7.2.5 General Requirements

Section 6.1 General Requirements

a. The Department's intent in this procurement is to maintain the state's seamless delivery of all professional services for the Medicaid program. All contractors and the responsible Department administrators will continue to be located at a common state location as part of the Iowa Medicaid Enterprise (IME) administration.

HCE has been an integral part of the Iowa Medicaid Enterprise's (IME) current structure, providing services for the Surveillance and Utilization Review (SUR) function since 2005. As such, we have experienced the benefits of the coordination among contractors and the enhanced interaction with the State through the location of operations in a common locale. Staff is currently located within the State operational site and new staff will be brought into this location upon implementation of the contract. Thomson Reuters, our Data Analytics subcontractor, will have only the on-site data analyst under Section 6.2.2.2.e. based at the Des Moines location. Other Thomson Reuters staff will be on site as necessary but will not be based there.

b. The Department continues to emphasize the importance of coordination of efforts among state staff and all contractors. No single contractor can perform their required responsibilities without coordination and cooperation with the other contractors. The Department expects all contractors to maintain communication with each other and with state staff as necessary to meet their responsibilities.

Based on experience acquired through its current contract with the State, HCE envisions ongoing development of relationships with other state contractors, as well as State staff. As the Program Integrity function is expanding, the addition of staff focused on data analysis, Medical Necessity Reviews, and Medicaid Value Management (MVM) (in particular) will build upon established relationships with other contractors, as we work together to determine opportunities to enhance the services provided to the Iowa Medicaid participants. HCE's Account Manager currently participates in monthly management meetings which include personnel from all other contractors, and these meetings, as well as the MVM team meetings and ad hoc meetings as necessary, will serve as a base for discussions.

c. The Department, through its unit managers, retains the role of contract monitor for all Request for Proposal (RFP) professional services contractors. The Department will favor in this procurement bidders who have demonstrated success in cooperative, collaborative environments.

HCE serves the State in the SUR capacity, and as such, has continually developed its relationships with the other contractors within the IME operations. The current environment of sharing and access to other contractor staff has been a benefit to the SUR work, and we anticipate continued benefits in the Program Integrity work under this new contract. HCE has strong collaborative relationships with the Medicaid Fraud Control Unit, Office of the Inspector General, and the Attorney General's office, to name a few of the agencies we interact with

regularly. We anticipate strong relationships with the IME and Core contractor staff as we initiate the Data Analytic functions within the contract, and will meet with this area frequently to assure effective and efficient communication.

d. All professional services contractors will interface with the IME data systems (Medicaid Management Information System (MMIS), Point of Sale (POS) system, Data Warehouse/Decision Support system (DW/DS), call center system and other state systems) as necessary to meet their responsibilities. Interfaces may be online updates to the IME data systems or file transfers among the respective professional services contractors' data systems and the IME data systems. A professional services contractor can have online access and authority to update files on the IME data systems (except systems that other state agencies operate) as necessary to perform their required responsibilities. These updates require ongoing effective communication between the respective contractors and the Department to assure timely maintenance that is transparent to the IME data systems. All professional services contractors must meet the interface requirements described in individual RFP component sections.

The HCE team is in agreement with these requirements. We have proven experience in providing quality and timely interfaces with other systems, including updates, extractions, and imports from IME and other state systems. The HCE team will work with the IME to obtain timely, quality data transfers for the proposed software/tools and will provide the same to other contractors and the Department as authorized by the IME.

e. All professional services contractors will have access to the IME DW/DS system. To the extent that their responsibilities require analysis of data originating in the MMIS and POS system, the professional services contractors are required to bring skilled staff with demonstrated experience in querying Medicaid-related data and preparing reports for contractor and state use. Each professional services contractor will designate a primary contact for developing queries and requesting assistance from the DW/DS system manager.

As described in our response to Section 7.2.7, the HCE team will provide knowledgeable and skilled staff with proven expertise in querying database(s) for the purpose of preparing reports containing Medicaid-related data as directed by the Department. HCE has designated Paul Bryan, Database Management Administrator, as its primary contact for developing queries and requesting assistance from the DW/DS system manager.

f. All professional services contractors will require flexibility and balance to accommodate the program changes that are a natural occurrence in any health care program. The Department does not anticipate a need for contract amendments in such cases unless significant material changes occur in the scope of work. In such cases, the affected contractors must document the significance of the change and its impact on their ability to meet their service-level agreements and performance standards in their contracts.

As a current contractor within IME, HCE is well aware of the necessity of flexibility and the ability to readily adapt to changes in the program, as well as changes in processes. We have been able to quickly adapt to and incorporate changes in the SUR function and are prepared to continue to adapt in the Program Integrity work. Any changes to the Program Integrity function which are beyond the scope defined within the contract will be discussed with appropriate IME staff for ready resolution.

g. All professional services contractors will respond to Department requests for information and other requests for assistance within the timeframe that the Department specifies.

HCE currently responds within IME-designated timeframes to any requests for information and/or assistance from the Department and will continue to respond in a timely manner on all requests related to its Program Integrity function.

h. All professional services contractors must meet all requirements within their areas of responsibility.

As noted in ongoing documentation in this proposal, we are fully equipped and have the ability to meet all requirements spelled out within the Program Integrity responsibilities.

i. All professional service contractors will deliver accurate, on-time reports according to the report production requirements for their area of responsibility.

Please reference **Section 6.1.3.3.b** for details on HCE's compliance with the provision of accurate and timely reports required by its contract.

j. All professional services contractors will develop, maintain, and provide access to records required by the Department and state and federal auditors.

All records received by HCE in the course of completing reviews are maintained in OnBase keyed off the National Provider Identifier (NPI) of the provider being reviewed. The SUR database also will contain a notes section with more details related to contacts with provider staff or referral sources. This database and all tabs that are within the database can be accessed by State staff at their request. Additionally, all reports created by HCE are maintained on drives located on the State server which are accessible by State staff. HCE complies with all State and Federal records requests in a timely manner. Information and reports on DataProbe, and optionally Advantage Suite, will reside on servers in the Thomson Reuters data center unless specific report output is placed on the OnBase document management system or some other server.

k. All professional services contractors will provide to the Department reports regarding contractor activities for which the contractor will negotiate the content, format, and frequency of these reports with the Department. The intent of the reports is to afford the Department and the contractor better information for management of the contractor's activities and the Medicaid program.

Please reference **Section 6.1.3.3.b** for details on HCE's current reporting processes. HCE currently provides reports on performance as directed and approved by the IME and will continue to do so in its role as the Program Integrity contractor.

l. All professional services contractors will prepare and submit to the Department requests for system changes and notices of system problems related to the contractor's operational responsibilities.

Under the current SURS services contract, HCE has effectively worked with the Department's process for requesting system change and has provided notice of any system problems encountered while working under the current SURS contract. We will do the same under the new, additional tasks required under this expanded Program Integrity services RFP. The HCE team will ensure that new team members are trained in and practice the Department's current and future processes.

m. All professional service contractors will prepare and submit for Department approval suggestions for changes in operational procedures, and implement the changes upon approval by the Department.

All contract fulfillment procedural changes will be completed within 10 days after determination that a change is necessary. These changes to existing or new procedures are submitted to the Program Integrity (PI) Director for approval of content. Once procedures are approved by the PI Director, they are placed on the I drive in the designated Program Integrity folder. The Program Integrity Account Manager will notify the appropriate State staff that changes to procedures have been made.

n. All professional services contractors will maintain operational procedure manuals in a format specified by the Department and update the manuals when changes occur.

Please reference **Section 6.1.3.3.f** for details on HCE's development and maintenance of operational procedures according to IME guidelines.

o. All professional services contractors will ensure that effective and efficient communication protocols and lines of communication are established and maintained throughout the IME. The contractor will take non action that has the appearance or effect of reducing open communication and association between the Department and contractor staff.

HCE communicates on a daily basis with State Program Integrity staff and the State Policy team. There are regularly scheduled meetings with the PI Staff and the Policy group to discuss pending reviews and the Iowa Administrative Code. Additionally, HCE has a very strong working relationship with all IME contractors. There is daily interaction among the contractors and ongoing sharing of issues, barriers, and solutions.

p. All professional services contractors will meet regularly with other IME contractors and Department management to review account performance and resolve issues.

HCE currently meets on an as needed basis with the PI Director and PI Manager to discuss SUR activities and will continue to do so for the entire Program Integrity function. These discussions include IME's opinion regarding contract-related performance. Process changes are requested and made based on suggestions made by the State. HCE also participates in a monthly Contract Manager meeting. These meetings provide opportunities to inform the State and other subcontractors about the past month's performance and to discuss Program Integrity issues. There is open discussion during these meetings which ensures all elements within IME are comfortable with projects and reviews being undertaken by Program Integrity. We will continue to participate in ad hoc meetings as requested by the State and other subcontractors.

q. In situations where the Department permits contractors to use external data systems, the contractors must provide electronic interfaces from those external data systems to the IME data systems to support automated performance reporting.

HCE is proposing the use of the proven Thomson Reuters DataProbe system for Data Analytics. We are also providing an optional, additional proposal for the Thomson Reuters Advantage Suite system as a replacement for the current IME SURS and MARS functionality. Advantage Suite has been approved by CMS as a certified system to provide SURS and MARS capabilities.

The DataProbe system, as well as the optional Advantage Suite system, will have electronic interfaces to receive data extracted from the IME data warehouse/decision support (DW/DS) system as described in Question 42 on pages 12-13 of the Bidder Questions document.

Additionally, with regard to performance reporting, as required by Section 6.1.3.1a.2., performance reporting will be done using as much automation as possible. Information from the Thomson Reuters data analysis systems will be used to help support automated performance reporting.

The HCE team will utilize a Microsoft Access database for automated performance reporting. All project and task outcomes will be tracked using the database. We will develop a dynamic report in Access with several sections, allowing us to easily report on performance achievements in an automated fashion. The first section of the report will be a "dashboard" of cumulative savings identified in each area (SURS, Data Analytics, MVM, etc.), including a graphic representation of savings relative to goals. Subsequent sections of the report will detail savings in each area by project or specified task, again including goals and progress toward those goals. Savings will be stratified by actual recoveries, dollars avoided, and dollars identified for potential recovery.

We also expect to provide an interface to provide report output as appropriate to be posted on the OnBase document management system, including SURS and MARS reports that could be generated by our optional Thomson Reuters Advantage Suite SURS and MARS functionality.

6.1.1 Staffing

HCE, through its current SUR contract with the IME, has a strong group of employees who will continue in the SUR function. All current SUR employees are anticipated to be retained for the Program Integrity contract. In addition, we will be adding staff to address the changing focus of the contract, including a Medical Director; nurse reviewer for the medical necessity reviews; a quality improvement specialist and data analyst for the Medicaid Value Management projects; and on-site data analyst, as well as off-site support, for the Data Analytic function. We will leverage one of our current Certified Fraud Investigators to focus on the Investigations work outlined in this RFP. Additional details on staffing may be found in **Tab 8, Project Organization**.

6.1.1.1 Named Key Personnel

a. Account Manager—Brian Fisher, BA, will serve as the Account Manager for the Program Integrity contract. Mr. Fisher currently serves as HCE's Account Manager for the IME SUR contract, and as such, brings continuity to the contract and the work processes. His previous experience includes investigative work for Wellmark and Cahaba, as well as serving as a unit manager for Cahaba. He brings a wealth of knowledge and experience to this position, and has established relationships with State staff, as well as other IME contractors and external agencies.

b. Transition Manager—Brian Fisher also will serve as the Transition Manager for the Program Integrity contract.

c. Medical Director—Jody Helmick, will serve as the Medical Director for the Program Integrity contract. Dr. Helmick currently serves as the Medical Director for Principal Financial Group in Des Moines, Iowa. She has been with Principal Financial since 1997 in various Medical Director capacities (including assistant and associate), and has been in her present position as Medical Director since 2004. Her experience has included a focus on investigative and medical necessity reviews, as well as development of criteria and medical policy. She is a Fellow in the American Board of Family Practice and is board-certified in Family Practice.

d. Operations Manager, SUR and Investigation—HCE's current supervisor of Review and Program Integrity, Jody Jones, will serve as the Operations Manager for the SUR and Investigation functions of the Program Integrity contract. Ms. Jones has worked in the IME SUR unit within IME for the past three years, serving in the supervisory capacity for the past two years. She has established strong relationships with the external agencies such as the Medicaid Fraud Control Unit, Office of the Inspector General, and the Attorney General's office, as well as with the other IME contractors and State staff. Ms. Jones' experience will provide continuity to the SUR and Investigation functions within the new Program Integrity contract.

Operations Manager, Medical Necessity and Medicaid Value Management—Annie Cruse, RN, will serve as the Operations Manager for the MVM and Medical Necessity components of the Program Integrity work. Ms. Cruse has served as a quality improvement nurse, nurse consultant, and a manager of the medical review function at Cahaba for the past 22 years. She brings a strong background and wealth of experience to the functions she will oversee. As a Senior Nurse Consultant for Cahaba, Ms. Cruse was responsible for internal staff

training and development, as well as provider training. She also managed assigned projects and performed quality assurance duties. In her role as the Medical Review Manager, she supervised 16 staff members and provided education and training for staff members as well as providers.

6.1.1.1.1 Key Personnel Requirements

a. HCE's Account Manager, Brian Fisher, is currently employed by HCE as the Account Manager for the SUR function within the IME.

b. Ms. Jones is currently a Supervisor within HCE's SUR contract with IME. Ms. Cruse and Dr. Helmick have committed to commence employment 30 days prior to initiation of the contract work, and will be in place by June 1, 2010.

c. and d. HCE acknowledges that key personnel must remain in the contract for at least the first six months of operations and will not replace these personnel except in cases of resignation, termination, or the individual's death.

Table 1—Key Personnel for Program Integrity

Key Person	Qualifications	Start Date	Special Requirements
Account Manager – Brian Fisher	Has been in account management and supervisory roles with Cahaba and Health Care Excel since 2003. Currently oversees the HCE SUR contract within the IME. Strong background in Medicaid, and is knowledgeable of HIPAA regulations and other Iowa Medicaid rules and regulations.	Contract signing date	Mr. Fisher is currently employed by Health Care Excel and will be dedicated 100% to the Program Integrity contract.
Transition manager	Brian Fisher also will serve as the Transition Manager.	Currently employed	Same as Account Manager
Medical Director—Jody Helmick, MD	Dr. Helmick currently serves as the Medical Director for Principal Financial Group in Des Moines, Iowa. She has been with Principal Financial since 1997, with key roles in medical necessity and investigative reviews, as well as developing criteria and medical policy.	30 days before operations phase	Dr. Helmick will serve solely in this capacity within the IME Program Integrity contract.
Operations Manager, SUR and Investigation	Ms. Jones is a Registered Nurse and has served in a supervisory capacity within the HCE SUR contract since 2007. She has been responsible for overseeing the review functions within the SUR contract, as well as providing mentoring support to staff, particularly in the area of the appeals process.	Currently employed	Ms. Jones is a current HCE SUR employee and will be 100% dedicated to the IME Program Integrity contract.

