7.2.4 Executive Summary

Within the Technical Approach, we have described our understanding of, and participation in, the Iowa Medicaid Enterprise (IME). Our approach represents the best value in terms of both quality and price to the IME.

Health Care Excel is a current contractor with the Department for the Surveillance and Utilization Review Services (SURS) component of the IME. As a CMS and state government contractor for more than 35 years, HCE meets the need for a knowledgeable, customer-focused contractor to competently support the IME objectives. Thomson Reuters (www.thomsonreuters.com), our Data Analytics subcontractor, is an experienced government contractor, and has partnered with HCE on several state and federal contracts for both Medicare and Medicaid. Between these two organizations, we bring experience, expertise, and value to the IME for the Program Integrity contract.

Health Care Excel is submitting a bid proposal for the Program Integrity RFP. We are uniquely qualified to provide these services to the Iowa Medicaid Enterprise for the following reasons.

1. We have a **highly trained staff and credentialed professional staff**—full time employees as well as peer consultants, who stay informed of the latest innovations in health care. We offer a highly-educated and flexible workforce, with many staff already in place, as HCE is the incumbent SURS contractor. Brian Fisher, BA, our current Account Manager will remain in place as the Account Manager for the Program Integrity contract. Mr. Fisher has successfully led the SURS contract since joining HCE in October 2008, including exceeding contract goals for FY 2009. Along with Mr. Fisher, all current HCE SURS staff will be retained for the Program Integrity contact work, including Jody Jones as the Operations Manager, SURS and Investigation. Ms. Jones is currently the Supervisor, Review Operations and Program Integrity for the SURS contract. Jeff Lewis will be retained as the Payment Integrity Specialist, and brings many years of Medicaid experience to the Program Integrity contract, including an extensive knowledge of the MMIS. Paul Bryan will serve as the Database Management Administrator for HCE, working in close collaboration with Thomson Reuters data analytics staff and learning the DataProbe system proposed by Thomson Reuters for this contract.

   HCE currently has 11 FTEs assigned to the SURS contract, and will increase staffing for the Program Integrity contract to 20 FTEs, including data analytic staff, a Medical Director, and others. HCE has retained Jody Helmick, MD, as the Medical Director for the Program Integrity contract. Dr. Helmick has been a Medical Director for Principal Financial Group in Des Moines since 1997 and provides medical oversight of the Special Investigative Unit. She brings a wealth of experience in medical necessity reviews, investigative reviews, development of review criteria, and work with medical policy teams to this contract.

2. We have strengthened our **client relationship management and activities** to ensure we are in touch with customers and that we are supportive and responsive to client needs.

3. We have **no conflict of interest** with respect to the RFP requirements for the services to be performed. We are not a health care provider or association, and have no financial connection to any managed care organization.

4. We have **existing relationships** with the other IME contractors, as well as other agencies such as the Medicaid Fraud Control Unit (MFCU), the Office of Inspector General (OIG), and the Attorney General's (AG) office.

