



# STATE OF IOWA

CHESTER J. CULVER, GOVERNOR  
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES  
CHARLES J. KROGMEIER, DIRECTOR

Mary Tavegia  
Issuing Officer  
Iowa Medicaid Enterprise  
Iowa Department of Human Services  
100 Army Post Road  
Des Moines, Iowa 50315

June 12, 2009

To all interested parties:

The Iowa Department of Human Services (the Department) is providing information on the intent to reprocur professional services that support the Iowa Medicaid Program. The reprocurement is necessary due to the impending expiration of the existing professional services contracts in the Iowa Medicaid Enterprise (IME).

It is the Department's intent to retain the existing Medicaid Management Information System (MMIS); OnBase system for imaging, workflow management, and document management; pharmacy point-of-sale system; and data warehouse/decision support (DW/DS) system and reprocure their associated contracts when those systems contracts expire at a later date. The Department currently uses the Siemens HiPath ProCenter v7.0 contact management system (for call center support). However, the Department is evaluating another tool for future use under the new professional services contracts, and the forthcoming IME Professional Services RFP will identify that tool and its capabilities.

The following description highlights the Department's anticipated schedule for the procurement and the contracts and discusses requirements in broad terms. Although we encourage comments and questions, please be advised that the Department will respond only to questions submitted to me (the issuing officer) during the official question-and-answer period after release of the IME Professional Services Request for Proposal (RFP).

Thank you for your interest in this procurement.

Sincerely,

A handwritten signature in cursive script that reads "Mary Tavegia".

Mary Tavegia  
Issuing Officer

## **IME Professional Services Procurement**

In alignment with the Centers for Medicare and Medicaid Services (CMS) Medicaid Information Technology Architecture (MITA), the State of Iowa operates a modular Medicaid business model using multiple contractors and a certified Medicaid Management Information System (MMIS). By its nature, this unique business model is a complex, modular Medicaid program administration structure that necessitates interdependence of the various component business functions.

In anticipation of an orderly transition of the current professional services contracts expiring, the state must competitively reprocure these services. The information contained in this document is subject to revision or removal.

### **Procurement Background**

The Iowa Department of Human Services (the Department) is the single state agency responsible for administering the Medicaid Program in Iowa. The Iowa Medicaid Program provides medical services to eligible Medicaid members under Title XIX of the Social Security Act through enrolled providers and health plans.

The Department will maintain the Iowa Medicaid Enterprise (IME), which comprises state management of the Iowa Medicaid program and the third-party contractors that operate and maintain the Iowa MMIS structure and the professional services that administer the Iowa Medicaid Program. The Department has determined that the continuation of the current business model will provide the best operational support to the Iowa Medicaid Program.

First operational on June 30, 2005, the Department has experienced effective results with the IME in contracting for best-practice approaches from a variety of vendors for the professional services that support the Iowa Medicaid Program operation. Reprocurement of these services is required because current contracts expire on June 30, 2010. Services will be procured for these professional components:

- Medical Services – an array of medical activities (excluding pharmacy) to support claim adjudication, program evaluation, and quality assessment, including the following functions: general medical and professional support, disease management, case management, prevention and promotion [Early Periodic Diagnosis, Screening, and Treatment (EPSDT) support], prior authorization for medical and professional services, quality of care evaluation for managed care participants, long-term care assessments, case-mix audits for long-term care patients and payment error rate measurement (PERM) project
- Pharmacy Medical Services – activities necessary for pharmacy prior authorization, retrospective drug utilization review (RetroDUR) and maintenance of the preferred drug list (PDL)