Key Person	Qualifications	Start Date	Special Requirements
Operations Manager, Medical Necessity and MVM	Ms. Cruse is a Registered Nurse with a Bachelor's Degree in Psychology. She has four years of experience in managing medical review functions with a Government contractor (Cahaba) and has served in a nurse consultant and quality improvement capacity within this organization.	30 days before operations phase	Ms. Cruse will begin work with HCE by June 1, 2010, for purposes of education and training prior to implementing operations. She will be 100% dedicated to the IME Program Integrity contract.

6.1.1.1.2 Key Personnel Resumes

Resumes for key personnel can be found on the following pages.

Resume

Brian Fisher, BA

Account Manager

BA—Accounting, University of Northern Iowa

BRIAN FISHER, BA

ACCOUNT MANAGER

PROFESSIONAL EXPERIENCE

Health Care Excel, Des Moines, Iowa

Account Manager, Iowa Medicaid Enterprise, Surveillance and Utilization Review (SUR)

2008—Present

- Oversee the daily operations of the Surveillance and Utilization Review Services subcontract for the Iowa Medicaid Enterprise.
- Responsible for meeting and reporting on all contract obligations established by the State of Iowa.
- Work internally with State Policy departments, the Medicaid Fraud Control Unit, Iowa Attorney General and other State subcontractors to ensure proper payment for Medicaid services.
- Staffing oversight of 11 associates.
- Led the SUR team to successful achievement of contract financial goals.

Cahaba GBA, Des Moines, Iowa

Unit Manager, Operations, 2003—2008

- Responsible for management of all claims payment for Medicare Part A operations, Support Services coordination with EDC data center, Midwest Office Mailroom.
- Staffing oversight of 38 associates.
- Projects completed include conversion of Part A operations to a new data center, assisting with ISO certification, claims department lead for MAC bid process, cost reduction through process improvement techniques.

Support Services Manager, 2001-2003

- Responsible manager for Compliance, Quality Assurance, Quality Improvement, CMS Coordination, Budget Preparation and Internal System Adjustments.
- Staffing oversight of 17 associates.
- Responsible for Corporate Compliance (CAST, MMORP, Internal and External Audit Coordination), Disaster Recovery, HIPAA Compliance, Maintenance of Time Recording System, Compliance with CMS Budget Requirements.
- Coordinated 2003 United Way Campaign for the Midwest Office.

Senior Investigator

December 1999—2001

- Maintained case load of 15 to 20 active law enforcement cases.
- Responsible for training new investigative staff.
- Supervised investigative staff through quality review and as a subject matter expert for questions.
- Participated in Benefit Integrity conferences as a representative of the Intermediary.
- Responsible for all Medicare cost report cases involving chain organizations.

Wellmark, Inc., Des Moines, Iowa

Investigator II, 1997—1999

- Consistently maintained a case load of 25 active law enforcement cases.
- Worked on a daily basis with OIG, FBI and AUSAs from across the United States.
- Was lead investigator in five cases in which the owners of home health agencies were convicted and excluded from the Medicare Program.
- Participated in search warrants of Iowa based Medicare providers.
- Used as an expert witness in both Federal and Grand Jury proceedings.
- Provided cost report training in one-on-one settings with agents from both the OIG and the FBI.
- Presented Medicare cost report training seminar to over 100 representatives of law enforcement and Medicare contractors.
- Fraud Unit liaison with the audit department

Senior Medicare Auditor, 1993—1997

- Completed Medicare cost report audits for home health agencies, hospitals, skilled nursing facilities and outpatient rehabilitation facilities.
- Participated in approximately 70 on-site home health agency audits.
- Hired, trained and supervised summer interns and temporary staff for home health agency audit functions.
- Participated in committees to improve the audit process and communication with the provider community.
- Consistently completed assigned work within 75% of budget.

REFERENCES

Mike R. Burris
Wellmark Health Plan of Iowa
636 Grand Avenue
Des Moines, IA, 50309
(515) 248-5540
Burrism@Wellmark.com

Richard N. Sloma
Coventry Healthcare of Nebraska and Iowa
4320 114th Street
Urbandale, IA 50322
(515) 371-3585
RNSloma@cvty.com

Scott Hruska
Noridian Administrative Services
100 Army Post Road
Des Moines, IA 50315
(515) 725-1159
Scott.Hruska@Noridian.com

Resume

Jody Helmick, MD

Medical Director

Family Practice Residency—Broadlawns Medical Center, Des Moines, Iowa, 1988

Medical Doctorate—University of Iowa College of Medicine, Iowa City, Iowa, 1985

BS—University of Northern Iowa, Cedar Falls, Iowa, 1981

JODY HELMICK, MD

MEDICAL DIRECTOR

PROFESSIONAL EXPERIENCE

2004 to present	Medical Director, Principal Financial Group, Des Moines, Iowa
2001-2004	Associate Medical Director, Principal Financial Group
1997-2001	Assistant Medical Director, Principal Financial Group
1988-1997	Integra Health Medical Foundation/West Des Moines, Iowa, (Multispecialty group practice- formerly Iowa Physician's Clinic, formerly Family Practice Associates)

EXPERIENCE SUMMARY

In my current role as Medical Director I am responsible for the medical oversight of the Special Investigative Unit and majority of time is currently spent in bed-day management. Other regular work involves Group Medical Underwriting, Medical Necessity reviews, disability claim file reviews, review of new technologies and determination of Experimental/Investigational nature, development of criteria/guidelines for use in medical review, transplant case reviews, case management reviews, Special Investigative Unit file reviews, development of provider audit, education of staff, development of training programs for Medical Director and nurse investigator education, participation in Grievance Panel reviews, I have direct interaction with nurse reviewers, treating physicians, consulting physicians, Legal, Compliance and Medical Policy teams.

SPECIAL COMMITTEES AND ACTIVITIES

NHCAA Medical Directors Advisory Group, Representative for PFG)

Speaker at the PFG Women in Distribution Forum, Pursuit of Women Wellness, 2007

Claims Issue Coordination Committee (PFG)

Excessive Fees Committee, SIU/PPO Process Improvement Group

Payment Optimizer Workgroup (PFG)

Speaker at the Spring Global Health Claims Conference, Varicose Veins, 2006

Development of formal Medical Director training programs for SIU and DI areas

Speaker to Disability Claims area, Fibromyalgia, 2004

Formal education of Transplant Coordinators, Pulmonary Function Testing

Formal education of the SIU Investigative Nurses, (Suspected fraud/intentional deception in medical records, record review process)

Reimbursement Committee, Integra Health

New Physicians Committee, Iowa Medical Society

Medical Records Committee, Iowa Methodist Medical Center

Marketing Committee, Iowa Physician's Clinic

Recruitment Committee, Iowa Physician's Clinic

Women in Medicine Committee, Iowa Medical Society

Advisory Committee of Alternative High School Daycare, Polk County Services

Health and Wholeness Committee, United Methodist Church of WDM

SPECIAL RECOGNITIONS

EnCore Award- Principal Financial Group, June 2005
Service Award, nomination by peers.

EDUCATIONAL

Dimensions in Leadership course, 2006-07
URAC accreditation updates, Fraud 101, Corporate Code of Ethics California Fair Claims, Workplace Violence, (other CME)
Mandatory Reporting and Abuse training Iowa, 2003, 2008
Bioterrorism CME, 2005, 2009
Medical Ethics, 2005, 2007, 2009

CERTIFICATIONS AND LICENSURE

- **American Board of Family Practice Recertification, July 2008**
- **American Board of Insurance Medicine, November 2001**
- **American Board of Family Practice Recertification, July 2001**
- **Fellow- American Board of Family Practice, September 1997**
- **American Board of Family Practice Recertification, July 1994**
- **American Board of Family Practice- Board Certification, July 1988**
- **North Carolina License # 01469, 2009**
- **Nevada Medical License # 9699, 2001 to present**
- **Iowa Medical License # 25535, 1985 to present**
- **Mississippi and Oklahoma Licensure currently in progress- 2009**

ELECTED POSITIONS

Dimensions in Leadership (PFG), Practice Management Committee, Integra Health

Chair of Department of Family Practice, Iowa Physicians Clinic

Medical Executive Committee, Broadlawns Medical Center

REFERENCES

Amr Kamhawy, MD
Integra Health
6000 University Avenue, Suite 101
West Des Moines, Iowa 50266
(515) 241-2600

Scott Fackrell, MD
Integra Health
6000 University Avenue
West Des Moines, Iowa 50266
(515) 241-2600

Tim Gutshall, MD
Iowa Foundation for Medical Care
1776 West Lakes Parkway
West Des Moines, Iowa 50266
(515) 223-2900
tgutshall@ifmc.org

Resume

Jody Jones, AS

Operations Manager, SUR & Investigation

Associate Degree—Nursing, Kirkwood Community College, Cedar Rapids, IA

JODY JONES, AS

OPERATIONS MANAGER, SUR AND INVESTIGATION

PROFESSIONAL EXPERIENCE

Health Care Excel, Des Moines, Iowa

Supervisor of Review Operations and Program Integrity, Iowa Medicaid Enterprise (IME), Surveillance and Utilization Review (SUR)

July 2007—Present

- Maintains position descriptions, hires, and trains SUR reviewers.
- Supervises all appeals in accordance with the Iowa Administrative Code and Iowa Code, as well as other applicable State and Federal law and procedures in regards to provider appeal hearings.
- Attends fraud task force meetings, policy meetings; oversees workflow; final review of codes and issues.
- Work closely with the Assistant Attorney General for the SUR department in preparation for hearings and assistance with current cases. Performs and assists reviewers with on-site and in house medical record reviews.
- Works closely with other members of management team to keep the contract growing in a positive direction.
- Work closely with State staff to suggest changes to current Iowa Administrative Code and assist with interpretation of current codes.
- Recommends, implements, and assists in any changes made to procedures.

SUR Reviewer, January 2007—July 2007

- Conducted post payment review of medical records in support of claims paid by Iowa Medicaid to ensure compliance with policies and rules of the Iowa Administrative Code. Reviews performed in office and on-site.
- Formulated written notification to providers of both educational and recoupable issues determined to be present within the medical record, which are not in compliance with the policies.
- Represented the Department of Human Services (DHS) in In-person and telephone appeal hearings
- Served as a educational resource to providers of service, identifying and implementing cost avoidance activities for the Iowa Medicaid Enterprise system.

Independent Contractor, Holdrege, Nebraska

Nurse Auditor, September 2005—January 2007

- Performed every aspect of medical review auditing.
- Worked with four separate companies to complete medical audits for multiple insurance companies in a timely manner. Responsible for scheduling and all travel arrangements.
- Collected data on all facilities and kept updated records on each.
- Responsible for educational sessions with each facility to promote positive change and assisted them in providing quality heath care with sufficient documentation.

Good Samaritan Hospital, Kearney, Nebraska

Medical Audit Specialist, Sept 2003—March 2006

- Performed duties within the Reimbursement Department to include reviewing all patient requested audits.
- Coordinated all 3rd party payer audits within a restricted time frame.
- Performed Quality Assurance audits of multiple departments in the facility.
- Identified problem area's and assisted staff in finding a more efficient and acceptable way to better each process.
- Participated in monthly meetings to monitor and assess the effectiveness of the Charge Master.
- Participated in the Billing Practices committee to council and advise various departments of how to bill more efficiently while making it easier for the customer to understand.

Mercy Medical Center, Des Moines, Iowa

NICU R.N., Sept 2002—Sept 2003

- Performed nursing duties to include but not limited to medication administration, family education, assisting with radiology procedures and phlebotomy duties.
- Planning and scheduling all treatments for each patient during a 12 hour shift.
- Monitored and recorded vitals.
- Assisted families in dealing with the stress and pressures associated with having a baby in the NICU.

Mercy Hospital, Cedar Rapids, Iowa

NICU R.N., Aug 2000—Sept 2002

- Performed all aspects of floor nursing
  - ✓ Performed nursing duties that included medication administration, family education, assisting with radiology procedures and phlebotomy duties
  - ✓ Planned and scheduled all treatments for each patient during a 12 hour shift.
  - ✓ Monitored and recorded vitals
  - ✓ Assisted families in dealing with the stress and pressures associated with having a baby in the NICU.