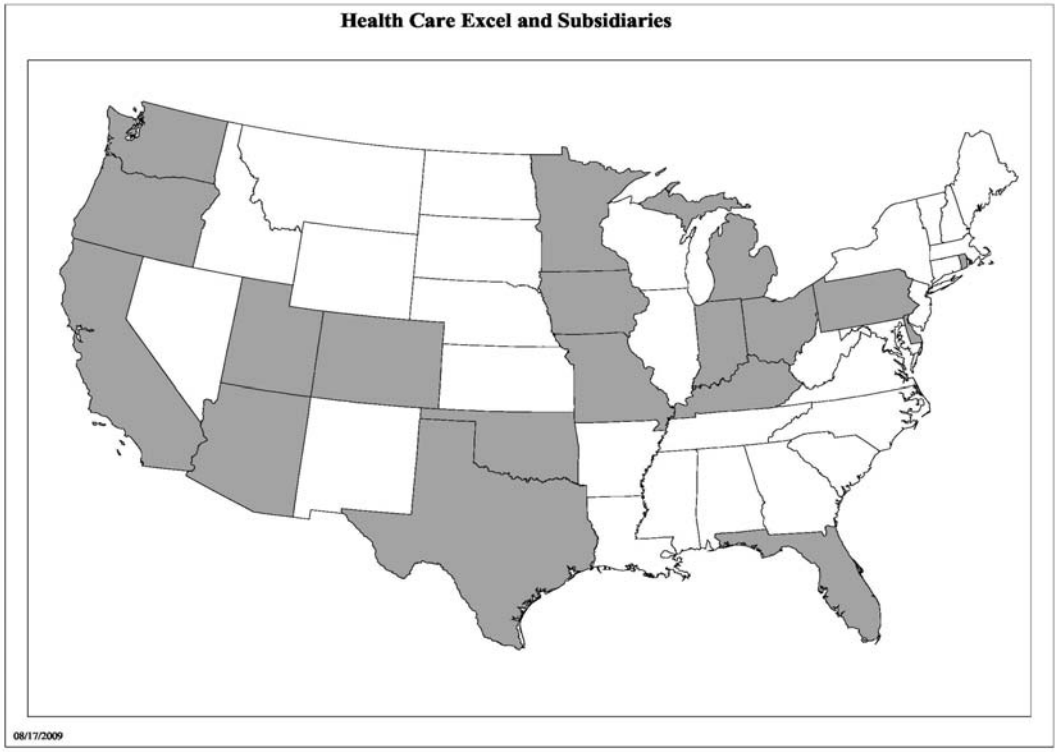
Current Organization and Management

Health Care Excel, (www.hce.org) is an IRS Code 501(c)(3) private not-for-profit organization, incorporated in Indiana in 1974. As a not-for-profit corporation, it does not have individuals or organizations with an ownership (stock) interest. Health Care Excel does not have a parent corporation. The Board of Directors includes consumers, health care managers, business and industry managers, physicians, and health care professionals, and has a representational diversity through its members.

The corporate office is located in Indianapolis, Indiana, which also serves as the office site for the Ohio Medicaid contract operations. The company has formed two not-for-profit subsidiaries. HCE of Kentucky, Incorporated primarily services the Kentucky Medicare QIO program with an office in Louisville, Kentucky. HCE QualityQuest supports specialized services to government agencies and has an office in Phoenix, Arizona. A third branded company is Q Mark, with an office in Englewood, Colorado, which specializes in HEDIS® software, and medical record abstraction services.

HCE (including its subsidiaries) maintains offices in seven states and conducts business coast-to-coast. **Figure 1** depicts states in which we have active contracts (shaded states).

Figure 1—HCE and Subsidiaries' Contracts



As we respond to the IME Program Integrity Request for Proposal (RFP), we note several key differences in the Program Integrity contract and the existing SURS services contract, including the following.

- A core of significantly enhanced Data Analytic tools and services, including an option to replace the current SURS and MARS subsystems
- Additional functional areas of Medical Necessity, Medicaid Value Management, and Investigation that will rely on Data Analytic capabilities
- Significantly increased requirements for financial cost savings and return on investment

Based on these key additions to the Program Integrity contract, HCE and Thomson Reuters offer the following.

- **Proven SURS Incumbent**—HCE is a proven, effective incumbent on the current SURS services work. We have solid expertise, experience, and a capable, expert team in place. HCE has proven its ability to work effectively with the IME and its contractors.
- **Thomson Reuters Data Analytic Tools and Expertise**—HCE is offering the proven Data Analytic tools and expertise of Thomson Reuters. These include the DataProbe system and fraud algorithms library currently being used to support other state Medicaid agencies and Medicare through the Centers for Medicare & Medicaid Services (CMS). It also includes an additional, optional proposal for use of the Thomson Reuters Advantage

Suite system to deliver advanced, CMS-certified SURS and MARS functionality. Further, HCE has experience working with Thomson Reuters on other accounts, and has a cohesive and collaborative working relationship with their staff.

