • Unrealistic volume of static reports • Implementing DSS and PBMS that first integrates with legacy system and then must be integrated with new system. Separating the DSS from the MMIS contract increases risk due to greater costs of integrating a DSS that does not work specifically with their system • Staffing levels and staffing locations. Consider not mandating specific staffing levels in the procurement, but hold vendor accountable for specific service levels agreements • Heavy penalties • Unique state specific requirements not aligned with industry best practices • Requirement of methods or tools that do not align with vendor best practices • Low staff resources to collaborate with vendor team • Non-negotiable terms and services • Redundant technical environments – two or more significantly drive up costs • Failover and disaster recovery unnecessary for a DSS

	<ul style="list-style-type: none"> • DSS response time requirements as rigid as with an MMIS • Unrealistic prospective user levels • Vague source data expectations • Unusual constraints on use of proprietary software • Replication of current system functionality
Response Question	Vendor Responses
6) Do you have any additional strategy recommendations for the Procurement Framework based on your experiences and understanding of the MMIS, Medicaid Fiscal Agent and supporting services industry?	<ul style="list-style-type: none"> • Allow vendors to bid on a comprehensive approach that includes all RFPs. This would allow some vendors to remove overlap and offer cost savings • Milestone based DDI payment structure, ideally with 25 to 30 DDI milestones spread throughout the DDI phase • Include Incentives for early completion, balanced terms and conditions, and eliminate holdbacks • Use APDs to pay for future changes when those changes are known • Consolidate SLAs into logical groups to confirm reasonableness • RFP Evaluation criteria that apply a relative score to several key areas of experience • Continue sharing information to mitigate incumbent priority access to state specific information • Proposed MMIS should be CMS certified in an operational setting • Ensure understanding of offshore resources and tasks • Allow vendor to propose a DDI methodology consistent with type of system they are bidding • Focus on reimbursement models for service being provided when drafting the RFP • Establish a baseline project budget based on the bid price plus 20% for expected changes • Establish a bonus structure where the vendor receives 50% of any savings below the project budget for DDI and for each operational year, reflecting an equal partnership • Each RFP should include similar or consistent requirements that are relevant to all RFPs • Requiring a vendor to provide a certified system will restrict what can be achieved, and it may not promote innovation • Include a statistical package in the DSS and incorporate a quality of care measurement system • Amend the proposed term of BI/DA Services contract to include a minimum of 4 year base period, ideally a 5 year base with 1 year as the DDI phase and 3 years of operation • Subdivide BI/Data Analytics Services into separate tasks