Mercy Hospital, Iowa City, Iowa

Phlebotomist/Unit Clerk, 1997—2000

- Performed phlebotomy duties for experience while attending college in Cedar Rapids.
- Performed unit clerk duties though out the entire hospital on the night shift.
- Taught Lamaze classes

REFERENCES

John Judisch, JD, LL.M.
Director, Medicaid Fraud Control Unit
Iowa Dept. of Inspections & Appeals
Lucas State Office Bldg., 3rd Floor
Des Moines, Iowa 50319
Telephone: (515) 281-7086
E-mail: john.judisch@dia.iowa.gov

C. Roderick Reynolds, Assistant Attorney General Area of Prosecution assigned to MFCU
Lucan Office Building, 3rd Floor
321 East 12th street
Des Moines, Iowa 50319-0083
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Kelly Espeland
Manager of Quality and Accountability
Iowa Foundation for Medical Care
Iowa Medicaid Enterprise
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Des Moines, Iowa 50315
Telephone: 515-725-1345
E-mail: Kespelan@ifmc.org

Resume

Annie Cruse

Operations Manager, Medicaid Value Management (MVM) and Medical Necessity

BS—Psychology, Iowa State University, Ames, Iowa
AS—Nursing, Des Moines Area Community College, Boone, Iowa

ANNIE CRUSE, BS, RN

OPERATIONS MANAGER, MVM AND MEDICAL NECESSITY

PROFESSIONAL EXPERIENCE

CahabaGBA, Des Moines, Iowa

Manager Medical Review, 2005--Present

- Manage the medical review department of a large Medicare Regional Home Health and Hospice intermediary
- Supervise 16 staff
- Manage workload, training and education of providers and staff
- Maintain accountability to the Centers for Medicare and Medicaid Services (CMS) regarding claims review timelines, workload, quality of work performed and education provided
- Implement CMS Medical Review requirements of Progressive Corrective Action, Medical Review Strategy, and all other CMS mandates

Wellmark/CahabaGBA, Des Moines

Nurse Consultant/Senior Nurse Consultant, 1997—2005, 1987—1996

- Trained and developed internal staff, in charge of provider training, and managed projects as assigned.
- Performed quality assurance duties—on-site provider auditing and external group presentations
- Performed a wide variety of activities in the medical review department
- Required to make accurate medical coverage decisions on claims for all types of Medicare A services—home health, hospice, skilled nursing facility, and hospital outpatient
- Responsible for keying in all decisions into the Medicare claims processing system

VNA of Des Moines, Des Moines, Iowa

Quality Improvement Nurse, 1996—1997

- Performed quality assurance duties in a large Medicare certified home health agency
- Oversaw plans of care, orders, and other documentation and ensured that they med Medicare requirements
- Performed staff training in Medicare guidelines

Columbia Homecare Group, Dallas, Texas

Clinical compliance Specialist, 1995—1996

- Performed mock on-site Medicare chart audits of home health agency claims; required extensive travel, ability to work independently, a thorough knowledge of Medicare guidelines, and the ability to communicate face-to-face and in writing with agency staff

Decatur County Hospital, Leon, Iowa

Staff Nurse, 1985—1987

- Worked on 12-bed inpatient Adolescent Behavioral Medicine unit
- Assisted with patients medical needs to include physical exams, passing medications, and performing medical treatments
- Participated in group therapy and recreational therapy with patients

Mary Greeley Medical Center, Ames, Iowa

Staff Nurse, 1985

- Worked on a 43-bed inpatient medical/surgical floor
- Assessed post-operative patients, gave IV medications, and performed medical treatments
- Performed patient care planning to ensure patients received optimal nursing care

LICENSURE

Registered Nurse, July 1985

ACADEMIC ACHIEVEMENTS

Member—Psi Chi psychology honorary society

REFERENCES

Mr. Richard Sloma
Vice President of Medicare
Coventry Health Care of Iowa and Nebraska, Inc.
4320 114th Street
Urbandale, IA 50322
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6.1.1.1.3 Key Personnel References

References for our proposed key personnel can be found in Table X.

Table 2—Key Personnel Reference Information

Name and Title	Reference # 1	Reference # 2	Reference # 3
Brian Fisher, BA Account Manager / Transition Manager	Mike R. Burris Wellmark Health Plan of Iowa 636 Grand Avenue Des Moines, IA, 50309 (515) 248-5540 Burrism@Wellmark.com	Richard N. Sloma Coventry Healthcare of Nebraska and Iowa 4320 114th Street Urbandale, IA 50322 (515) 371-3585 RNSloma@cvty.com	Scott Hruska Noridian Administrative Services 100 Army Post Road Des Moines, IA 50315 (515) 725-1159 Scott.Hruska@Noridian.com
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Jody Jones, AS, RN Operations Manager: SUR and Investigations	John Judisch, JD, LL.M. Director, Medicaid Fraud Control Unit Iowa Dept. of Inspections & Appeals Lucas State Office Bldg., 3rd Floor Des Moines, Iowa 50319 Telephone: (515) 281-7086 E-mail: john.judisch@dia.iowa.gov	C. Roderick Reynolds, Assistant Atty. General Area of Prosecution assigned to MFCU Lucas Office Building, 3rd Floor 321 East 12th street Des Moines, Iowa 50319-0083 Telephone: (515) 281-8209 E-mail: Rod.Reynolds@DIA.Ia.gov	Kelly Espeland Manager of Quality and Accountability Iowa Foundation for Medical Care Iowa Medicaid Enterprise 100 Army Post Road Des Moines, Iowa 50315 Telephone: 515-725-1345 E-mail: Kespelan@ifmc.org
Annie Cruse, BS,RN Operations Manager: MVM and Medical Necessity	Mr. Richard Sloma Vice President of Medicare Coventry Health Care of Iowa and Nebraska, Inc. 4320 114th Street Urbandale, IA 50322 (515) 225-1234, x3104 rnsloma@cvty.com	Ms. Fay Baier, RN, MBA, RHIA Nurse Consultant, CMS Region X DHHS-CMS MIS-46 2201 6th Avenue Seattle, WA 98121 (206) 615-2347 (work) (360) 649-3751 (cell) Fay.Baier@cms.hhs.gov	John Olds, MD Physician Consultant Iowa Board of Medical Examiners 400 SW 8th Street, SuiteC Des Moines, IA 50309 (515) 242-3229

6.1.1.1.4 Department Approval of Key Personnel

HCE acknowledges the Department's authority to approve all key personnel. Any changes required in key personnel will be submitted immediately to the IME Program Integrity Director

and HCE will provide appropriate and skilled candidates for replacement within required timeframes.

6.1.1.1.5 Changes to Contractor's Key Personnel

HCE acknowledges the Department's authority to approve all key personnel, including any candidates for positions vacated during contract operations. We will submit resumes' for qualified candidates to the Program Integrity Director for approval within the IME established timeframes. HCE will provide the Program Integrity Director with 15 days notice prior to any proposed replacement or transfer of key personnel and will offer the opportunity for the Program Integrity Director to meet with any proposed replacement personnel.

6.1.1.2 Special Staffing Needs

a. HCE professional medical staff members currently employed through the IME SUR contract are licensed appropriately for their degree/specialty within the state of Iowa and are appropriately insured.

b. HCE staff members for the current SUR contract are cross-trained with other staff to assure all functions of the contract are covered in the case of absence of staff members. As additional functions are added within the Program Integrity contract, additional cross-training will occur, particularly to cover the medical necessity and Medicaid Value Management program functions. Thomson Reuters will assure all data analytic functions are effectively supported and analysts are cross-trained to provide support for various functions as needed.

c. HCE's Account Manager and Operations Managers will assure appropriate coverage of all job functions within the Program Integrity area at all times through intensive cross-training and education of staff.

6.1.2 Facilities

6.1.2.1 Permanent Facilities

The Department expects that all staff directly associated with the provision of contract services to the IME during the Operations and Turnover Phases will be located at the IME permanent facility. Within the General Requirements section of the Technical Proposal, the bidder will provide the Department with the estimated total number of staff, specifying key personnel, other managers or supervisors, and staff.

HCE staff directly related to the provision of services under the Program Integrity function will be located within the IME permanent facility. These staff will include the current SURS staff; Operations Manager, Medical Necessity and MVM; Medical Necessity Reviewer; Quality Improvement Specialist for the MVM; a Data Analyst; and Medical Director. We anticipate 16 staff members on-site within the IME permanent facility. An on site data analyst as required by Section 6.2.2.2.e and several more off-site experts from Thomson Reuters will be added to the

team including data managers, data analysts, management oversight, database architect/DBA, and pertinent subject matter experts such as certified fraud analysts, state and federal reporting experts, SURS and MARS experts, clinicians, and others as needed to ensure that the Data Analytics implementation and operations are successful.

Thomson Reuters is proposing to maintain the Data Analytic tools at servers located at its primary data center operations in Eagan, Minnesota. In addition, some data analytics personnel will be located at other Thomson Reuters facilities and will provide remote support. The required data analyst under Section 6.2.2.2.e will be located in the IME permanent facility in Des Moines.

6.1.2.1.1 State Responsibilities

a. At no cost to the vendor, the Department will provide the following:

1. **Office space for all IME staff**
2. **Desks, chairs, and cubicles**
3. **Network infrastructure and network connections**
4. **Personal computers**
5. **Telephones and facsimile (fax) machines**
6. **Photocopiers and copier paper**
7. **Network printers**
8. **Licenses for contractor staff using the MMIS, OnBase, Cisco® Unified Contact Center Express, Pharmacy POS, and DW/DS applications; standard Microsoft Office packages; and other standard software packages (such as Visio or MS Project) as necessary for individual jobs that require them.**

HCE is aware of the State's provision of office space and needed equipment, technology, and some supplies for the contract staff. The numbers of staff members included in this bid may be found in **Tab 8**, **Project Organization,** as well as in **section 6.1.2.1** above**.** We anticipate the need for a computer for each employee, including the part-time Medical Director.

b. The Department will provide conference rooms at the IME site for meetings among contractor personnel, state staff, providers, and other stakeholders.

The HCE team will utilize these resources throughout the DDI and Operations and Turnover. Heaviest usage will occur during DDI and any future projects where the HCE team will scale up to include additional experts to meet the deliverables and project requirements.

c. The Department will also provide some additional workspace, desks, PCs, and telephones for state, federal, or contracted consultant staff members who are conducting reviews and assessments.

The HCE team appreciates these additional facilities. They will be put to good use at various times during the initial implementation and throughout the life of the contract.

6.1.2.1.2 Contractor Responsibilities

The Department expects contractors to provide the following equipment:

a. Proprietary or other software that is not commercially available (other than the standard commercial packages provided by the Department) as approved by the Department.

Thomson Reuters, the HCE subcontractor for Data Analytics, supports its customers in several service and hardware variations as described below. We have noted advantages and disadvantages (from the Thomson Reuters perspective and experience) for each scenario. For IME Data Analytics under this RFP, we are proposing a service center approach, with Thomson Reuters maintaining Data Analytics data operations off-site.

Customer-Owned Equipment on Customer's Premises

In this scenario, the customer owns and provides the hardware and operating software environment on which the DataProbe database resides. While Thomson Reuters is actively involved in performing database updates, the customer is responsible for certain system administration and other maintenance functions that can only be accomplished by the customer's on-site staff. Thomson Reuters has several Medicaid customers who have found this model to fit well with their business objectives.

Advantages

- State customers can sometimes secure more favorable governmental discounts on hardware and related equipment.
- Customer may already own current adequate equipment.
- If the hardware purchased is dedicated, performance can be optimized provided that sufficient hardware capacity and operational expertise and staff support exists.
- The State owns an asset that it can deploy appropriately in response to changing business needs and priorities.
- The State has flexibility concerning the specific timing of hardware maintenance activities.

Disadvantages

- Many Medicaid customers do not have the operational environment necessary to support the application and database.
- The resources necessary to maintain the operating environment are often not available.
- Qualified staff resources may be available, but they lack the time necessary to operate and maintain the environment. Often, Thomson Reuters sees priorities within state agencies necessarily shift to annual budget hearings, new administrations, legislative

interests, etc. The resources once dedicated to the database are then asked to focus on other initiatives.

- The support needed for database updates, hardware maintenance, and product support is variable and intermittent, rendering it infeasible for anyone in the customer's organization to develop the expertise only attained from repetitive, high-volume activity. Similarly, there is a lack of critical mass in these resources, such that if someone is ill, on vacation, or leaves State employment, there is a disruption to operations.
- Limitations in state budgets and travel restrictions may limit the opportunities available for ongoing training and general awareness needed to identify beneficial upgrades.
- Restrictive capital acquisition policies could make it difficult to purchase ongoing hardware upgrades needed for optimal operation of the system.
- State-owned operating systems may be incompatible with new applications.

Service Center/ASP Model

In this scenario, the system database, application, and hardware are all located at the Thomson Reuters Data Center in Minnesota. The hardware is owned and maintained by Thomson Reuters and their staff performs database updates and system administration. The majority of customers elect the Service Center model because of Thomson Reuters healthcare data expertise and a proven track record of nearly 30 years of experience consistently providing these services. Its Data Center is dedicated to Thomson Reuters customers; they do not "sell space" to other non-customers as do other vendors is this industry.

Advantages

- Limited State resources can be focused on primary objectives and not be diverted to support other management functions.
- As a vendor with high-volume activity in this area, Thomson Reuters has developed a critical mass of expertise in all facets of hardware, software, database updates, and data security.
- Hardware replacement and upgrades built into the annual fee allow the State to have predictable costs, precluding the need to go back to the department, administration, CMS, or the legislature to justify additional capital outlays.
- A Service Center allows opportunities for processor and disk resource balancing during peak usage periods, effectively resulting in "surge" capacity infeasible for the State to purchase.
- The vendor performs software upgrades and patches at times that are not disruptive to the State's reporting and analytical activities.
- The uniform operating environment permitted only in a Service Center environment ensures product compatibility and optimization with the operating environment.
- Overall costs are extremely competitive due to large-scale operational efficiencies and expertise.

Disadvantages

- The State is buying capacity and a service agreement, rather than an identifiable asset.
- Existing State data center resources may be under-utilized.

b. Personal workstation printers and associated cables and software, as approved by the Department, to connect them to and use them at the workstations for which the contractor must sign over ownership to the Department.

c. Office supplies (except for copier paper and envelopes).

d. Any special needs equipment for ergonomic or other purposes.

The HCE team will provide the above equipment as needed. Our team will employ the software and hardware provided by the Department, will provide its own office supplies, and will provide any special needs equipment for our team members.

6.1.2.2 Courier Service

a. Because contractor and state staff are located at the IME facility during operations, contractors do not need to provide courier service. The Core MMIS contractor provides courier service and arranges for pick-up and delivery of IME material to and from specific external entities, specifically the Capitol complex and the United States Post Office.

HCE currently sends and receives all mail through the IME courier service and will continue to utilize this service in the Program Integrity contract. We will continue to submit all regular outgoing mail through the IME mailroom.

b. All outgoing mail will go through the IME mailroom, including regular daily mail and small-volume mailings.

1. **For large-volume mailings, the Department will identify the most cost-effective way to print and mail.**
2. **The contractor generating the mailing will be responsible for providing a print ready copy of the documents to the printer the Department selects (such as the state print shop or a commercial print shop).**
3. **The Core MMIS contractor will be responsible for the small-volume mailings, and the Department will identify the mailing entity for large-volume mailings.**
4. **The Department will pay all postage and external entity mailing costs for IME operational costs.**

On a regular basis, HCE must mail out large binders of materials for appeal processes. We have utilized the State's print shop in the past for printing purposes, and have worked with the

Department to identify the most cost-efficient method for mailing of these large volumes. This process has worked well and we will continue to follow this established procedure.

6.1.3 Contract Management

6.1.3.1 Performance Reporting and Quality Assurance

a. HCE acknowledges the establishment of performance standards for the Program Integrity contract by the Department and is fully equipped and prepared to meet and exceed those standards. Through its current SUR contract with the IME, HCE worked with the Department to establish measurable and quantifiable standards of measurement and reports those on a monthly and quarterly basis to appropriate State contacts.

b. We will work with the Department to quickly establish quantifiable and appropriate goals based on the contract requirements and will establish automated reporting mechanisms as much as possible. HCE understands the importance of meeting and exceeding the performance standards, and as such, acknowledges the financial penalties if said standards are not met for an extended period.

c. Please refer to **Sections 6.1.3.3.l and 6.1.3.3.1.p** for a detailed explanation of our quality assurance plan.