- Provider Services – the functions necessary to encourage and support provider participation in the Iowa medical assistance programs, enroll providers and maintain provider data, and provide training and assistance to providers who participate
- Member Services – the activities necessary to support enrollment for managed health care, Medicare buy-in, member inquiry and relations, member publications and education, and member quality assurance
- Revenue Collections – collection functions for the Medicaid program, including identification and recovery of funds owed to the Department as a result of third-party insurance payments, liens, tax offsets and provider overpayments
- Surveillance and Utilization Review Services – development and updating of parameters for SURS reports, desk reviews of providers to identify patterns, and field reviews to verify findings
- Provider Cost Audits and Rate Setting – all activities related to fiscal analyses and recommendations for rate setting and auditing of provider cost records
- Estate Recovery – identification and collection of assets of deceased members for medical expenditures made on their behalf

### **Procurement Purpose**

The Department's purpose for this procurement is to promote fair, impartial, and open competition among all prospective bidders for business processes for the Iowa Medicaid Program. As an outcome of the required procurement, the Department intends to meet the following objectives:

- To secure multiple contractors to support the unique and highly complex nature of Iowa's modular Medicaid program administration structure
- To obtain competitive pricing for IME professional services contracts through open competition

The Department intends to offer a three-year base contract with up to three one-year options to extend for each professional services component area. Vendors may offer bid proposals on any or all components, but each individual component proposal must be self-contained and self-sufficient. Fixed pricing for each professional component proposal will be required. Bidders for estate recovery will be required to include their proposed contingency fee for that service.

## Procurement Objective

The Department's objective for this procurement is to maintain the current business model of the cohesive Iowa Medicaid Enterprise, with "best-of-breed" contractors colocated with state staff at a common facility. This strategy allows the Department to retain greater responsibility for the operation and direction of healthcare delivery to Medicaid members in Iowa.

As part of their operation, all contractors operating within the Iowa Medicaid Enterprise will use the following existing, common managerial tools where necessary to perform their functions:

- The Iowa MMIS that the Core MMIS contractor operates and maintains
- The OnBase workflow process management system that the Core MMIS contractor operates and maintains
- The data warehouse/decision support (DW/DS) system that the state operates and maintains
- The replacement for the Siemens HiPath ProCenter v7.0 contact management system (for call center support) that is in place today, which the Department will identify in the forthcoming IME Professional Services RFP

Ongoing maintenance and enhancement of the operational systems will continue throughout the procurement and the new professional services contracts. Opportunities are available to all successful contractors to recommend and request enhancements that will improve their operations.

Of particular importance is the Department's intent to award individually the Professional Services components in this RFP to obtain the most effective services available today. The Department intends to contract for the managerial skills and knowledge specific to each Professional Services component from vendors with specializations and staff expertise in the designated medical and administrative management areas.

## Procurement Timetable

The Department offers the following key dates for informational and planning purposes. The Department reserves the right to change the dates.

### IME Professional Services Procurement Timetable

Key Procurement Task	Date
Notice of intent to issue RFP	June 12, 2009
RFP issue	September 17, 2009

<b>Key Procurement Task</b>	<b>Date</b>
Bidders' conference	October 7, 2009
Bidders' questions due	October 21, 2009
Letters of intent to bid requested	November 9, 2009
Written responses to bidders' questions	November 23, 2009
Closing date for receipt of bid proposals and amendments	January 4, 2010
Oral presentations	February 8 through 12, 2010
Best and final offers requested (if any)	February 15, 2010
Best and final offers due (if requested)	February 17, 2010
Notice of intent to award to successful bidders	February 19, 2010
Completion of contract negotiations and execution of the contract	February 26, 2010
CMS contract approval	April 30, 2010
Transition phase of contracts	May 3, 2010
Operations phase of contracts	July 1, 2010

### **Procurement Communication**

The Department will respond only to questions directed to the issuing officer during the official question-and-answer period after release of the IME Professional Services Request for Proposal (RFP). Contact with anyone else regarding this procurement in any way other than how the question and answer process is described in the RFP will result in bidder disqualification.

The RFP will include a prototype that will be the basis of all contracts resulting from this procurement. The Department emphasizes that the question-and-answer period is the only time that the Department will entertain questions and requests for clarification of the contract language.