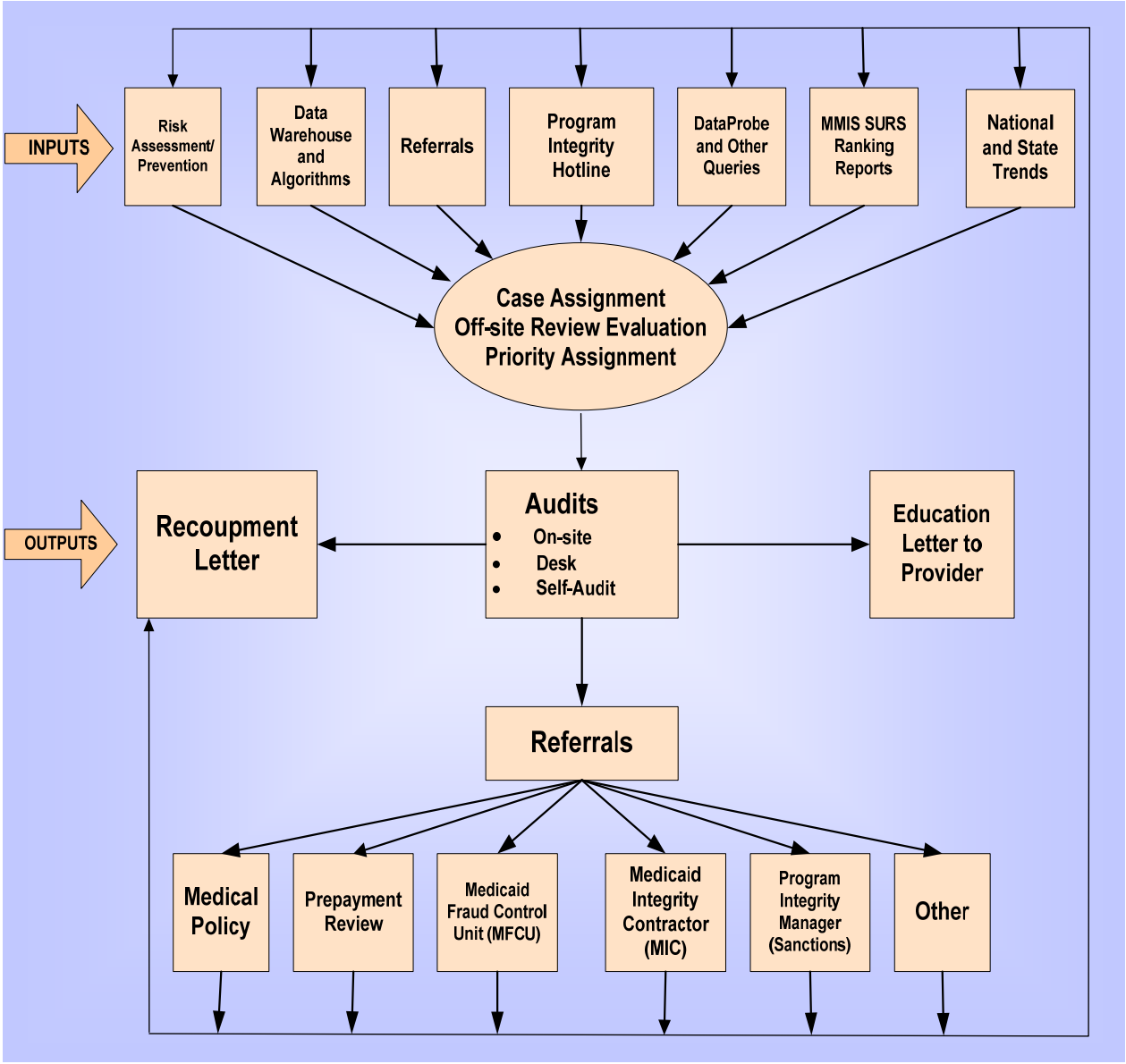
- **Experience and Expertise to Address Expanded Requirements**—HCE and Thomson Reuters have the experience and expertise to address the expanded requirements beyond the existing SURS contract. Besides Thomson Reuters' vast experience in the Data Analytic function, they bring these data analytic skills to the sampling of Medical Necessity reviews, data profiling and predictive modeling for the MVM program, and pattern analysis and trending for the Investigation function. HCE has a strong history of medical necessity reviews through state Medicaid contracts, as well as Medicare contracts with CMS. We also are experienced in value management, having conducted various quality improvement and payment error prevention projects within our Medicare QIO contracts. HCE has two Certified Fraud Examiners (CFEs) on staff who bring 20+ years each of expertise in this arena to the contract.
- **Strong Project Management Approach and Skills**—HCE and Thomson Reuters have outstanding project management skills and an approach that will ensure that the Data Analytic tools and new contract functions will be effectively implemented and operated.
- **Committed to Financial Results**—The HCE team is committed to and will achieve the greatly expanded requirements for cost savings results and return on investment. As the incumbent SURS contractor, HCE reduces the risk to the IME of having a new contractor implement a contract without projects and/or reviews to start the contract. From experience, a new contractor can take several months to conduct initial data analysis, identify reviews to be done, implement the review process, and identify recoupments or savings. The HCE team is prepared to bring ongoing projects and reviews to the Program Integrity contract to avoid any transition period without incoming recoupments for the State.
- **Not Burdened by Conflict of Interest**—Unlike a major competitor, the HCE team is not hampered by a major conflict of interest due to being owned by a parent company that is one of the largest health plans in the country. Our reviews, investigations, and analysis are objective and impartial.
- **Federal Reimbursement at 75%**--HCE is a QIO and therefore, medical record reviews conducted under this contract will be reimbursable to the IME at the higher federal reimbursement rate.