6.1.3.2 State Responsibilities

HCE has established strong working relationships with IME staff, including the current IME PI Director (Unit Manager). We acknowledge that our communication must be funneled through this channel. We currently have established bi-weekly meetings with the IME PI Director to discuss contract issues, review concerns, upcoming reviews, and ongoing issues related to facilities, data systems, and any other areas that may require discussion. We will continue to meet with the PI Director as we implement the Program Integrity contract, and will meet more frequently initially to assure all aspects of the contract are implemented efficiently, effectively, and meet the expectations of the Department.

6.1.3.3 Contractor Responsibilities

a. Develop, maintain, and provide access to records required by the Department and state and federal auditors.

All records received by HCE in the course of completing reviews are maintained in OnBase keyed off the National Provider Identifier (NPI) of the provider being reviewed. The SUR database also will contain a notes section with more details related to contacts with provider staff or referral sources. This database and all tabs that are within the database can be accessed by State staff at their request. Additionally, all reports created by HCE are maintained on drives located on the State server which are accessible by State staff. Select reports from the Thomson

Reuters Data Analytic tools housed at the Thomson Reuters data center will be posted to the OnBase system as appropriate. HCE complies with all State and Federal records requests in a timely manner.

b. Provide reports necessary to show compliance with all performance standards and other contract requirements.

Under the current contract, HCE has demonstrated its capability to provide reports that demonstrate compliance with the Department's performance standards and contract requirements. These reports are all available to the State at **P\reports\state reports**. If awarded this contract, the HCE team will continue this practice under the Department's direction.

c. Provide to the Department reports regarding the contractor's activities. The contractor is to propose and negotiate the content of these reports with the Department. The intent of the reports is to provide the Department and the contractor with better information for management of the contractor's activities and the Medicaid program.

HCE currently prepares and delivers performance reports to the Department and to the attention of the DHS PI Director and IME Project Director. We will continue to prepare and deliver the following reports, along with additional reports identified for the Data Analytic, Medical Necessity, and Medicaid Value Management functions, no later than the indicated times and to the attention of the indicated IME staff. Please refer to **Table 3** for a listing of Performance Reports that are currently prepared and delivered to the DHS PI Director and IME Project Director.

Table 3—Performance Reports

Name of Report	Due Date	Recipient
MONTHLY REPORTS		
Accounts Receivable Template File (Excel)	Close of business (COB) on 3rd business day of succeeding month	Data Warehouse/Division of Fiscal Management
Performance Tracking Report (Current SFY)	COB on 10th business day of succeeding month	DHS PI Director and IME Project Director
Performance Tracking Report (Cumulative)	COB 10th business day of succeeding month;	DHS PI Director and IME Project Director
PowerPoint for Unit Manager's Meeting	COB 3rd Monday of succeeding month	Department via IME Universal Network Drive Folder
IME SURS Scorecard	COB 10th business day of succeeding month	DHS PI Director and IME Project Director

Name of Report	Due Date	Recipient
SURS Recovery Report Card	COB 10th business day of succeeding month	DHS PI Director and IME Project Director
Census Report	Due by noon Monday of each week	Department Administrative Assistant
Transferred SURS Accounts Receivable	COB last business day of month	IME Revenue Collections Unit
QUARTERLY REPORTS		
IME SUR Quarterly Scorecard	COB 10th business day of succeeding quarter	DHS PI Director and IME Project Director
SURS Quarterly Recovery Report Card	COB 10th business day of succeeding quarter	DHS PI Director and IME Project Director
HIPAA Compliance Report	COB 1st business day of succeeding quarter	COB 1st business day of succeeding quarter
Quality Assurance Report	COB 10th business day of succeeding quarter	DHS PI Director and IME Project Director
Narrative Report for Medicaid Directo	COB 10th business day of succeeding quarter	DHS PI Director and IME Project Director
ANNUAL REPORTS		
Expenditure and Performance Summary	Due end of 1st month of succeeding new SFY	DHS PI Director and IME Project Director
GAAP Analysis of Receivables at June 30	Due by mid-August of succeeding new SFY	DHS Fiscal Management

HCE understands that a new monthly report, ***Summary of Provider Review Activity***, will be due to the Department by the close of business of the tenth business day of the succeeding month. This report is referenced in **RFP Section 6.2.1.2.3 (q)** Case Follow-Up and Reporting. HCE is prepared to create and deliver this report in the same manner as the above-referenced reports.

d. Prepare and submit to the Department requests for system changes and notices of system problems related to the contractor's operational responsibilities.

As the incumbent SUR contractor, HCE has submitted numerous MMIS Change Management Requests (CMRs), System Actions Memos (SAMS), and OnBase Change Requests (OBCRs) to the CORE Unit systems contractor at the IME. These system change requests have resulted in necessary corrections to the MMIS and OnBase, as well as changes resulting from policy-changing, cost-saving initiatives.

Additionally, we have submitted several OBCRs that resulted in significant business process automation not only for the SUR Unit, but also for the entire IME. One example is the addition of two-dimensional bar codes to outgoing IME correspondence, resulting in the automatic indexing (key-wording) of these same documents when returned to the IME. This has saved numerous IME units large amounts of manual key-wording data entry. Other examples include

the enabling of several IME Units to submit large numbers of various types of claim adjustments in a spreadsheet format, rather than manually entering this information one adjustment at a time in a data entry form in OnBase.

As the Program Integrity Contractor, HCE, along with Thomson Reuters, will continue to focus significant effort at the management level to preparing system change requests. A crucial component of Program Integrity involves making system changes to "stop the bleeding" of Medicaid dollars and resources used inappropriately. As a result of SUR reviews, medical necessity reviews, the MVM project, and other cost avoidance initiatives, areas will be identified where system changes can prevent inappropriate Medicaid funds from being paid in the first place. HCE experience has proven the importance of preventing improper payments, when compared to collection efforts of these dollars after the discovery of overpayments.

e. Prepare and submit for Department approval suggestions for changes in operational procedures and implement the changes upon approval by the Department.

All contract fulfillment procedural changes will be completed within 10 days after determination that a change is necessary. These changes to existing or new procedures are submitted to the PI Director for approval of content. Once procedures are approved by the PI Director they are placed on the I drive in the designated Program Integrity folder. The Program Integrity Account Manager will notify the appropriate State staff that changes to procedures have been made.

f. Maintain operational procedure manuals and update the manuals when changes are made.

HCE maintains a complete set of client fulfillment procedures located at the following link: **//dhsime/surs/OperationsManual/CURRENTPROCEDURES**. These procedures are written in the State-approved format including header and footer. HCE follows the State protocol for updating operating procedures by obtaining approval for content changes through the PI Director and notifying appropriate State staff when changes have been made. HCE tracks these changes through the SUR Database.

g. Ensure that effective and efficient communication protocols and lines of communication are established and maintained both internally and with Department staff. No action shall be taken which has the appearance of or effect of reducing open communication and association between the Department and contractor staff.

HCE communicates on a daily basis with State Program Integrity staff and the State Policy team. There are regularly scheduled meetings with the PI Staff and the Policy group to discuss pending reviews and the Iowa Administrative Code. Additionally, HCE has a very strong working relationship with all IME contractors. There is daily interaction among the contractors and ongoing sharing of issues, barriers, and solutions.

h. Meet regularly with all elements of the IME to review account performance and resolve issues between contractor and the state.

HCE currently meets on an as needed basis with the PI Director and PI Manager to discuss SUR activities and will continue to do so for the entire Program Integrity function. These discussions include IME's opinion regarding contract-related performance. Process changes are requested and made based on suggestions made by the State. HCE also participates in a monthly Contract Manager meeting. This meeting is an opportunity to inform the State and other subcontractors about the past month's performance and to discuss Program Integrity issues. There is open discussion during these meetings which ensures all elements within IME are comfortable with projects and reviews being undertaken by Program Integrity. We will continue to participate in ad hoc meetings as requested by the State and other subcontractors.

i. Provide to the Department progress reports on the contractor's activity as requested by the Department.

HCE provides the State with scheduled weekly, monthly, quarterly and annual reports. These reports are an indicator of compliance with the contract requirements and the focus of reviews and projects. HCE can provide reports outside of the agreed upon schedule at the request of the State as all data regarding Program Integrity activity can be obtained through existing resources and resources to be developed during transition.

j. Meet all federal and state privacy and security requirements within the contractor's operation.

Please refer to **Section 6.1.6** for a detailed explanation of how HCE and Thomson Reuters meet this requirement.

k. Work with the Department to implement quality improvement procedures that are based on proactive improvements rather than retroactive responses. The contractor must understand the nature of and participate in quality improvement procedures that may occur in response to critical situations and will assist in the planning and implementation of quality improvement procedures based on proactive improvement.

Program Integrity staff will regularly meet with the PI Director, as well as other State staff, to review current operations, opportunities for improvement, and solutions to any concerns noted within Program Integrity operations. HCE has an Operations Assessment Committee (OAC) that meets monthly to review operations, including review of reports, data, and any concerns that might arise during daily operations. The OAC makes recommendations for improvement based on available data and as needed, performance improvement plans are developed to assure quality improvement within the operations. The OAC, as well as the Account Manager, will evaluate the performance improvement plan progress on a frequent basis to assure appropriate progress is being made and the concern is being resolved.

l. Monitor the quality and accuracy of the contractor's own work.

HCE maintains strict compliance with documented procedures. Operational procedures are currently in place or will be developed to assure that all aspects of the Program Integrity tasks are effectively and efficiently implemented. Stringent review procedures are initiated internally to assure that any correspondence to the State or to external entities such as health care providers is accurate and appropriately written. New staff members are assigned a mentor upon initial orientation and the mentor serves as an ongoing resource to the new staff member. The mentorship assures staff members are appropriately and effectively educated on internal procedures, Iowa Medicaid regulations, Iowa Administrative Code, and other information required for successful performance of their assigned duties.

As stated in k. above, HCE has an OAC that meets on a monthly basis to review operations and assure preventive and corrective action are taken as necessary.

m. Submit quarterly reports (available electronically) of the quality assurance activities, findings, and corrective actions (if any) to the Department.

HCE currently prepares and delivers Quality Assurance reports to the Department and to the attention of the DHS PI Director, and IME Project Director. These reports are prepared and delivered electronically no later than the tenth business day of the month following the end of the quarter referenced. Another report, our HIPAA Compliance Report, is delivered on the first business day of the succeeding quarter. Following is a list of these reports.

- HIPAA Compliance Report; Due COB 1st business day of succeeding quarter; Recipients: DHS PI Director and IME Project Director
- Quality Assurance Report; Due COB 10th business day of succeeding quarter; Recipients: DHS PI Director and IME Project Director
- Narrative Report for Medicaid Director; Due COB 10th business day of succeeding quarter; Recipients: DHS PI Director and IME Project Director

Where applicable, HCE includes a section in its Quality Assurance Report devoted to reporting any nonconformity findings and the execution of any corrective action activities in response to such nonconformities. We have not found it necessary to implement any formal corrective action plan (CAP) since October 2005, a CAP which we summarize in **Section 6.1.3.3(p)**.

As the Program Integrity contractor, we are prepared to continue creating and delivering these reports either in the current format or according to any revised format and content as approved by the Department.

n. Perform continuous workflow analysis to improve performance of contractor functions and report the results of the analysis to the Department.

The Account Manager and Operations Managers will discuss regularly the workflow of the Program Integrity tasks to ensure the most effective and efficient processes are in place. Some recent changes to the SUR reviews based on these types of discussions include the following adjustments.

- ✓ Changes to a number of the elements within the SUR database to ensure additional detail was included for reporting purposes
- ✓ Changes to the Codes & Issues process to allow for quicker turn-around to the Reviewers
- ✓ Adjustment to the letters process so that Medical Record Request letters are developed and mailed by the Senior Reviewers instead of the Reviewers
- ✓ Assignment of reviews by the Account Manager based on current individual Reviewer workload and review specialty (changed to ensure timely completion of reviews)
- ✓ Changes to the letter routing process to shorten the routing time

These potential changes were discussed with the PI Director prior to actual change implementation.

o. Provide the Department with a description of any changes to the workflow for approval prior to implementation.

All proposed workflow changes will continue to be discussed with the PI Director prior to implementation. This process is followed to ensure the State has knowledge of the proposed change and that there is an opportunity to provide feedback prior to implementation.

p. For any performance falling below a state-specified level, explain the problems and identify the corrective action to improve the rating.

HCE's primary objectives for the IME Surveillance and Utilization Review Services (IMES) contract have been the timely delivery of appropriate services, supporting the objectives and guiding principles of the Iowa Medicaid program, and efficiency through effective program management. These objectives will continue to be at the forefront of our Program Integrity contract with the IME. HCE educates and supports its staff in the achievement of these objectives. Quality management activities are based on a combination of education, data monitoring, and measuring performance elements, together with generation of analysis of information in accordance with our internal quality management policies and procedures.

HCE management is responsible to ensure customer requirements are identified and met at all appropriate levels. HCE is committed to continuous quality improvement (CQI) in all aspects of its operations. A focus on customer satisfaction is essential to the organization's performance of internal and external business.

HCE is dedicated to delivering quality services and products that meet or exceed the expectations or requirements of our customers. We strive constantly for excellence in service and continual, measurable improvement.

HCE quality objectives are based on measurements associated with numerical ratings (volume, timeliness, number of complaints about performance, etc.), as well as feedback from more subjective factors (opinions about performance from surveys, State officials, other contractors and partners, providers, members, and other sources). Routine performance reports are submitted to the HCE Account Manager. For each standard, the variance (exception) is accompanied by comments explaining the cause and action needed, if any, to address the variance.

Our internal quality control process is designed to provide an objective, consistent, and accurate method of assessing and improving performance of individual staff members.

There are many measurable contract requirements that HCE monitors and reports to the Program Integrity Director monthly and quarterly through an IME-approved Performance Scorecard. It is the overall responsibility of the Account Manager to maintain compliance with all performance standards and measurements. In the event a significant deficiency is identified that is outside the acceptable range of performance and is not resolved, the deficiency is listed on an internal Nonconformity Log and a Performance Improvement Plan (PIP) is developed and implemented. Major nonconformities and performance falling below state-specified standards are reviewed and are addressed through Corrective Action Plans (CAPs).

An HCE CAP is structured to fully explain the indicated problem(s) and identify the appropriate corrective action to improve the rating and return performance to an acceptable level.

HCE has developed an internal Corrective Action Plan document that is used to record the performance deficiency and, with supporting exhibits or illustrations, further provide evidence to the Department that appropriate corrective action is in place and meets state requirements.

Our corrective action process ensures we identify deficiencies and provide the Department with an acceptable plan within ten (10) business days of discoveries of problems through internal quality control reviews. Our process is further structured to meet or exceed 95% of all corrective action commitments within the timeframes agreed upon by the Department. These performance standards are referenced on the monthly and quarterly IMES Performance Scorecard.

Our internal CAP process was effective, for example, in addressing a perceived performance deficiency in November 2005 involving the method of case selection and the degree to which the SUR subsystem reports were being used in the process of case selection. By implementing and executing an appropriate plan, involving the entire review team, IMES was able to demonstrate an acceptable methodology for basing case reviews on the Summary Profile reports produced by the Medicaid Management and Information System (MMIS) SUR subsystem that was approved by the Department. This plan further contributed to the successful recertification of the MMIS SUR subsystem in 2006.

q. Provide a written response to the Department via e-mail within two business days of receipt of e-mail on routine issues or questions and include descriptions of resolution to the issues or answers to the questions.

HCE currently receives questions and issues from State staff primarily through e-mails. HCE will respond via e-mail within two business days on routine issues and will continue to provide resolution to issues or answers to questions as needed.

r. Provide a written response to the Department via e-mail within one business day of receipt of e-mail on emergency requests as defined by the State.

HCE currently receives e-mail requests for resolution of concerns or questions from the State staff, and in urgent situations, responds within one business day. This level of response will continue for all Program Integrity functions.

s. Maintain Department-approved documentation of the methodology used to measure and report completion of all requirements and attainment of all performance standards.

An example of a Department-approved methodology used to measure and report on a completed contract requirement and performance standard is the calculation of the projected dollar recovery target HCE must meet in order to claim recovery or return of at least 350% of the state costs of the IME SUR contract. To calculate this target, we determined approximately 15% of our total invoice cost to the state was related to staff devoted to and having the expertise to make significant use of the Department's MMIS. HCE was successful making the case that these costs would qualify for 75% Federal Financial Participation (FFP) and that the calculation is appropriate. All remaining IME SUR state contract costs are subject to 50% FFP. This calculation plays a leading role in the preparation of the IME SUR Monthly and Quarterly Recovery Report Cards. This methodology has been acknowledged and approved by the IME Unit Manager for SUR, and is illustrated in the above-referenced Performance Target Projections.

All above-referenced source records are contained in automated files (i.e.: Microsoft Access, Excel, Word document, etc.) that give the Department and other authorities an easy avenue to replicate the results obtained by IMES.

HCE understands the importance of maintaining all relevant documentation supporting reports that reflect completed contract requirements and meeting all performance standards. As the new PI contractor, we will continue to maintain these records in an auditable form and will always make them available for Department review and replication, as needed and requested.

6.1.3.4 Performance Standards

6.1.3.4.1 Reporting Deadline

a. **Provide the required reports within ten business days of the end of the reporting period.**

HCE currently prepares and delivers performance reports to the Department and to the attention of the DHS PI Director and IME Project Director. We will continue to prepare and deliver the following reports, along with additional reports identified for the Data Analytic, Medical Necessity, and Medicaid Value Management functions, no later than the indicated times and to the attention of the indicated IME staff.

Monthly

- Accounts Receivable Template File (Excel); Due COB 3rd business day of succeeding month; Recipients: Data Warehouse/Division of Fiscal Management
- Performance Tracking Report (Current SFY); Due COB 10th business day of succeeding month; Recipients: DHS PI Director and IME Project Director
- Performance Tracking Report (Cumulative); Due COB 10th business day of succeeding month; Recipients: DHS PI Director and IME Project Director
- PowerPoint for Unit Manager's Meeting; Due COB 3rd Monday of succeeding month; Recipient: Department via IME Universal Network Drive Folder
- IME SUR Scorecard; Due COB 10th business day of succeeding month; Recipients: DHS PI Director and IME Project Director
- SUR Recovery Report Card; Due COB 10th business day of succeeding month; Recipients: DHS PI Director and IME Project Director
- Transferred SUR Accounts Receivable; Due COB last business day of month; Recipient: IME Revenue Collections Unit
- Census Report; Due by noon Monday of each week; Recipient: Department Administrative Assistant

Quarterly

- IME SUR Quarterly Scorecard; Due COB 10th business day of succeeding quarter; Recipients: DHS PI Director and IME Project Director
- SUR Quarterly Recovery Report Card; Due COB 10th business day of succeeding quarter; Recipients: DHS PI Director and IME Project Director

- HIPAA Compliance Report; Due COB 1st business day of succeeding quarter; Recipients: DHS PI Director and IME Project Director
- Quality Assurance Report; Due COB 10th business day of succeeding quarter; Recipients: DHS PI Director and IME Project Director
- Narrative Report for Medicaid Director; Due COB 10th business day of succeeding quarter; Recipients: DHS PI Director and IME Project Director

Annual

- Expenditure and Performance Summary; Due end of 1st month of succeeding new SFY; Recipients: DHS PI Director and IME Project Director
- GAAP Analysis of Receivables at June 30; Due by mid-August of succeeding new SFY; Recipient: DHS Fiscal Management

HCE understands a new monthly report, Summary of Provider Review Activity, will be due to the Department by the close of business of the tenth business day of the succeeding month. This report is referenced in RFP Section 6.2.1.2.3 (q) Case Follow-Up and Reporting. HCE is prepared to create and deliver this report in the same manner as the above-referenced reports.

6.1.3.4.2 Documentation

a. **Update operational procedure manuals in the Department-prescribed format within ten business days of the implementation of a change.**

All contract fulfillment procedural changes will be completed within 10 days after determination that a change is necessary. Changes to existing or new procedures are submitted to the Program Integrity (PI) Director for approval of content. Once they are approved by the PI Director they are updated on the State server. The SUR procedures are located at the following link. **\dhsime\surs\OperationsManual\CURRENTPROCEDURES**. The Program Integrity Account Manager will notify the appropriate State staff when changes to procedures have been made. All Program Integrity procedures will continue to be in the approved State format.

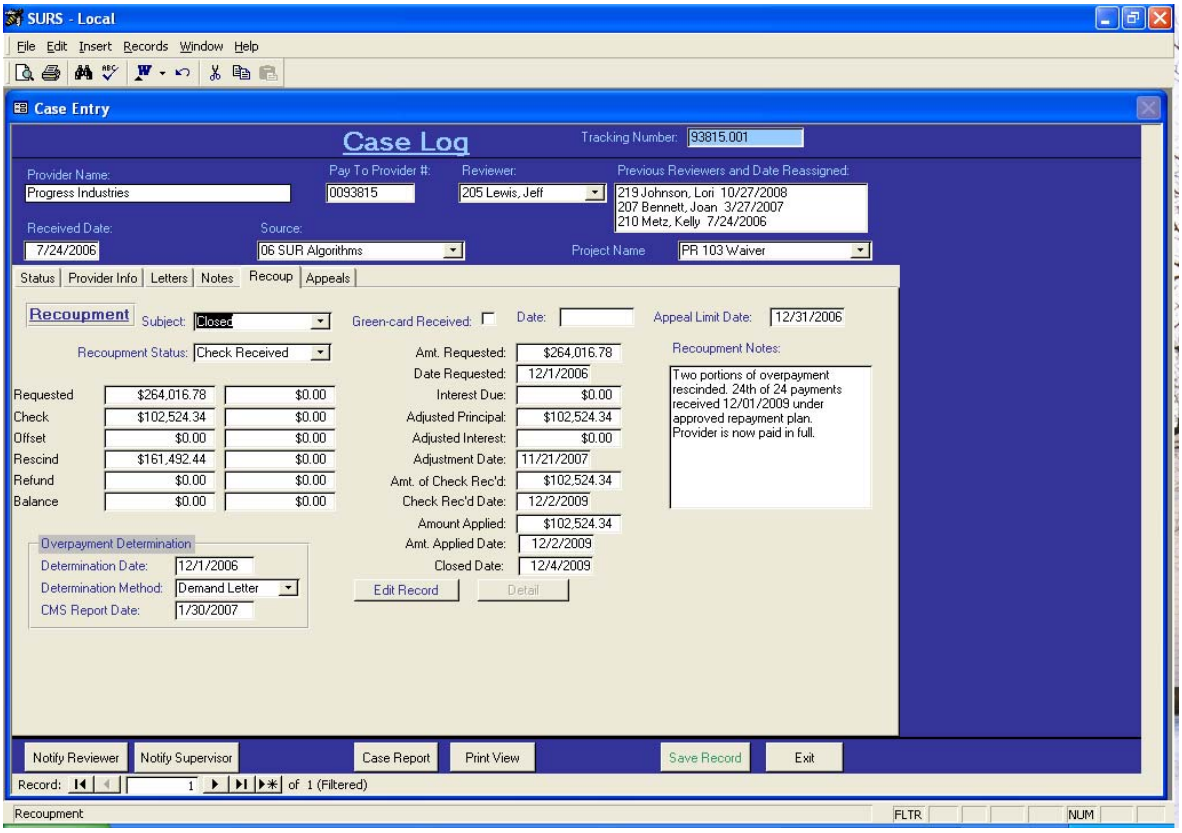
b. **Identify deficiencies and provide the Department with a correction action plan within ten business days of discovery of a problem found through the internal quality control reviews.**

Please refer to **Section 6.1.3.3.p** for a description of our corrective plan process.

c. **Maintain Department-approved documentation of the methodology used to measure and report on all completed contract requirements and all performance standards. State the sources of the data and include enough detail to enable Department staff or others to replicated the stated results.**

As indicated in other sections of this proposal, HCE currently prepares and delivers many performance reports to the Department. The data in these reports, including calculations reflecting accomplishment of all or portions of the indicated performance targets, are contained in sources such as the following that we maintain and update on a continual basis as appropriate.

Screen Shot 1—SUR Case Database



- Core Unit OnBase Imaging System (100% accessible by SUR)
- Medicaid Management and Information System (MMIS) (100% accessible by SUR)
- State Data Warehouse tables (100% accessible by SUR)
- Minutes and notes from all staff, policy, and off-site meetings (i.e.: MFCU)

Screen Shot 2—SUR Accounts Receivable and Recovery Database

Microsoft Access - [Recoupment]

File Edit View Insert Format Records Tools Window Help

Tahoma 8

Recoupment Tracking

OnBase Log ID: 273365
Provider Number: 0093815
Provider Name: Progress Industries
Reviewer: Jody Jones
Previous Reviewer Date: Joan Bennett
Status: Open
Certified Mail Receipt:
OnBase Log ID Date:
Findings Letter Sent On: 12/1/2006
Appeals Limit Date: 12/31/2006
Appeal Outcome: Withdrawn
Due Date: 1/30/2007
Revenue Type: Overpayment
RecoupmentReason: Provider Overpa

Balance Amount: $0.00
Total of Payments: $102,524.34

Initial Amount Requested: $264,016.78
Interest Due: $0.00
Requested Total Due: $264,016.78

Payment Arrangement: Payment Plan

December 2006 December 2006

Sun	Mon	Tue	Wed	Thu	Fri	Sat
26	27	28	29	30	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

Payment Activity:

OnBaseLogID / Deposit Date	Date / DCN	Provider No.	Payment Type / Reviewer	Additions	Check Amount	Cash Control #	Claims Offset	Other Reductions / Note, Check Number, Etc	Status
273365	12/1/2006	0093815	TBD	$0.00	$0.00		$0.00	$0.00	
			Joan Bennet					PR 103a5_1	
273365	8/1/2007	0093815	TBD	$0.00	$0.00		$0.00	$47,491.34	
			Lori Johnsor					Portion of overpayment	
			Payment Totals	$0.00	$102,524.34		$0.00	$161,492.44	

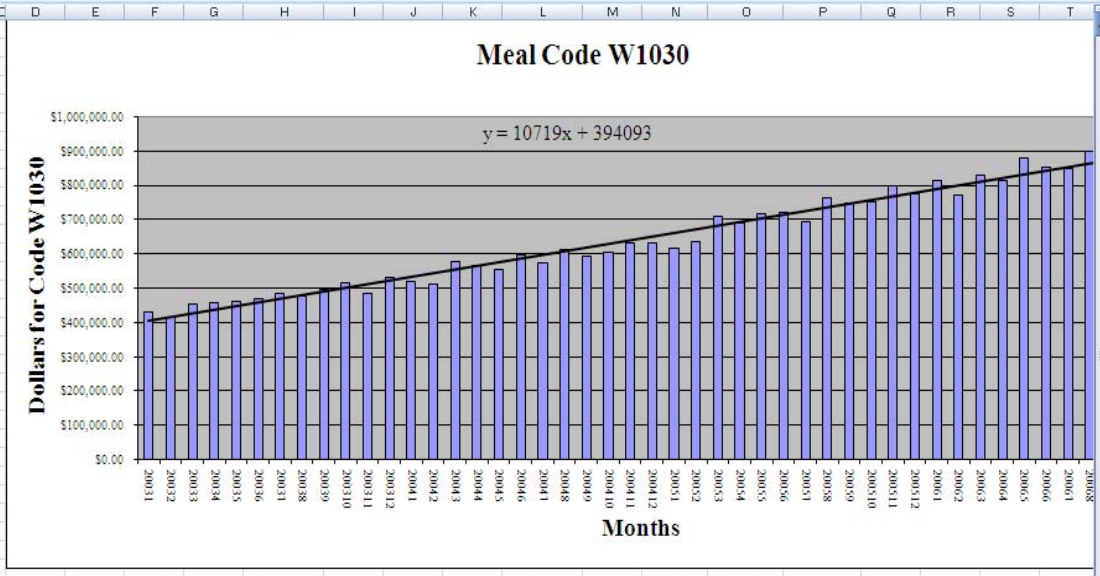
Record: 1 of 27

Record: 193 of 973

Form View NUM

Screen Shot 3—Cost Avoidance trend lines, Projection spreadsheets, and Graphs

W1030 Cost Avoidance Projection REV 121707.xls [Compatibility Mode] - Microsoft Excel



Paid	Period
$428,751.84	20031
$414,832.72	20032
$453,199.55	20033
$458,293.29	20034
$459,768.52	20035
$467,702.52	20036
$485,787.96	20037
$474,879.37	20038
$494,258.35	20039
$514,024.19	200310
$483,113.04	200311
$529,674.15	200312
$518,338.33	20041
$512,424.31	20042
$577,798.81	20043
$564,948.08	20044
$554,805.65	20045
$597,633.55	20046
$575,254.06	20047
$610,492.09	20048
$591,782.85	20049
$603,229.65	200410
$632,897.08	200411
$631,046.28	200412
$616,166.05	20051
$635,357.11	20052
$708,441.11	20053
$689,911.90	20054
$718,084.06	20055
$720,773.81	20056
$693,526.90	20057
$763,898.30	20058
$748,972.99	20059
$753,424.59	200510
$796,529.42	200511
$774,636.46	200512
$813,668.18	20061
$771,974.60	20062
$829,315.52	20063
$813,871.28	20064
$879,372.30	20065
$853,894.50	20066
$848,345.75	20067
$898,804.80	20068
$858,144.41	20069
$893,414.88	200610