HCE is proposing a comprehensive approach to the Program Integrity contract, with expert data mining, analysis, and predictive modeling included in each component through the expertise and experience of Thomson Reuters, a nationally recognized and reputable data analytic company. The weaving of the data mining work throughout each area of the contract will ensure continuity of decision-making, collaboration among the functions, and minimal overlapping of activities to effectively utilize staff. Our experience in the SUR and Investigations components of the contract add continuity to the operations as well, and experience with the IME data systems and knowledge of common aberrancies and high risk areas allow us efficiently and effectively to implement the new components of the contract.

We provide the IME with the experience of over 15 years of Medicare quality improvement work and more than 10 years of Medicaid experience in various aspects of review and identification of fraud and abuse. Thomson's extensive experience in both federal (Medicare) and state (Medicaid) contracts offers the IME a solution to easily identifying and readily addressing common high risk areas within the Medicaid program. With HCE's experience in the review, investigations, and quality improvement arenas and Thomson's experience in the data mining, profiling, and predictive modeling, we offer the IME the best and most efficient solution for the Program Integrity contract. As a representation of our current success within the IME, HCE recognized 420% and 432% of our fiscal year financial goals for the SUR contract in State Fiscal Years 2008 and 2009 respectively.

As the current SUR contractor, HCE is very familiar with the concept of the IME, and supports the premise of "best of breed" contractors to provide the best value to the State. We have developed strong relationships with the other IME contractors, and our Account Manager and Supervisor, Review Operations and Program Integrity, meet frequently with the contractors through established, as well as ad hoc meetings. Coordination of efforts is imperative, and meetings with State policy staff and external agencies such as the Medicaid Fraud Control Unit (MFCU), the Office of Inspector General (OIG), and the Attorney General's (AG) office are held on a frequent and regular basis. HCE also works closely with Core contractor staff to identify potential changes to the MMIS, including the need for additional claims edits. We will coordinate efforts all the more with the addition of the MVM component under the Program Integrity function, scheduling ongoing meetings with Medical Services, Member Services, and Provider Services, at a minimum, to assure follow-through on recommendations made as a result of MVM projects. Figure 2, found on the following page, represent's HCE's planned coordination of the Program Integrity function within the IME. It is an integrated system in which all components *inform* other components, resulting in continual improvement.

Figure 2—Approach to Program Integrity



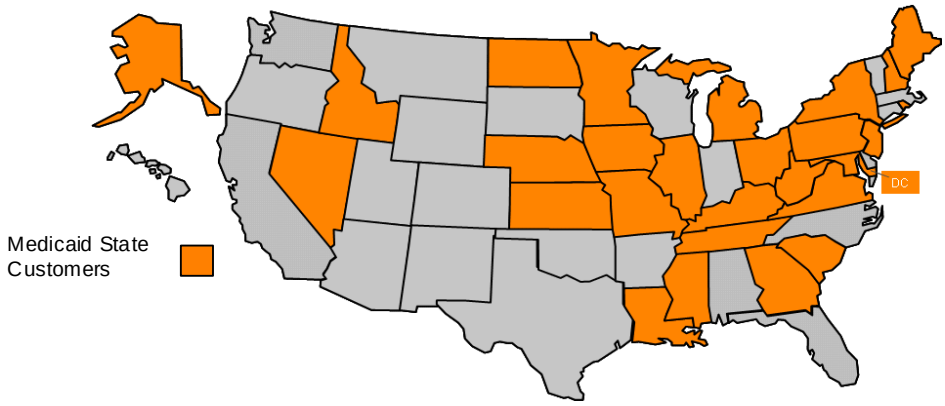
HCE proposes Thomson Reuters as a subcontractor that will provide its proven healthcare data analytics products and services. Our proposed solution includes data mining, data analytics, predictive modeling, and post-payment review tools and services that Thomson Reuters currently provides to the healthcare market. Its systems are used to mine billions of rows of Medicaid, Medicare, and private sector healthcare claims data in support of customers' program integrity efforts. HCE has experience working with Thomson Reuters to help state Medicaid agencies determine provider overpayments and underpayments and to identify suspected fraud, waste, and abuse of program services.

The healthcare business of Thomson Reuters is the nation's leader in healthcare information and Medicaid decision support and has worked with state Medicaid agencies across the country to improve budget forecasting and identify strategies for improving healthcare delivery to Medicaid program members. Unlike the nation's other major healthcare data analytics company, the healthcare business of Thomson Reuters is objective in its analyses and is not owned by a health plan that delivers medical services.

With 50,000 employees around the globe, Thomson Reuters is the world's leading source of intelligent information for business and professionals. Thomson Reuters combines industry expertise with innovative technology to deliver critical information to decision makers in the healthcare, financial, legal, tax and accounting, scientific, and media markets, powered by Reuters, the world's most trusted news organization. Each day, one billion people around the globe use a Thomson Reuters information product.

Thomson Reuters has contracts with all major Federal government healthcare agencies and 26 state Medicaid programs. For its government customers, it provides large data warehouse and decision support solutions with advanced healthcare analytics.

The map below shows the states where the Medicaid or SCHIP agency uses Thomson Reuters for decision support or related consulting services. In Iowa, Thomson Reuters works with the Department of Elder Affairs – details are provided in the corporate qualifications under Tab 9.



Thomson Reuters has contracts with all major Federal government healthcare agencies and 26 state Medicaid programs. For its government customers, it provides large data warehouse and decision support solutions with advanced healthcare analytics.

We are proposing the following Thomson Reuters tools to meet the IME data analytic needs described in the RFP.

- **First**, our **base proposal** includes the use of **Thomson Reuters DataProbe®** system. DataProbe is used extensively by State Medicaid programs and CMS to support program integrity efforts for both Medicaid and Medicare. This proven system is exceptionally fast, powerful, and flexible. DataProbe will be implemented in approximately 4 months and will be used by Thomson Reuters for the IME to:
  - determine provider overpayments and underpayments;
  - identify suspected fraud, abuse, or waste of program services;
  - improve budget forecasting; and
  - identify strategies to assist IME in improving healthcare delivery to Medicaid program members.

  The base proposal also includes the Medical Episodes Grouper and DCG software, along with capabilities from the Thomson Reuters library of fraud detection algorithms.

- **Second**, as an **optional, additional offering**, we are proposing use of the proven **Medstat Advantage Suite®** system to provide the CMS-certified MARS and SURS functionality as requested by IME. This system would replace the current Iowa SURS and MARS mainframe subsystems and would be implemented in approximately 10 months time. In addition, the Advantage Suite system will also provide clinically-rich and easy-to-use decision support capabilities to further strengthen budget forecasting efforts and the identification of strategies to assist IME in improving healthcare delivery to Medicaid program members.

  Advantage Suite is now being used for SURS in the Medicaid programs of Idaho, Nebraska, Nevada, New Hampshire, and South Carolina, and for MARS in the states of Idaho, Maine, Nebraska, Nevada, and New Hampshire.

Both DataProbe and Advantage Suite are currently being used by the State Medicaid agencies in Georgia, Missouri, North Dakota, and South Carolina. Both products are commercial-off-the-shelf (COTS) software and are readily commercially available software used without modification.

The systems will be housed in Thomson Reuters' world class Data Center located in Eagan, Minnesota on hardware and a software operating environment provided by Thomson Reuters. The systems will interface and interoperate with the IME data systems by inputs of data extracts received from IME's existing data warehouse/decision support (DW/DS) system.

Our proposed solution includes data management staff time from Thomson Reuters to implement the data analytic tools and provide monthly updates to the claims databases. We will also provide data analyst services for SURS, Medical Necessity Reviews, the Medicaid Value Management program, and Investigation work, along with a dedicated on-site data analyst solely dedicated to providing the Department with extensive standard and ad-hoc reporting and interpretation to meet IME and CMS requirements.