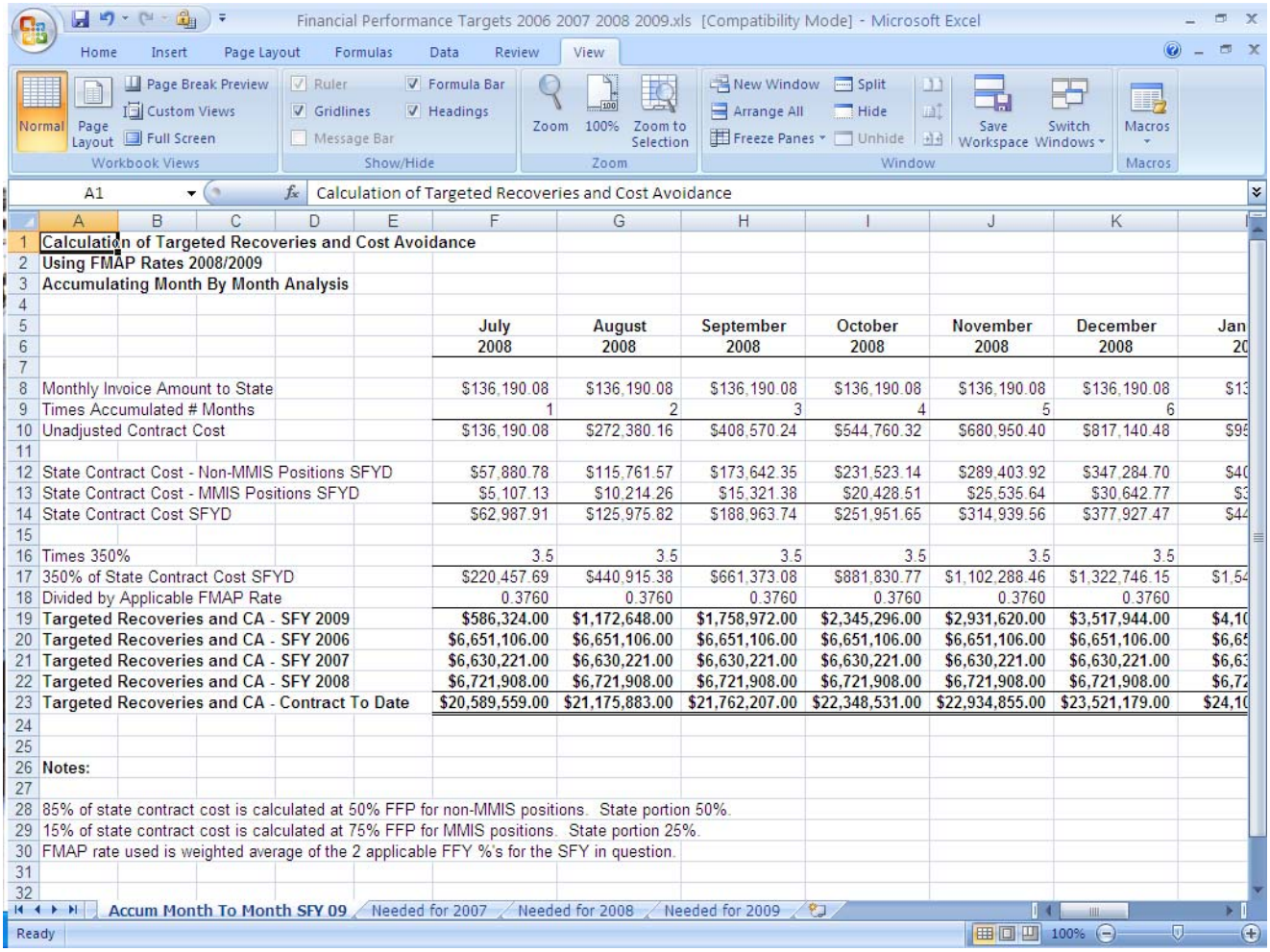
ForeCas	Period:		Dollars
	47	200611	$ 897,886
	48	200612	$ 908,605

Period:		Dollars
49	20071	$ 919,324
50	20072	$ 930,043
51	20073	$ 940,762
52	20074	$ 951,481
53	20075	$ 962,200
54	20076	$ 972,919
55	20077	$ 983,638
56	20078	$ 994,357
57	20079	$ 1,005,076
58	200710	$ 1,015,795
59	200711	$ 1,026,514
60	200712	$ 1,037,233
61	20081	$ 1,047,952
62	20082	$ 1,058,671
63	20083	$ 1,069,390
64	20084	$ 1,080,109
65	20085	$ 1,090,828
66	20086	$ 1,101,547
67	20087	$ 1,112,266
68	20088	$ 1,122,985
69	20089	$ 1,133,704

Pink Error	Green Error	Period Error	
$12,871	$7,121	$19,992	Jan07
$13,022	$7,204	$20,226	Feb07
$13,172	$7,287	$20,459	Mar07
$13,322	$7,370	$20,692	Apr07
$13,472	$7,453	$20,925	May07
$13,622	$7,536	$21,158	Jun07
$13,772	$7,619	$21,391	Jul07
$13,922	$7,702	$21,624	Aug07
$14,072	$7,785	$21,857	Sep07
$14,222	$7,868	$22,090	Oct07
$14,372	$7,951	$22,323	Nov07
$14,522	$8,034	$22,556	Dec07
$14,672	$8,117	$22,789	Jan08
$14,822	$8,200	$23,022	Feb08
$14,973	$8,283	$23,256	Mar08
$15,123	$8,367	$23,490	Apr08
$15,273	$8,450	$23,723	May08
$15,423	$8,533	$23,956	Jun08
$15,573	$8,616	$24,189	Jul08
$15,723	$8,699	$24,422	Aug08
$15,873	$8,782	$24,655	Sep08

Total Data | Error Cases | Trend Line

Screen Shot 4—Performance Target Projections (DHS-approved)



Calculation of Targeted Recoveries and Cost Avoidance
Using FMAP Rates 2008/2009
Accumulating Month By Month Analysis

	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	Jan 20
Monthly Invoice Amount to State	$136,190.08	$136,190.08	$136,190.08	$136,190.08	$136,190.08	$136,190.08	$13
Times Accumulated # Months	1	2	3	4	5	6	
Unadjusted Contract Cost	$136,190.08	$272,380.16	$408,570.24	$544,760.32	$680,950.40	$817,140.48	$95
State Contract Cost - Non-MMIS Positions SFYD	$57,880.78	$115,761.57	$173,642.35	$231,523.14	$289,403.92	$347,284.70	$40
State Contract Cost - MMIS Positions SFYD	$5,107.13	$10,214.26	$15,321.38	$20,428.51	$25,535.64	$30,642.77	$3
State Contract Cost SFYD	$62,987.91	$125,975.82	$188,963.74	$251,951.65	$314,939.56	$377,927.47	$44
Times 350%	3.5	3.5	3.5	3.5	3.5	3.5	
350% of State Contract Cost SFYD	$220,457.69	$440,915.38	$661,373.08	$881,830.77	$1,102,288.46	$1,322,746.15	$1,54
Divided by Applicable FMAP Rate	0.3760	0.3760	0.3760	0.3760	0.3760	0.3760	
Targeted Recoveries and CA - SFY 2009	**$586,324.00**	**$1,172,648.00**	**$1,758,972.00**	**$2,345,296.00**	**$2,931,620.00**	**$3,517,944.00**	**$4,10**
Targeted Recoveries and CA - SFY 2006	**$6,651,106.00**	**$6,651,106.00**	**$6,651,106.00**	**$6,651,106.00**	**$6,651,106.00**	**$6,651,106.00**	**$6,65**
Targeted Recoveries and CA - SFY 2007	**$6,630,221.00**	**$6,630,221.00**	**$6,630,221.00**	**$6,630,221.00**	**$6,630,221.00**	**$6,630,221.00**	**$6,63**
Targeted Recoveries and CA - SFY 2008	**$6,721,908.00**	**$6,721,908.00**	**$6,721,908.00**	**$6,721,908.00**	**$6,721,908.00**	**$6,721,908.00**	**$6,72**
Targeted Recoveries and CA - Contract To Date	**$20,589,559.00**	**$21,175,883.00**	**$21,762,207.00**	**$22,348,531.00**	**$22,934,855.00**	**$23,521,179.00**	**$24,10**

Notes:

85% of state contract cost is calculated at 50% FFP for non-MMIS positions. State portion 50%.
15% of state contract cost is calculated at 75% FFP for MMIS positions. State portion 25%.
FMAP rate used is weighted average of the 2 applicable FFY %'s for the SFY in question.

An example of a Department-approved methodology used to measure and report on a completed contract requirement and performance standard is the calculation of the projected dollar recovery target HCE must meet in order to claim recovery or return of at least 350% of the state costs of the IME SUR contract. To calculate this target, HCE determined approximately 15% of its total invoice cost to the state was related to staff devoted to and having the expertise to make significant use of the Department's MMIS. HCE was successful making the case that these costs would qualify for 75% Federal Financial Participation (FFP) and that the calculation is appropriate. All remaining IME SUR state contract costs are subject to 50% FFP. This calculation plays a leading role in the preparation of the IME SUR Monthly and Quarterly Recovery Report Cards. This methodology has been acknowledged and approved by the IME PI Director and is illustrated in the above-referenced Performance Target Projections.

All above-referenced source records are contained in automated files (i.e.: Microsoft Access, Excel, Word document, etc.) that give the Department and other authorities an easy avenue to replicate the results obtained by IME SUR.

HCE understands the importance of maintaining all relevant documentation supporting reports that reflect completed contract requirements and meeting all performance standards. As the Program Integrity contractor, we will continue to maintain these records in an auditable form and will always make them available for Department review and replication, as needed and requested.

6.1.3.4.3 Annual Performance Reporting

a. The following performance standards are in addition to any performance standards required for individual components. Those individual requirements (if any) appear in the subsections of RFP Section 6.2 Program Integrity Requirements.

b. The contractor will provide annual performance reporting no later than October 15 of each contract base and option year for the state fiscal year (SFY) that ended in the prior month of June. (Example: Provide data by October 15, 2009, for the state fiscal year that ended on June 30, 2009.) The contractor will present the required data in Department-approved format and content for the following annually reported performance standards. DHS will publish the annual measurements by the following February 15.

HCE currently prepares and delivers an Annual SUR Expenditure and Performance Summary Report to the Department and to the attention of the PI Director and IME Project Director. We complete and deliver this report on or before October 15th of each year.

This report displays for the current state fiscal year (SFY), and for previous SFYs, comparative statistics for the following performance indicators:

- Contract expenditures in both total and state dollars
- State funds recovered and state costs avoided (related to 350% target)
- Percentage random sample of 0.5% paid claims completed
- Percentage of all provider types reviewed during the year
- Number of review cases closed
- Number of cases and dollars where full overpayment was recovered
- Number of cases and dollars where case was appealed
- Number of cases where no overpayment was identified
- Number of cases and dollars where case was referred to fraud unit
- Average rating for each scorecard performance indicator during the year

HCE understands the requested format of this annual performance summary may be revised under the Program Integrity contract. We will continue to be prepared to publish and deliver an annual performance report on or before October 15th of each year based on format and content approved by the Department and to the attention of the indicated IME staff.

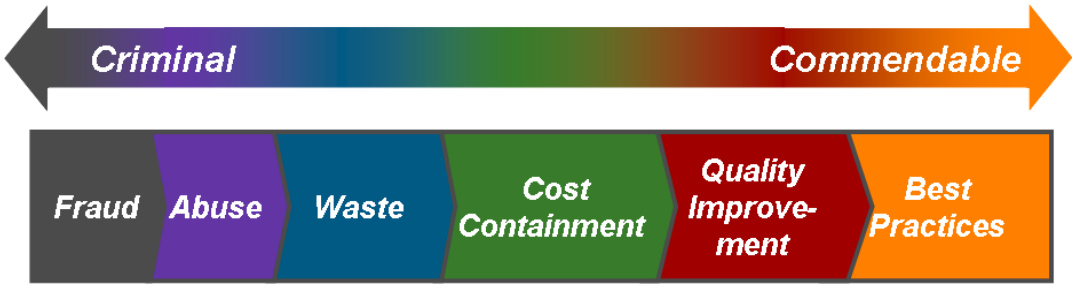
c. Services performed by the program integrity contractor will result in measurable state savings as follows:

1. **$20 million in SFY 2011, $22.5 million in SFY 2012 and $25 million in SFY 2013**
2. **In every subsequent option year, an increase of 7 percent more than the SFY 2013 state savings or an increase of 7 percent more than the highest overall state savings in any year after SFY 2011, whichever is higher.**

As the incumbent SURS contractor, HCE has a proven track record in producing cost savings for the State of Iowa, with cumulative state and federal savings of **$27,539,487** to date under the current contract. We understand that through this RFP the Department is seeking to further enhance savings to the state, and we are prepared to meet or exceed the savings expectations outlined above, starting with $20 million in SFY 2011 and increasing annually thereafter as specified.

The State has "raised the bar" in terms of savings goals and in doing so made a number of structural changes to the Program Integrity component designed to increase savings. In particular, DHS has broadened the responsibilities of the Program Integrity contractor to include Data Analytics, Medical Necessity Reviews, Medicaid Value Management, and Investigations, in addition to the current SURS tasks. The integration of these additional functions, all of which relate to provider and member reviews, under a single Program Integrity contract will produce efficiencies and additional Data Analytic capabilities and leverage in the effort to avoid and/or recover fraudulent, wasteful, or abusive expenditures. The requirement for enhanced Data Analytics recognizes the important role that data mining and other advanced analysis play today in safeguarding Medicaid expenditures by identifying fraud, waste, and abuse and guiding Medicaid, forecasting and monitoring ever more constrained budgets, supporting data-driven policy and program decisions, and designing/targeting new programs effectively.

Our data analytics partner, Thomson Reuters, brings tools and expertise that are well-aligned with this broader approach to Program Integrity. Thomson Reuters' approach is to view program integrity along the continuum described below. Advanced analytic methodologies such as Episodes of Care and Study Groups can be helpful in assessing provider (or member) behavior at various points along this continuum. The State will gain efficiencies by having consistent methods applied wherever applicable, using the same "lens" to view both criminal and commendable behavior.



Thomson Reuters currently provides analytic software and services to 26 state Medicaid agencies. These states are successfully using Thomson Reuters' support to help them achieve their cost savings and program management objectives.

Proven Success

One relevant example that illustrates the breadth of potential impact is the **South Carolina Department of Health and Human Services (SCDHHS)**. SCDHHS operates South Carolina's Medicaid program, which provides healthcare coverage for more than 850,000 South Carolinians served by more than 30,000 doctors, hospitals, and other healthcare providers. In 2005, the state awarded Thomson Reuters a five-year contract to design, develop, implement, maintain and operate a healthcare decision support system (DSS) and executive information system (EIS), as well as an Advanced Fraud Module.

Thomson Reuters currently serves SCDHHS with two full-time on-site analytic consultants, a half-time client manager, data managers, fraud algorithm developers, client director, and a database processor. Also involved on a special project basis are Thomson Reuters nationally recognized experts in such areas as long term care, managed care encounter data, performance assessment, pay for performance, and health information technology.

Thomson Reuters' tools and analytic support enterprise-wide decision support have helped SCDHHS:

- Target and achieve FY09 budget reductions of more than $137 M
- Increase fraud and abuse provider recoveries by 145% in the most recent year, a 7:1 return on overall investment in program integrity
- Model impact of changes in provider reimbursement rates
- Monitor a two-fold increase in managed care enrollment
- Improve the quality of managed care encounter data
- Support strategic planning for the Long Term Care system
- Adopt a data-driven approach to policy changes
- Meet CMS deadlines for Federal reporting
- Respond to complex and immediate legislative requests

Another example, focused on cost savings from a specific methodology, can be attributed to Thomson Reuters' work with the **CMS PARIS file**. PARIS (Public Assistance Reporting Information System), a federal-state partnership with 45 participating state public assistance agencies, is used to identify beneficiary fraud. PARIS provides its state partners with detailed information (data extracts) for use in ensuring program integrity, detecting, and deterring improper payments. The PARIS data identify enrollees who may be receiving benefits simultaneously in more than one state, and assists states in determining if enrollees have or are eligible for federal health care coverage. States can then take appropriate action, including recovering improper payments and updating third party liability (TPL) information in the client's eligibility file.

Thomson Reuters has the tools and resources to build a multi-source database including the PARIS file and produce the analytic reports needed to identify recipients who may have benefits in more than one state or in a federal program, and any associated healthcare claims activity – we have worked with several of our customers to do so. For example, in one state, Thomson Reuters helped to identify $2 million in cost avoidance due to members receiving Medicaid in more than one state.

Based on the combined experience and expertise of HCE and Thomson Reuters, we are confident in our ability to assist IME in achieving the measurable savings targeted by this RFP.

6.1.4 Training

HCE and Thomson Reuters staff members who are new to the Program Integrity contract (excluding current HCE SUR staff) will participate in MMIS and workflow process management training as available. HCE and Thomson Reuters staff will participate in DS/DW system training as provided by the Department.

All HCE and Thomson Reuters staff will receive training on any new or revised procedures related to their job functions within the Program Integrity contract. Staff also will be cross-trained to assure appropriate coverage of all contract functions. New staff will be trained on operational and system procedures, and will have a mentor assigned to assist them through the work processes.

Thomson Reuters has a team of 25 training, documentation, and knowledge management professionals. Ten (10) of those team members focus specifically on product training, including two who focus on DataProbe and six who focus on Advantage Suite. Our training team consists of multiple staff with a wide range of experience training users with a variety of backgrounds and expertise. The 10 training team members have 70 combined years of experience at Thomson Reuters.

Thomson Reuters Program Integrity staff learns the best techniques for analyzing and applying information. This includes both program integrity reports and algorithm results. Staff members across our organization are available to deliver educational programs, answer staff questions, and develop in-depth algorithms using the DataProbe database.

Traditional SURS reports are a starting point for fraud and abuse analysis, but further data analysis is required. Traditional SURS provider profiles, for example, compare providers to their peers and emphasize providers whose billing behavior deviates significantly from the norm. Providers who look 'normal' can be submitting claims that are bogus, and providers who look like excessive billers could just have a mix of patients who have exceptionally severe illnesses. Further data mining probes the reasons for outlier status.

In addition, traditional SURS reports contain a common limitation driven by conventional data warehouse design, which is that reports are usually based on only one type of claim – just inpatient, just drug, just professional, etc. The member profiles, for example, are limited to just one type of service, so the analyst has to manually combine information from multiple reports to get a comprehensive picture of that member. Likewise, the provider profiles do not indicate, for example, the providers who prescribed tranquilizers to members with no medical claims for psychiatric disorders. For these reasons, many states have moved beyond traditional SURS to data mining systems. Thomson Reuters' system rapidly links claims of all types and applies advanced logic, such as the ability to find home health claims for nursing home residents or labs that are unbundling certain tests in order to increase revenue.

Thomson Reuters designed DataProbe's robust capabilities to support these requirements and we train our analytic staff to maximize the system's capabilities. The training provided allows analysts to go beyond traditional SURS reporting results. DataProbe training includes:

An Introduction to the Algorithm Reports from DataProbe

- Who to ask: An introduction to our staff and expertise
- Basic aspects of the underlying DataProbe database, including:
  - Source data feeds
  - General database design
  - Timeliness of data
  - Data history
  - Claim adjustment methodologies and how they impact analysis
  - Significant data quality issues
- What is an algorithm, really?
- The Thomson Reuter Payment Integrity Algorithm Library – the basics
- Starting with a standard SURS report, then investigating with DataProbe
- Analytic pathways: the basics of how to interpret the information

Advanced Training in the Algorithm Reports from DataProbe

- How metrics and measures are calculated
- Industry coding standards and how to apply them
- When not to trust what you see in the data; asking for more information
- Scoring: How multiple measures are combined to create ranking reports
- Ranking reports: how to take the next step to open a case

- The principles of Study Groups and other complex algorithms
- How to document a case using DataProbe reports

Trainers will be designated from the Program Integrity staff based on areas of knowledge and expertise. The Operations Manager, Medical Necessity and Medicaid Value Management, and Operations Manager, SUR and Investigations, will provide training to Professional Service contractor staff on these areas of focus. The Thomson Reuters account team will provide ongoing training, coaching, and support to the professional services contractor staff to understand our program integrity work. Training will be tailored to the needs of specific individuals. This could include training on claims data for those new to the department, or basic analytic training for nurse reviewers or investigators with limited hands-on analytic experience.

Custom Training and Coaching: Thomson Reuters will provide customized onsite in-service, training, and coaching sessions as appropriate.

Networking Opportunities: Thomson Reuters offers a wide array of customer networking opportunities, such as the Expert Series Webinars, online networking communities, and an annual customer conference.

Operational procedures that are currently in place for the SUR contract will be reviewed and revised as needed for the Program Integrity contract. All staff will be educated on new or revised policies and procedures, and new staff will receive education on all procedures related to their job functions. As the Professional Services contractors provide training on their responsibilities, Program Integrity staff will participate in these sessions, as appropriate, and based on availability. New staff members receive a thorough orientation on the IME, Iowa Administrative Code, other state and federal laws and regulations, and processes specifically related to the Program Integrity functions. These staff are both mentored and monitored over the first three months of their employment, to assure education was effective, and the employee is performing at an appropriate level. Staff members who are not performing at a satisfactory level will be evaluated for potential remedial education or replacement, as deemed necessary by their supervisor.

6.1.5 Operational Procedures Documentation

All contract fulfillment procedures are currently maintained in the Department-prescribed format. This includes using the appropriate header and footer and no reference to HCE as a corporation. The SUR procedures can be located at the following link, **\\dhsime\surs\OperationsManual\CURRENTPROCEDURES**.

All contract fulfillment procedural changes will be completed within 10 days after determination that a change is necessary. Changes to existing or new procedures are submitted to the PI Director for approval of content. Once they are approved by the PI Director they are updated on the State server. The Program Integrity Account Manager will notify the appropriate State staff that changes to the online procedures have been made. HCE tracks all operational procedural

changes within the SUR Database. This allows HCE to track date and content changes and allows for version control numbering.

All Program Integrity contract fulfillment procedures will continue to be maintained in an electronic version. The path listed in **6.1.5 (a)** is currently used to access these procedures. All updates presented to the PI Director for approval are in an electronic format.

HCE follows a standard naming convention for all the on-line contract fulfillment procedures. HCE recognizes that the procedures are the property of the State and thus there are no references to HCE in any of these documents.

6.1.6 Security and Confidentiality

HCE and Thomson Reuters will maintain a secure facility for work performed in locations operated by Thomson Reuters, as well as in the Iowa Medicaid Enterprise. We understand and will continue to abide by the Federal Information Processing Standards (FIPS) described in the following publications.

- Automatic Data Processing Physical Security and Risk Management (FIPS PUB.31)
- Computer Security Guidelines for Implementing the Privacy act of 1974 (FIPS PUB.41)

Thomson Reuters Data Center

Confidential Information – Not to Be Released to Third Parties

Thomson Reuters provides in this section various descriptions of their Data Center security

End of Confidential Information

HCE and Thomson Reuters understand the importance of, and will continue to safeguard data and records from alteration, loss, theft, destruction, or breach of confidentiality, in accordance with both State and Federal statutes and regulations. All activity covered by the contract will continue to be fully secured and protected. Protective devices, such as locking metal cabinets and locking overhead storage bins in individual offices, have been used over the course of the current contract and these will continue to be used. Staff is fully trained in HIPAA requirements, cleaning up work areas at the close of the business day, and locking personal computers when not actively using. We believe in the "principle of least privilege" and will ensure this is followed, so that individuals are not granted any more access privileges to data and records than are necessary for them to perform their assigned tasks.

In addition, Thomson Reuters has undergone a SAS 70 Type II audit, completed by Ernst & Young for the past five years. Each year, Thomson Reuters received SAS 70 Type II certification without exception. This certification covers the key controls involved in the Thomson Reuters processes in our service center, as well as the environment in which our solutions are developed and maintained. All key controls were tested for operating effectiveness and the objectives of the controls were fully met in every instance. The SAS 70 Type II report details 12 major control objectives and 67 individual key controls encompassed by the certification. Any given customer can determine which of these control objectives and key controls would be applicable to their particular relationship with our organization and to their specific Sarbanes-Oxley audit requirements.

The HCE team understands that safeguards designed to assure the integrity of system hardware, software, records, and files include the following:

- Orienting new employees to security policies and procedures
- Conducting periodic review sessions on security procedures
- Developing lists of personnel to be contacted in the event of a security breach
- Maintaining entry logs for limited access areas
- Maintaining an inventory of Department-controlled IME assets, not including any financial assets
- Limiting physical access to systems hardware, software and libraries
- Maintaining confidential and critical materials in limited access, secured areas

HCE has continually practiced the above safeguards during our current contract. For example, a separate section is provided in our employee orientation schedule and documentation covering these safeguards and new employees are required to sign off on this section indicating they have received the requisite training. There is also time devoted in regular IME SUR staff meetings to discussing HIPAA safeguards and identifying any instances of breach of security. These discussions, along with any necessary corrective action implemented, are documented in our quarterly HIPAA Compliance Report that is deliverable to the Department.

Thomson Reuters requires all employees sign a confidentiality agreement acknowledging that any unauthorized use or disclosure of a customer's private information constitutes grounds for dismissal. Every new employee receives data privacy, confidentiality, and security training. As

the CSO periodically updates the company's data privacy, confidentiality, and security policies and procedures, every Thomson Reuters employee receives training on the changes. Each employee is retrained each year and must pass a recertification test.

Thomson Reuters takes confidentiality and security very seriously, and have historically taken steps beyond HIPAA to prevent security compromises. We have many Data Security Managers (DSMs) and Local Security Managers (LSMs) throughout the organization who are specially trained to recognize incidents and act as resources for staff. Should an incident occur, it is the job of the employee or LSM to forward the incident to our Corporate Security Officer (CSO) to determine whether a breach has occurred. If a breach has occurred, our CSO will oversee all necessary communication. Breaches of security are considered to be serious, and punishment can include termination.

Building Security

The HCE team understands DHS will be responsible for physical building security and for the day-to-day maintenance costs of the facility and that DHS will provide 24-hour, 7 day per week security for the premises. A manned reception area will continue to be maintained to ensure security of files, hardware, software, and other materials.

Data Center Security

Confidential Information – Not to Be Released to Third Parties

Provided in this section are various descriptions of Thomson Reuters Data Center security.

End of Confidential Information

6.1.7 Accounting

HCE maintains all accounting and financial records to such an extent and in such detail as will properly reflect all direct and indirect costs and expenses for labor, materials, equipment, supplies, services, etc., for which payment is made under this contract. We maintain accounting records in accordance with generally accepted accounting principles (GAAP). Records will be maintained separately and independently of other accounting records of the company.

As a federal contractor, HCE is subject to annual audits conducted by a national certified public accounting (CPA) firm in accordance with OMB circular A-133, entitled Audits of States, Local Governments, and Non-profit Organizations. These audit reports also are submitted to the Office of Inspector General (OIG) for the Department of Health and Human Services

Additionally, as a federal government contractor, HCE is subject to annual incurred cost submissions and contract closeout audits by the Defense Contract Audit Agency (DCAA). There have been no significant audit findings or material weaknesses in HCE's internal controls that

have resulted from any of these audits. The latest fiscal year audit resulted in an Unqualified Opinion, the highest rating. Board members are not directly involved in these audit functions. The Board of Directors is attentive to a high professional code of ethics and the overall well-being of the corporation, as demonstrated through its review of monthly financial and audit reports. The external CPA auditors meet with the Board Treasurer to review the annual audit report.

We understand the requirement for maintaining accounting records for five years following the date of the final payment for the contract.

6.1.8 Banking Policies

HCE, as the current IME SUR contractor, receives many checks and money orders on a daily basis related to recoveries of overpayments discovered in reviews of provider utilization of Medicaid services. We are responsible to account for, process, and apply to Accounts Receivable all incoming checks and money orders intended to satisfy provider overpayments and such other recoveries appropriately identified by IME SUR. We describe below the process we will continue to use in logging and preparing all such payments for the required deposit and to support other related activities. HCE understands and acknowledges only the IME Revenue Collections Unit will make the actual, physical deposits.