HCE and on-site Thomson Reuters staff will continue to be based within the IME building, as will staff added for the Program Integrity components. We will have two data analysts on site, with additional support provided by Thomson Reuters' corporate operations off-site.

HCE and Thomson Reuters have the ability and resources to successfully perform the work desired by the IME. We have the requisite working knowledge of Iowa Medicaid, the Iowa Administrative Code, and the IME data systems, strong relationships with Iowa agencies, strong corporate leadership support, highly qualified staff, access to professional consultants, and ample resources. HCE is adding a Medical Director; Operations Manager, Medical Necessity and MVM; Nurse Reviewer; and Quality Improvement Specialist to meet the expanded needs of the Program Integrity contract. The skill sets needed to fulfill this contract are readily available through our team, including employees, consultants, and subcontractors. **Table 1** describes the necessary skill sets.

Table 1—Skill Sets Required and Availability to the Contract

Knowledge, Skills and/or expertise needed	Account Manager	Operations Mgrs	Medical Director	SUR Reviewers	Data Mining Subcontractor	Payment Integrity Spec.	DBMA	Nurse Reviewer
Iowa Medicaid	X	X	X	X	X	X	X	X
IME data systems	X	X	N/A	X	X	X	N/A	N/A
Contract management and oversight	X	X	X	N/A	N/A	N/A	N/A	N/A
Provider review experience	X	X	X	X	N/A	N/A	N/A	X
Medical necessity expertise	X	X	X	X	X	N/A	N/A	X
State and federal regulatory expertise	X	X	X	X	X	X	X	X
Statistical skills	X	N/A	N/A	N/A	X	X	X	N/A
Computer competency	X	X	X	X	X	X	X	X
Data interpretation competency	X	X	X	X	X	X	X	N/A
Oral and written communication skills	X	X	X	X	X	X	X	X
Ability to use information in all media	X	X	X	X	X	X	X	X
Construction of data queries	N/A	N/A	N/A	X	X	X	X	N/A
Quality improvement expertise	X	X	X	N/A	X	N/A	N/A	N/A
Report preparation	X	X	X	X	X	X	X	X
Experience with large datasets	X	X	X	X	X	X	X	N/A
Development of Algorithms	N/A	N/A	N/A	N/A	X	X	X	N/A
Investigation expertise	X	X	N/A	X	X	N/A	N/A	N/A

Detailed work plans have been completed for all phases of the contract. SUR and Investigation operations will continue as they currently are, with minimal changes in procedures to adapt to the separate investigation requirements. HCE and Thomson Reuters staff will work closely with the IME to implement the Medical Necessity and Data Analytic work of the contract. Thomson Reuters will coordinate with the IME to assure appropriate interfaces and to establish the external data mining tool, DataProbe. DataProbe will be in place and functioning fully by November 1, 2010. We will work closely with the Iowa Foundation for Medical Care (IFMC) to transition duties related to the MVM program, including assumption of leadership of the project team. By July 1, 2010, all staff will be in place within the IME operations and will be trained on their job functions, as well as cross-trained, as appropriate, in additional job duties.

The inherent risks within this contract primarily are related to the financial goals of the IME. Within the current SUR operations, we have averaged cost savings to the IME of $3,166,639 annually for the past two fiscal years through recoupments and cost avoidance initiatives. The State's financial goals for the Program Integrity contract are ambitious, and we consider them difficult to attain. Although difficult, we do not believe the goals are unattainable. Through our coordination with Thomson Reuters, and based on their experience in other Medicaid contracts across the United States, we have identified areas of potential risk to be pursued through the MVM portion of this contract, and through Thomson Reuters' data mining and profiling capabilities, we believe the efforts within the SUR and Data Analytic component will be able to be efficiently and effectively targeted to high risk, high dollar areas where the most value to the IME can be realized.

In the following technical approach, project plan, corporate qualifications, and organization structure, we believe you will find HCE and Thomson Reuters provide the best solution to the IME for the Program Integrity contract. Through knowledge and experience with the Iowa Medicaid Enterprise, as well as extensive experience in all aspects of the Program Integrity contract, we are positioned to immediately implement the Program Integrity functions upon selection by the IME.