6.1.8 a. Log and Prepare All Payments for Deposit

Each morning, and throughout the day, the IME SUR unit Payment Integrity Specialist, or designee, accesses the OnBase Client Workflow InBox to view images of all checks, not previously reviewed, that are being made ready for deposit, and to identify such checks that appear to satisfy outstanding receivables, either fully or in part, as determined by IME SUR. The Provider Information Table in the SUR-maintained database reflects all current providers on whom a review is being conducted or to whom an overpayment or other payment of Medicaid funds, deemed inappropriate, has been made, identified, and is currently outstanding.

In the OnBase Workflow InBox, check documents are arranged in ascending Julian date order and according to the time they were “dropped into” OnBase. A document may include just one check or several hundred checks. When any such check has been identified as a SUR check staff will utilize the OnBase procedure for logging each check on behalf of SUR and for deciding whether the check may be deposited or must be held, returned to the provider, or deemed void.

To log a check and identify it with the SUR unit, staff gives attention to the following information.

- Check Date
- Check Number
- Check Principal
- Check Principal Classification
- Check Total

- Name of Payor
- Party On Behalf Of (If Applicable)
- CCN (Cash Control Number, assigned by SUR)
- Check Description
- Financial Institution
- Check Status (Deposit, Hold, Return, Void)

The logging process includes SUR staff assigning a Cash Control Number (CCN) to each SUR check. A portion of this number makes reference to the Julian date (i.e.: 2009, 180th day). Another portion refers to the IME Unit number, and the last portion indicates the number of the check in the batch in question.

For purposes of classifying the principal amount of the check, there are currently 16 sub-accounts in the State's Medicaid Recovery Account. The IME SUR Unit has its own check classification category. The check principal amount in most cases is the entire check amount.

SUR staff makes a decision regarding the status of a given check. Based on supporting documentation the check is either deemed ready for deposit or will require special treatment. For example, there is a need to address checks and/or supporting attachments that bear the words "Paid In Full" or similar language. Due diligence is exercised with checks from, for example, an attorney that may imply payment in full. In these cases, staff consults with the SUR Unit Account Manager, and in some cases the state Attorney General's office.

When all required check or money order information that has been identified as SUR recoveries has been entered, staff closes the indexing process. This moves all logged checks within the respective documents into a "completion" queue. Checks stored in this queue are referenced and their log information becomes available for printing or other purposes.

At the end of each particular reviewing session, staff makes a note of the "queue time" of the last check observed. A log of these cutoff points is kept in an Excel spreadsheet and serves as a marker for determining which checks are new during the next review session and which ones staff has already reviewed.

Checks deemed ready for deposit by IME SUR are directed to a special Deposit queue within OnBase where they are then gathered by the IME Revenue Collections Unit for physical deposit. The queues containing all checks ready for deposit and those checks that have been identified and claimed by a specific work unit can be accessed and viewed by the SUR unit. If a check has been claimed in error by another work unit, this affords all work units an opportunity to view these additional queues for checks they may be expecting.

HCE continually meets or exceeds the performance requirement of logging and indexing checks on behalf of the SUR unit within one business day of the check's arrival into the appropriate Check Queue. This is one of the performance indicators on the Monthly and Quarterly Performance Scorecards HCE submits to the Department.

6.1.8 b. Assist in Maintenance of Existing Check Classification Code Schematic

During the process of identifying and preparing checks for deposit it may come to HCE's attention the need for a new check classification code or other, similar action. HCE continually participates in the maintenance and updating of the Department's check classification code schematic. SUR utilizes more than one check classification code on a daily basis. There is a code for regular SUR accounts receivable, one code for provider fraud and abuse cases, a code representing 100% state funds, and codes representing 100% Federal funds.

An example of our participation in this process occurred in 2006 when HCE received a recovery check representing 100% Federal funds as a result of a case review of a Local Education Agency. At the time the check was received there was no available check classification for a recovery consisting of all Federal funds. HCE utilized the IME OnBase Change Request (OBCR) process to create two (2) new check classification codes. One represents 100% Federal funds for regular Title XIX and the other represents 100% Federal funds for Title XIX Refugee.

6.1.8 c. Assist in Reconciliation of Monthly Title XIX Recovery Account

HCE's Payment Integrity Specialist routinely provides assistance to the Department's Division of Fiscal Management in reconciliation of the monthly Title XIX Recovery bank account. This assistance is on a monthly basis and consists of an export and transmission of Accounts Receivable and related recoupment information, appropriately identified by IME SUR, to the State Data Warehouse at the end of each month.

After all findings or discovery letters, revisions to previously identified overpayment amounts, recovery checks and money orders, and claims offsets are recorded into the SUR Accounts Receivable database for a given month, the information is provided to the State Data Warehouse by creation of a special Accounts Receivable template file. This file is utilized by the Division of Fiscal Management for both CMS-64 reporting purposes and the monthly Title XIX recovery account reconciliation process in a timely manner.

A special query is used to export this information from the SUR Accounts Receivable database into a specially-formatted spreadsheet. Each IME unit issuing overpayment invoices to providers and processing checks and other refunds is responsible for completion of an Accounts Receivable spreadsheet and providing this information to the Data Warehouse.

In the design-view of the above query the month-end date in the Month field reflects the month for which accounts receivable information is desired. This query is designed with the following column headings.

- ✓ Month
- ✓ Unit
- ✓ Entity
- ✓ Entity Nbr
- ✓ Deposit Control Number
- ✓ Type
- ✓ Invoice Date
- ✓ Invoice Nbr
- ✓ Adj Date
- ✓ Begin Bal
- ✓ Inv Amt
- ✓ Pos Adj Amt
- ✓ Pmt Amt
- ✓ Offset Amt
- ✓ Red Amt
- ✓ End Amt
- ✓ Deposit Date
- ✓ Notes

The information presented in the query reflects all new overpayment determinations for the month in question and all checks received or claims offsets occurring on all new overpayments as well as those outstanding and carried over from the previous month. Once HCE creates this spreadsheet file it is saved and named after the month for which it is created. HCE maintains a complete history of all accounts receivable transactions in order to allow the Division of Fiscal Management the opportunity to not only reconcile the current month's recovery account but to make any historical reconciliation adjustments as may be necessary.

For recovery account reconciliation purposes HCE's Accounts Receivable file includes the check's deposit date, OnBase Document Control Number, check number, and other helpful notes. For IME SUR Unit recoveries, if a check or money order is received, the day following the receipt of the instrument is considered the date of deposit. The document control number may be either the OnBase Document Control Number of the image of the check or money order, or it may be the cash control number assigned to the instrument. The notes section is intended for key words or other small notations but is intended to include such indications as to whether the recovery represents 100% Federal funds, 100% State funds, etc.

Once Accounts Receivable information is complete for the month, the file is stored on the IME local network and is retrieved by the Data Warehouse staff. The file is then uploaded to the DHS IME Web site.

Once the Accounts Receivable files are loaded to the IME Web site, and before the fifth business day of the succeeding month IME SUR verifies the accuracy of the uploaded file sent to the Data Warehouse. This verification ensures Fiscal Management the file is complete and there is no loss of data during the process of uploading files to the website. Any discrepancies are reported to the Data Warehouse immediately. As stated above, this Web site file is utilized by Fiscal Management for both quarterly CMS-64 reporting purposes and the recovery account reconciliation in a timely manner.

6.1.9 Payment Error Rate Measurement (PERM) Project

a. HCE is familiar with the PERM project and was involved in the SUR functions related to PERM for both the 2005 and 2008 review years. We are well prepared to assist the Department in upcoming PERM reviews, including the review scheduled for 2011.

b. HCE staff works closely with all areas of IME involved in the PERM audits, but particularly has focused on the Program Integrity aspects of the audits in the prior review years. SUR has had the responsibility of making all cost recovery associated with a PERM finding. The PERM contractor uses a Web site known as State Medicaid Error Rate Findings (SMERF) to log all review findings. SUR accesses the SMERF Web site on a daily basis during the PERM review period. All information needed by SUR to pursue PERM recoveries is located in the "Final Recovery" section of the SMERF Web site. Once an item for recovery is noted in the "Final Recovery" section, a Final Demand letter is prepared citing the appropriate reference within the Iowa Administrative Code and the overpayment amount noted by the PERM contractor is inserted in the letter. The

Final Demand letter does afford the provider appeal rights. Any appeal resulting from a PERM finding is the responsibility of SUR to defend in front of an Administrative Law Judge. Overpayments resulting from PERM findings are treated like all other SUR overpayments and are tracked, recovered and reported to Fiscal Management through the CMS-64 report.

6.1.10 Subcontractors

HCE and Thomson Reuters understand that as a subcontractor, Thomson Reuters, must comply with requirements of the contract related to performance standards.

6.1.11 Regulatory Compliance

HCE currently is a contractor with the Centers for Medicare & Medicaid Services (CMS) for federal Medicare Quality Improvement Organization (QIO) contracts, as well as with several state Medicaid agencies (Iowa, Ohio, Arizona, and Utah). We are aware of federal and state requirements, including HIPAA, and are compliant with all requirements. HCE monitors ongoing legislation and will make any adjustments to processes or procedures necessary to maintain compliance with all applicable regulations.

Thomson Reuters also fully complies with all federal and state privacy and security requirements within our operations, including all HIPAA requirements. They exceed HIPAA requirements in some areas, such as training. HIPAA Privacy and Security requirements are a foundation for Thomson Reuters' internal privacy and security policies and procedures, as the confidentiality and safety of the information in their possession is of the utmost importance.

There are several companies that "certify" business associates as being in compliance with HIPAA. Thomson Reuters' approach to ensuring HIPAA requirements are met is to conduct a SAS-70 Type II audit annually.

HCE has established corporate policies, including physical security measures, related to HIPAA compliance, as well as other regulatory compliance, and employs a Compliance Officer who reports directly to the Board of Directors. All HCE employees are required to sign confidentiality agreements upon employment and confidentiality guidelines are reviewed annually. Every employee is responsible for maintaining confidentiality of protected health information, and the following protocols are followed.

- ✓ Suite access is through proximity or key access (identification badge in state office sites)
- ✓ Computer are locked when not in use (press Ctrl, Alt, Delete keys at the same time to lock computer
- ✓ Passwords are required for electronic access of protected programs
- ✓ E-mailing confidential information is prohibited
- ✓ Electronic transmission of confidential information must be through an encrypted program

- ✓ Employees may not share passwords, leave written passwords in their work area, or store passwords online

Thomson Reuters has developed highly effective practices for protecting confidential information. In 1997, in response to increased customer attention to confidentiality issues and in anticipation of government privacy regulations, they initiated a comprehensive review and further enhancement of our privacy policies. Thomson Reuters' policies cover:

- Protection of explicit identifiers whenever possible by removing personal identifiers (e.g., name, address, phone number) or masking/encrypting needed identifiers (e.g., employee number, Social Security Number)
- Clear privacy and confidentiality policies and procedures for Thomson Reuters employees and contractors and for external release of data
- Privacy and confidentiality policies and procedures in subcontractor agreements by removing personal identifiers (e.g., name, address, phone number) and encrypting identifiers
- Clear guidelines for release of data to outside third parties (e.g., researchers and consultants) when this is requested by our customers
- Orientation and periodic refresher training of all employees on confidentiality policies
- Holding employees accountable to protect patient privacy

Thomson Reuters pioneered many of the HIPAA requirements with their policies and procedures, making them an industry leader in the area of patient privacy and security. They continue to refine policies and procedures, many of which have been in place since the company's inception in 1981. Their policies and practices are equally applied to their applications, including those proposed for IME.

6.1.12 Audit Support

HCE, as the current IME SUR contractor, has provided support to the IME in audits conducted by external agencies. We have worked with the auditing agencies to identify appropriate reports, medical records, and other pertinent information necessary for efficient conduction of the audit, and will continue to do so as the Program Integrity contractor.

6.1.13 No Legislative Conflicts of Interest

HCE has no lobbying arm and is not involved with, nor supports any legislation impacting the Medicaid program. None of the lobbyists working for Thomson Reuters (Healthcare) Inc. at the state or federal level are involved at this time in proposing, advancing, or opposing any legislation that impacts in any way the Medicaid program.

HCE has no legislative conflicts of interest at this time and does not anticipate such; however, in the event of any changes to this, we will immediately notify the IME. Thomson Reuters (Healthcare) Inc. agrees to promptly inform the IME and its prime contractor as necessary of any changes to the assertions made in responses to all parts of Section 6.1.13. This reporting will

take place as soon as knowledge of the change is received whether prior to proposal submission, prior to contract award, or during the contract administration phase of an awarded agreement.

HCE and Thomson Reuters (Healthcare) Inc. acknowledge the requirements regarding legislative conflicts of interest and agree that they will not be involved with or support legislation which would pose a conflict of interest, nor will they pursue any legislation that would provide a competitive advantage to their organizations.

6.1.14 No Provider Conflicts of Interest

HCE has no ownership interest in any health care provider or provider organization and will not acquire interest that would present a real or potential conflict of interest during the course of this contract. Thomson Reuters (Healthcare) Inc. warrants that it has no ownership interest in and, further, will not acquire any ownership interest in any provider business or organization that would present either a potential or actual conflict of interest that could in any manner influence its obligations under any contract or subcontract resulting from this solicitation.

HCE acknowledges that if it contracts with any provider under its purview as an IME contractor, it will subcontract to another agency to perform any reviews related to that provider. HCE does not anticipate having any contracts with providers that would pose a conflict of interest under this contract. Thomson Reuters (Healthcare) Inc. monitors its engagements with provider organizations as part of its ongoing compliance efforts that are designed to avoid potential and actual organizational conflicts of interest. It agrees to utilize this function to identify providers for which it asked to provide a desk review or on-site audit to ensure that these providers are not Thomson Reuters (Healthcare) Inc. customers.

HCE maintains the strictest confidence with information obtained from its contracts, and will not share such information with any organization that could profit from inside knowledge. It is the corporate policy of Thomson Reuters (Healthcare) Inc. to prohibit any information gleaned from an engagement with a customer from being made available either to its own staff working on engagements with other Thomson Reuters (Healthcare) Inc. customers, as well as prohibiting the direct migration of such information to its customers or any other entity.

HCE will disclose any representation on the board of directors of external entities. No information obtained through this contract will be shared with external entities. Thomson Reuters (Healthcare) Inc. also agrees that it will disclose its membership or other representation (either corporate or personal participation) on the board of directors of outside entities. The firm agrees not to utilize any information gained from its participation in a contract or subcontract arising from this solicitation to influence the actions of any entity, whether through voting, speaking, written communication, or any other means whatsoever.

Neither HCE nor Thomson Reuters (Healthcare) Inc. has an ownership stake in any provider or provider organization either in the United States or anywhere else.